



NEVADA IRON LTD

ABN 98 123 423 987

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Company Announcements Officer
Australian Securities Exchange

ASX RELEASE

Highlights:

- Nevada Iron Limited to acquire SportsHero.
- SportsHero is a gamified social sports prediction platform where users can predict, interact and compete on major sports – virtually and in real-time – to become a SportsHero.
- Sports Hero is Asian based and will be targeting users and monetisation in this growing market of 4.4 billion people.
- SportsHero has been developed under Singapore's MyHero, owner and developer of TradeHero, which has been ranked as the world's #1 finance app in over 91 countries, 8 million users.¹
- **Vision:** To be the #1 social network dedicated to sports prediction.
- **Proven Leadership:** CEO Dinesh Bhatia, 25+ years' as entrepreneur, Fast Company's 100 Most Creative People in Business in 2015.²

Nevada Iron Ltd (**Nevada** or the **Company**) is pleased to announce the signing of a Heads of Agreement for the acquisition of the SportsHero business. SportsHero (sportshero.mobi) is Asia's first real-time fantasy sports app and social prediction platform.

SportsHero is the new incarnation of FootballHero, which already has over 250 thousand users³ who will migrate over to SportsHero. The app has an average engagement time of approximately 10 minutes per user each day. It allows sports fans to make better predictions on the outcomes of games by harnessing the power of all the other sports fans in its social community with validated prediction results and social sentiment. Sports included in the app at launch are football (soccer), tennis, basketball, cricket and baseball. Particular emphasis will be placed on local leagues and local teams, with a view to building the overall sporting ecosystem in each market.

SportsHero is also a social competition platform where top ranked fans stand to win daily, weekly and monthly prizes. Fans can interact with fellow sports fans on the SportsHero network in a number of ways to make any game more interesting and engaging. Brands can tap SportsHero to engage its user base, opening official accounts with sponsored content. The app will also feature in-app virtual currency, available via SportsHero Points and Golden Tickets, exchangeable for merchandise, event tickets and other items on the SportsHero website (sportshero.mobi).

Level 2, 91 Havelock Street, West Perth WA 6005 | PO Box 315 West Perth WA 6872

Tel: +61 8 9481 2006 **Fax:** +61 8 9481 0052

www.nv-iron.com



Dinesh Bhatia, CEO and Co-founder of SportsHero, said: “We have seen very promising success with TradeHero in gamifying financial learning and stock trading, driven by community engagement. There’s a very strong correlation between finance and sports – we saw the opportunity to replicate this success with SportsHero, tapping into the fast growing Asian and global eSports markets. The vision is to be the number one social network dedicated to sports in the world. We will do this by helping fans and brands monetise their passion for sports, using SportsHero.”

SportsHero’s growth will be driven by the fast-growth of sports prediction and eSports, rising mobile penetration, as well as the increasing prevalence of a sporting culture, particularly across Asia.

SportsHero is well placed to compliment traditional sports revenues by opening up new revenue streams for brands. Newzoo estimates the eSports market was valued at US\$463 million in 2016 and will reach US\$1.1 billion by 2019.⁴ Of this, the same report shows that the Asia-Pacific region will account for 44 percent of the overall eSports audience in 2016. North America is the largest market in the world, with Asia expected to be the fastest growing market, accelerating over 20 percent annual growth rate and over 29 percent annual revenue growth rate from 2012 to 2017. Key to supporting the growth in eSports, particularly for SportsHero’s mobile app, is rapid smartphone penetration. Smartphone adoption in Asia Pacific will nearly double from 1 billion unique users in 2014 to 2 billion users in 2019, according to Forrester’s estimates.⁵

Over the next 12 to 18 months, SportsHero plans to roll out support for additional sports including table tennis and badminton. The app will continue to be focused on making more people enjoy games, matches and competitions by getting more involved in predicting the outcome based on social sentiment on the platform, as well as personal sentiment – all within a fun and engaging environment.

The Company confirms having today entered into a Heads of Agreement (**HoA**) with Sportz Hero Pty Ltd, a company incorporated in Australia (**SPA**) that has the right to acquire 100% of SportsHero Pte Ltd, a company incorporated in Singapore (**SPS**) and owner of 100% of the SportsHero business. Pursuant to the HoA Nevada is to acquire 100% of SPA via the issue of 70,000,000 pre Consolidation (see definition below) Nevada shares and 70 million pre Consolidation (see definition below) options to acquire Nevada shares at an exercise price of \$0.015 per Nevada share and each option expiring 30 June 2019.

SPA has \$0.7m in cash, no liabilities and following the investment of US\$0.5 million into SPS will be the beneficial owner 16.67% of SPS and has an option to acquire a further 23.33% of SPS through the placement of SPS shares on or before 31 December 2016 to raise not less than US\$1.9 million. In addition SPA has a further option to acquire an additional 60% of SPS (ie 100% ownership), by no later than 31 December 2018, for a consideration of US\$10.8m to be satisfied by the issue of up to 100 million post Consolidation (see definition below) Nevada shares. Should SPA acquire 100% of SPS, then an additional 40 million post Consolidation (see definition below) Nevada shares will be issued to the nominees of SPS.



Nevada Chairman, Mick McMullen said: “The transaction provides Nevada with a viable funding route to achieve shareholder value and with the proposed transaction structure that caps the maximum dilution to existing shareholders.”

