

NEVADA IRON LIMITED

ABN 98 123 423 987

ASX ANNOUNCEMENT

27 September 2016

Company Announcements Officer
Australian Securities Exchange

SportsHero Agreements Executed

The Company refers to its announcements dated 20 May 2016 and 28 July 2016 concerning the acquisition of the SportsHero business and is pleased to advise that following consultation with ASX and the receipt of certain ASX waivers, the renegotiation of the SportsHero acquisition terms has now been completed and documented. The Company is therefore pleased to announce that it has today executed the following agreements in relation to the acquisition of 100% of the SportsHero business (**Acquisition**):

- Share Purchase Agreement - for the acquisition of 100% of the issued share capital of Sportz Hero Pty Ltd (**SPA**);
- Share Sale Agreement – whereby SPA acquires an additional 83.33% of SportsHero Enterprise Pte Ltd (**SPS**), making SPS a 100% owned subsidiary of SPA. SPS is a company incorporated in Singapore and owner of the SportsHero business

(collectively the **Agreements**).

Key terms of the Share Purchase Agreement

Subject to satisfaction of the conditions precedent (summarised below), the Company will acquire 100% of SPA in consideration for the issue of 36,000,000 Post Consolidation Shares (see below) and 72,000,000 Options each exercisable at \$0.05 and expiring 31 August 2019.

The Company will prepare and lodge a prospectus for the issue of up to 125,000,000 Post Consolidation Shares at an issue price of not less than \$0.02 per Share to raise a minimum of \$2,500,000 plus oversubscriptions of up to a further 50,000,000 Post Consolidation Shares to raise up to a further \$1,000,000. It is, however, the Company's intention that the issue price be \$0.05 per share. (**Placement**).

Following completion of the Acquisition, the Company will issue to Sunshore Holdings Pty Ltd (or its nominee) 12,500,000 Post Consolidation Shares in consideration for introducing and assisting with the Acquisition.

As required by the ASX Listing Rules, the Company will undertake a consolidation of its issued capital on the basis of one (1) Share for every two (2) Shares held (**Consolidation**).

Approval for the Consolidation will be sought at the General Meeting.

Conditions Precedent of the Share Purchase Agreement

Completion of the acquisition of 100% of the issued capital of SPA under the Share Purchase Agreement is subject to satisfaction (or waiver) of a number of conditions, including:

- simultaneous completion under the Share Sale Agreement (see below);
- the Company obtaining all necessary Shareholder approvals required in connection with the Acquisition, including the Company's shareholders approving the change to the nature and scale of the Company's activities resulting from the Acquisition;

NEVADA IRON LIMITED

ABN 98 123 423 987

- the Company obtaining all necessary ASX, governmental and regulatory consents and approvals required in connection with the Acquisition;
- the Company complying with any requirements of ASX including, if necessary, receiving conditional approval to have its shares readmitted 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);
- the Company preparing a prospectus, lodging the prospectus with the ASIC and receiving applications to meet the \$2,500,000 minimum subscription; and
- the SPA shareholders entering into restriction agreements as required by ASX.

Key terms of the Share Sale Agreement

SPA is the owner of 16.67% of SPS.

Subject to satisfaction of the conditions precedent (summarised below), SPA will acquire an additional 83.33% of SPS in consideration for the issue of 60,000,000 Post Consolidation Shares.

Conditions Precedent of the Share Sale Agreement

Completion of the acquisition of an additional 83.33% of SPS under the Share Sale Agreement is subject to satisfaction (or waiver) of the following conditions:

- simultaneous completion under the Share Purchase Agreement (see above);
- the SPS Shareholder entering into a restriction agreement as required by ASX.
- all conditions precedent under the Share Purchase Agreement being satisfied or waived .

Approval for the Acquisition, which includes a change in nature and scale of activities of the Company, will be sought at a General Meeting which is expected to be held in November 2016.

Placement and Prospectus

In order to fund the Acquisition, to re-comply with Chapters 1 and 2 of the ASX Listing Rules and meet the conditions of the Agreements, the Company will conduct the Placement to raise at least \$2,500,000 (before costs). The Placement will be conducted under a full form prospectus to be prepared by the Company. The Company will also offer oversubscriptions for up to a further 50,000,000 Post Consolidation Shares to raise up to a further \$1,000,000.

On 17 August 2016 ASX granted the Company a waiver to ASX Listing Rule 2.1 condition 2 to allow the issue price of the Placement to be not less than \$0.02 per Post Consolidation Share. The waiver was granted on the condition that the Shareholders approve the Placement terms and the Consolidation. It is, however, the Company's intention that the issue price of the Placement will be \$0.05 per Post Consolidation Share.

Approval for the issue of Shares pursuant to the Placement will be sought at the General Meeting.

Sale of Buena Vista Iron Project

As announced on 20 May 2016, the Company agreed to enter into a sale agreement for the sale of 100% of the Company's interest in the Buena Vista Iron Project.

