

ASX Release

29 January 2016

**Southern Crown
Resources Limited**

ABN: 52 143 416 531

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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

DECEMBER 2015 QUARTERLY ACTIVITIES REPORT

During the quarter ended 31 December 2015, Southern Crown Resources Limited ("**Southern Crown**" or "**the Company**") announced it had executed a conditional exclusive option agreement to acquire 100% of the breakthrough global logistics sharing economy technology company, Yojee Pty Ltd ("Yojee"). The Company paid an option fee of \$50,000, to secure the exclusive right to conduct due diligence on Yojee.

Yojee

As set out in the Company's announcement on 23 December 2015, Yojee is a company focused on developing a cloud based logistics sharing-economy technology, focussing initially on the Asia Pacific region. Yojee was founded on the basis that:

- Opportunities in e-commerce are growing at a rapid rate;
- the global population is embracing the sharing-economy; and
- logistics companies have not adapted to the changing nature of consumerism.

Yojee is focused on developing an easy to use, cloud based 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 boom.

The sharing economy is a model built around the sharing and pooling of resources between peers and businesses. The sharing-economy has proven especially successful when the price of a particular asset is high and the asset is not fully utilized all the time. Examples of prominent sharing-economy businesses include AirBnB in the rental and holiday accommodation space, Uber in passenger transport and AliBaba as a pooled online marketplace. This philosophy is particularly interesting for its ability to expand globally at rapid pace leveraging these shared resources.

Joint Lead Manager

Subsequent to the end of the quarter, Southern Crown 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.

Yojee Business model

Yojee is currently in the development phase and building a best of breed software platform. Subject to completion of the Transaction, Yojee will focus on building its technology platform and identifying and securing cornerstone customers for the business.

Yojee's business model will focus on bringing together individuals and businesses who require to send parcels, items and bulk deliveries. Its platform will enable those businesses and individuals to send requests to carriers, who can be independent or representing multi-vehicle logistics companies, and manages the routing and hand-over for local, cross border and International delivery of those parcels, items or bulk deliveries.

The ability to generate both supply and demand on the sharing-economy platform means that the network could be used by businesses to generate growth without capital expenditure, meaning growth is limited only to the continued pervasive adoption and not the financial capability of the business to make significant capital outlays required to otherwise acquire vehicles and buildings necessary for slow incremental growth in the traditional logistics network model.

Through the development phase, Yojee is evaluating a number of both traditional and new pricing models for its platform, however participation as both a sender and a carrier will be free, much the same as other sharing-economy platforms such as Uber, AirBnB and AliBaba.

Regional Logistics Market Opportunity

The global logistics market is expected to grow 6.8% year on year through to 2018¹, with the annual revenue of the Australian logistics market alone of \$101bn and annual growth from 2011-16 averaging 2.9% which is expected to increase to 3.1% through 2021². Malaysia and Indonesia have been identified amongst the worlds fastest growing Logistics markets in the world. Malaysia was a \$45bn logistics market growing at over 10% year on year, whilst Indonesia's logistics market is estimated at \$29bn with year on year growth at almost 15%.³

Board Changes

Subsequent to the end of the quarter and 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.

¹<http://www.prnewswire.com/news-releases/global-contract-logistics-market-2014-2018---market-to-grow-at-a-cagr-of-68-300095357.html>

²<http://www.ibisworld.com.au/industry/default.aspx?indid=1920>

³<http://www.frost.com/prod/servlet/press-release.pag?docid=272401642>

Transaction Summary

Subsequent to the end of the quarter, the Company executed definitive agreements and exercised its option to acquire 100% of Yojee. The Company has also paid a \$250,000 non-refundable option fee.

A notice of meeting containing all necessary information is expected to be dispatched to shareholders during 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.

Further details of the transaction are detailed in the ASX releases dated 23 December 2015 and 20 January 2016.

AUSTRALIAN PROJECTS

Ropewalk project (EPM 17643)

No fieldwork was conducted on the Ropewalk project during the quarter.