Nevada has arranged a placement of 10,389,530 Nevada shares at an issue price of \$0.01 per share (**Placement**) and the placement of 20,000,000 Nevada convertible notes with a coupon rate of 5% per annum and an issue price of \$0.01 per note (**Note Issue**). The Placement and Note Issue will raise working capital for Nevada of \$103,895 and \$200,000 respectively (before costs).

Following completion of the Placement, other than Mr McMullen, all of the Nevada Board members will resign and Messrs Howard Dawson and Christopher Green will appointed as Directors of Nevada.

Pursuant to the HoA and subject to the receipt of shareholder approval, Nevada has agreed to:

- enter into an sale agreement for the sale of 100% of Nevada’s interest in the Buena Vista Iron Project;
- undertake a 1 for 2 consolidation of Nevada’s share capital (**Consolidation**);
- issue Sunshore Holdings Pty Ltd (or nominee) 25 million pre Consolidation Nevada shares in consideration for expenses incurred by Sunshore in relation to the acquisition by Nevada of SPA; and
- change the name of the Company to SportzHero Limited.

Completion of the acquisition of SportsHero by Nevada is conditional upon the satisfaction (or waiver) of the following conditions precedent:

- (a) execution of all transaction documents by all necessary parties;
- (b) Nevada showing nominal assets and liabilities (other than those liabilities properly incurred in relation to the transaction) post the sale of the Buena Vista Iron Project;
- (c) Nevada completing a due diligence on, SPS, the SportsHero business and SPA to the satisfaction of Nevada;
- (d) SPA investing not less than A\$0.7 million into SPS within 7 days of the date of this Heads of Agreement;
- (e) all necessary shareholder approvals being obtained, including:
 - (i) holders of SPA shares approving the transaction; and



- (ii) Nevada shareholders approving the transaction in accordance with applicable ASX Listing Rules including a change in the nature and/or scale of Nevada's activities in accordance with ASX Listing Rule 11.1.2, the allotment and issue of the Nevada shares, the election of new directors, the Consolidation and a change of company name;
- (f) all necessary ASX, governmental and regulatory consents and approvals being obtained for completion, including compliance with Chapter 6 of the Corporations Act 2001, and for the continued listing of Nevada and quotation of its shares on ASX following completion;
- (g) Nevada complying with any requirements of ASX including, if necessary, receiving conditional approval to have its shares re-admitted to trading on the Official List of ASX and those conditions being satisfied to the reasonable satisfaction of the parties (as required by ASX Listing Rule 11.1.3); and
- (h) Nevada preparing a prospectus to raise a minimum of \$2.5 million at an issue price of at least \$0.02 per Nevada share (on a post Consolidation basis) (**Prospectus**), lodging the Prospectus with the Australian Securities & Investments Commission (**ASIC**) and receiving applications to meet the minimum subscription. As set out in the table below, it is intended that the Prospectus issue price will be not less than \$0.05 per Nevada share.

Proposed Capital Structure

	No of Shares	No of Options
Existing securities	69,263,566	9,815,882 ¹
Placement	10,389,530	
Note Issue	20,000,000	
Issue to Sunshore Holdings Pty Ltd	25,000,000	
Consideration for acquisition of 100% of SPA	70,000,000	70,000,000
Total securities on issue	194,653,096	79,815,882
1 for 2 consolidation	97,326,548	39,907,941
Prospectus – not less than \$2,500,000 @ \$0.05 per Share	50,000,000	
Number of securities at listing date	147,326,548	39,907,941

Note 1 300,002 options each exercisable at \$1.20 and expiring 31 October 2016, 60,000 options each exercisable at \$0.51 and expiring 31 December 2017, 60,000 options each exercisable at \$0.62 and expiring 31 December 2017; 9,385,880 options each exercisable at \$0.10 and expiring 30 September 2017.



Transactions subsequent to acquisition of 100% of SPA and ASX listing

Subsequent to the acquisition of 100% of SPA and the ASX listing of the Company, it is intended that on or before 31 December 2016 SPA will acquire an additional 23.33% of SPS by subscribing for an additional US\$1.9 million in SPS shares.

On or before 31 December 2018, SPA can acquire an additional 60% of SPS (ie SPA will then own 100% of SPS) for the consideration of US\$10.8 million to be satisfied by the issue of not more than 100 million post Consolidation Nevada shares. Should SPA acquire 100% of SPS, then the Company will issue a further 40 million post Consolidation Nevada shares to nominees of SPS.

Proposed Timetable

An indicative timetable for the acquisition of SPA and associated corporate activities is set out below:

Event	Date
Announcement of transaction	20 May 2016
General Meeting to approve acquisition	15 July 2016
Lodge Prospectus with ASX & ASIC	18 July 2016
Complete Prospectus capital raising	Aug 2016
Re-instatement to trading	Aug/Sept 2016

The timetable set out above is indicative only and is subject to change. Nevada will keep shareholders informed on the timing of implementing the transaction as it progresses.

[sent electronically without signature]

Michael Higginson
Company Secretary

¹ Source: App Annie data for TradeHero and 全民股神 (TradeHero's Chinese language app)

² Source: Fast Company Magazine: Most Creative People in Business in 2015: Dinesh Bhatia, For teaching aspiring investors to make the leap, Published May 11, 2015

³ Source: Localytics data for SportsHero

⁴ Source: NewZoo (2016 Global eSports Market Report) – Published January 2016

⁵ Source: Forrester (Asia Pacific Mobile And Smartphone Adoption Forecast, 2014 To 2019) – Published 20 July 2015