In that regard, the Company has today executed a Binding Heads of Agreement for the sale of 100% of the issued share capital of Nevada Iron Holdings Pty Ltd (**NVH**) to New Nevada Resources LLC and Rhodes Investment Limited.

NEVADA IRON LIMITED

ABN 98 123 423 987

NVH is an Australian incorporated company and via two 100% owned US subsidiaries is the owner of the Buena Vista Iron Project.

Rhodes Investment Limited is a company incorporated in the Turks and Caicos and Mr Mick McMullen is its President. Mr McMullen is a Director of Nevada Iron Limited and also a substantial shareholder with a relevant interest in 5,710,000 shares.

New Nevada Resources LLC is a company incorporated in Florida USA and Mr Heath Rushing is its Managing Member. Mr Rushing resigned as director of Nevada Iron Limited on 21 June 2016 and by virtue of 228(5) of the Corporations Act is a Related Party. In addition, Mr Rushing is a substantial shareholder of the Company having a relevant interest in 6,960,304 shares.

The proposed sale of NVH is a sale by the Company of a substantial asset to associates of Related Parties and the Company is therefore required to seek Shareholder approval for the purposes of ASX Listing Rules 10.1 and 11.2.

As required by Listing Rule 10.10.2, the Directors of the Company have commissioned an Independent Expert to prepare a report on the question of whether the sale of NVH is fair and reasonable to the shareholders not associated with the proposal. A copy of that report will form part of the Notice of General Meeting.

The consideration for the sale of NVH is as follows:

- the assumption of debt held by NVH's US subsidiaries which total not less than A\$800,000;
- a cash payment of \$100,000 at settlement;
- a cash payment of:
 - (i) US\$250,000 on commencement of iron ore production at 1Mt/pa or greater from the existing Buena Vista claims (**Production Payment**);
 - (ii) US\$250,000 on the first anniversary of the Production Payment (**First Anniversary Payment**), subject to production having been continuous during the period between the Production Payment and the First Anniversary Payment; and
 - (iii) US\$250,000 on the second anniversary of the Production Payment (**Second Anniversary Payment**), subject to production having been continuous during the period between the Production Payment and Second Anniversary Payment,

Conditions Precedent for the Sale of the Buena Vista Iron Project (ie sale of NVH)

Completion of the sale of NVH is conditional upon the satisfaction (or waiver) of the following conditions precedent:

- the Company's shareholders approving all resolutions required to complete the sale, in accordance with the Corporations Act and ASX Listing Rules, including the requisite related party approvals under ASX Listing Rule 10.1 and section 208 of the Corporations Act;
- the parties to the SportsHero transaction being ready, willing and able to complete the SportsHero Acquisition;
- all liabilities owed to Mick McMullen (and his related entities) by the Company and any of its subsidiaries (other than NVH and its subsidiaries) being assumed by the purchasers, effective as at settlement; and
- there being no change in the ownership structure of NVH or its subsidiaries, prior to settlement.

NEVADA IRON LIMITED

ABN 98 123 423 987

Capital Structure

The table below sets out the capital structure of the Company pre and post Consolidation, Acquisition and Placement:

Capital Structure	Shares	Options
Existing securities on issue ¹	79,653,096	9,815,882²
Convertible Notes – to be converted on a 1 for 1 basis	16,950,000	
Post 1 for 2 Consolidation and conversion of Notes	48,301,548	4,907,941
Issue of consideration (Share Purchase Agreement)	36,000,000	72,000,000 ³
Issue of consideration (Share Sale Agreement)	60,000,000	
Issue to Sunshore Holdings Pty Ltd	12,500,000	
Issue of Placement Shares ⁴	50,000,000	
TOTAL	206,801,548	76,907,941⁵

Notes:

1. Securities represented on a pre-Consolidation basis.
2. Consisting of: 300,002 unquoted options each exercisable at \$1.20 and expiring 31 October 2016; 60,000 unquoted options each exercisable at \$0.51 and expiring 31 December 2017; 60,000 unquoted options each exercisable at \$0.62 and expiring 31 December 2017; 9,395,880 unquoted options each exercisable at \$0.10 and expiring 30 September 2017.
3. Options exercisable at \$0.05 each on or before 31 August 2019.
4. It is the Company's present intention that the issue price will be \$0.05 per Post Consolidation Share. Assumes that \$2.5 million is raised pursuant to the Placement.
5. Consisting of: 150,001 unquoted options each exercisable at \$2.40 and expiring 31 October 2016; 30,000 unquoted options each exercisable at \$1.02 and expiring 31 December 2017; 30,000 unquoted options each exercisable at \$1.24 and expiring 31 December 2017; 4,697,940 unquoted options each exercisable at \$0.20 and expiring 30 September 2017; 72,000,000 unquoted options each exercisable at \$0.05 and expiring 31 August 2019.