Schedule Of Mining And Exploration Tenements

At 31 December 2015, the Company held the following exploration tenements:

Project Name	Locality	Tenement	Equity
Ropewalk	Queensland	Exploration Permit 17643	100%

FINANCIAL AND CASH POSITION

At 31 December 2015, the Company held cash reserves of approximately \$0.8 million.

As part of a transaction in 2015, Southern Crown provided a A\$420,000 loan to ROMIO to develop and market a social media platform whilst the transaction process and due diligence was being undertaken. The repayment date of the loan was 31 December 2015. The loan has not been repaid. The Company is in discussions with ROMIO regarding the status and recoverability of the outstanding loan repayment and, at its sole election, may convert the outstanding monies to an equity interest in Homepeople Corporation. This will be further considered as part of the preparation for the half year financial statements and audit.

SHAREHOLDER INFORMATION

At 31 December 2015, the Company had 64,501,482 shares on issue with the Top 20 holding approximately 55% of the total issued capital.

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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 <mailto:investor@yojee.com.au>

About Southern Crown Resources:

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.

Competent Person's Statement

The information in this report that relates to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Rhoderick Grivas, an employee of the Company and a Competent Person who is a Member of The Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists. Mr Grivas has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Grivas consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/2013

Name of entity

SOUTHERN CROWN RESOURCES LIMITED

ABN

52 143 416 531

Quarter ended ("current quarter")

31 December 2015

Consolidated statement of cash flows

		Current quarter \$A'000	Year to date (6 months) \$A'000
Cash flows related to operating activities			
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration & evaluation	(10)	(32)
	(b) business development	(63)	(270)
	(c) production	-	-
	(d) administration	(78)	(199)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	5	10
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other (provide details if material)	-	-
Net Operating Cash Flows		(146)	(490)
Cash flows related to investing activities			
1.8	Payment for purchases of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.9	Proceeds from sale of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.10	Loans to other entities	-	(49)
1.11	Loans repaid by other entities	-	-
1.12	Other (provide details if material) – Deposits	10	10
Net investing cash flows		10	(39)
1.13	Total operating and investing cash flows (carried forward)	(136)	(529)

+ See chapter 19 for defined terms.

Appendix 5B**Mining exploration entity and oil and gas exploration entity quarterly report**

1.13	Total operating and investing cash flows (brought forward)	(136)	(529)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	72
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (Authorised & unissued shares)	-	-
	Net financing cash flows	-	72
	Net increase (decrease) in cash held	(136)	(45)
1.20	Cash at beginning of quarter/year to date	906	1,228
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	770	770

Payments to directors of the entity, associates of the directors, related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	55
1.24	Aggregate amount of loans to the parties included in item 1.10	-
1.25	Explanation necessary for an understanding of the transactions	
	Executive and Non-Executive Director Salaries	55

Non-cash financing and investing activities

- 2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

N/A

- 2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

N/A

+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	30
4.2 Development	370
4.3 Production	-
4.4 Administration and Business Development	110
Total	510

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	74	31
5.2 Deposits at call	377	455
5.3 Bank overdraft	-	-
5.4 Other (Term Deposits)	320	420
Total: cash at end of quarter (item 1.22)	770	906

Changes in interests in mining tenements and petroleum tenements

	Tenement reference and location	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements and petroleum tenements relinquished, reduced or lapsed				
6.2 Interests in mining tenements and petroleum tenements acquired or increased				

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

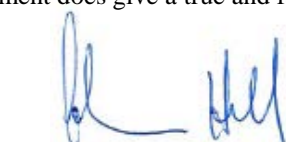
	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference ⁺securities (description)				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 ⁺Ordinary securities	64,501,482	64,501,482	Fully Paid	Fully Paid
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5 ⁺Convertible debt securities (description)				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options (description and conversion factor)	500,000 500,000 2,000,000		Exercise price 0.25 0.35 0.12	Expiry date 2 Jun 2016 2 Jun 2016 31 Mar 2017
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.1 0 Expired during quarter				
7.11 Debentures (totals only)				
7.12 Unsecured notes (totals only)				

+ See chapter 19 for defined terms.

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:



Date: 29/01/2016

Company Secretary

Print name:

Adrian Hill

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements and petroleum tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement or petroleum tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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