

ASX: BFE

SHARE INFORMATION

Issued Shares: 363.3m

Unlisted Options: Nil

BOARD OF DIRECTORS

Chairman: M. Billing

Non-Exec: M. Sheldrick

Non-Exec: M. Green

PRINCIPAL CONTACTS

SHAREHOLDER RELATIONS

Mick Billing – Chairman
Phone: +61 414 741 007

CORPORATE

Matthew Sheldrick - NED
Phone: +61 417 923 155

FURTHER INFORMATION

blackfireminerals.com.au

REGISTERED OFFICE

C/- HLB Mann Judd (SA) Pty Ltd

169 Fullarton Road

DULWICH SA 5065

PRINCIPAL OFFICE

C/- HLB Mann Judd (SA) Pty Ltd
169 Fullarton Road
DULWICH SA 5065

Phone: +61 (8) 8133 5000

Fax: +61 (8) 8431 3502

E: info@blackfireminerals.com.au

REGISTRY ENQUIRIES

Security Transfer Registrars

770 Canning Highway

Applecross WA 6153

Phone: +61 (8) 9315 2333



By Electronic Lodgement
Company Announcements Office
ASX Limited
2 The Esplanade Perth WA 6000

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SIGNIFICANT ACQUISITION, CHANGE OF BUSINESS AND NAME AND CAPITAL RAISING

Black Fire Minerals Limited (“BFE” or “the Company”) has today signed an agreement with the shareholder (“Vendor”) of Hong Kong company Animoca Brands Corporation (“Animoca Brands”) that will result in BFE acquiring 100% of the issued capital of Animoca Brands.

Key Terms

Consideration includes:

1. The issue of 1,000,000,000 BFE ordinary shares for the acquisition of Animoca Brands for a consideration of \$5,000,000;
2. The issue of 600,000,000 performance shares to the Vendor. The performance shares will be converted to ordinary shares at \$0.005 per share subject to the Company achieving certain revenues from Animoca Brands for the year ending 30 June 2015 and 30 June 2016. The terms of the performance shares are subject to ASX approval.

These shares and performance shares are stated on a pre-consolidation basis, but will be issued on a post-consolidated basis (see below).

BFE proposes to change its name to Animoca Brands Corporation Limited.

BFE proposes to undergo a capital consolidation after the acquisition of Animoca Brands and will then raise additional capital of at least \$3,000,000 and no more than \$5,000,000. Taylor Collison Limited has been appointed as lead manager. The Company expects that this will result in it having Net Tangible Assets in excess of \$3.0 million.

BFE intends to divest its existing core assets and projects by way of a sale that may result in a distribution in specie to its shareholders immediately prior to issuing shares to acquire Animoca Brands. The divestment of these assets will be subject to BFE shareholder approval.

The BFE Board considers the proposed acquisition and change of business post transaction to be positive and in the best interest of shareholders.

Funds (net of costs) raised from the capital raising being supported by Taylor Collison will be used as follows:

1. Working capital
2. Advertising and marketing the company's games
3. Acquiring the rights to more intellectual property with which to create new games
4. Acquiring the rights to publish promising titles from third party studios.

The significant change to the nature and scale of the Company's main business activity arising from the Animoca Brands acquisition will require re-compliance with ASX's admission requirements in Chapters 1 and 2 of the ASX Listing Rules, including the lodgement of a prospectus with the Australian Securities and Investments Commission ("**ASIC**") to facilitate, amongst other matters, the capital raising referred to above.

Securities issued by the Company as part of the transaction may be subject to escrow imposed by ASX under its Listing Rules.

About Animoca

Based in Hong Kong, Animoca Brands was incorporated in 2014 to spin off part of the mobile game portfolio of Appionics Holdings Limited ("**Appionics**"), which is known to consumers as "Animoca". Appionics is a global developer and publisher of mobile games and its core business is the creation and/or publication of mobile games for smartphones and tablets, primarily but not exclusively for the iOS and Android operating systems.

Animoca Brands' focus is on creating mobile games using licensed intellectual properties, as well as publishing well-known games developed by third parties. Several Animoca Brands mobile games leverage a portfolio of globally-recognised brands including "Garfield," "Ben 10," "Doraemon," "Ultraman" and other popular licensed intellectual properties from around the world. Animoca Brands distributes games globally on platforms including the Apple App Store, Google Play, Amazon and the Samsung App Store, among others. The majority of Animoca Brands games are free to play, and generate revenue in two primary ways: when consumers pay for in-game virtual items or services; and when Animoca Brands sells in-game advertising across its network of hundreds of titles. The games of Animoca Brands have been downloaded over 80,000,000 times and are played by millions of users around the world.

In the second half of 2014 Animoca Brands will continue to launch new products, including new mobile games based on popular characters from its portfolio of licensed intellectual property, new original Animoca Brands mobile games, and promising new titles developed by third parties. In addition, Animoca Brands will seek to identify and secure additional licenses for popular characters on which to base new games.

Additional background on Animoca Brands accompanies this announcement.

Proposed Changes to the Board

The transaction includes the appointment of 5 new directors and the resignation of 2 current directors. Mr David Kim, Mr Yat Siu, Mr Robert Yung, Mr David Brickler, and Mr Richard Kuo will join the board upon completion of the proposed transaction. Mr. Kim and Mr. Siu are the co-founders of Animoca Brands and its former parent company, Appionics, for which Mr. Kim is the CEO. Mr. Yung is a Director of Appionics and the CEO of Animoca Brands. Mr. Brickler is the Senior Director of Applications (Global) for World Vision International, and Mr. Kuo is the CEO of Pier Capital. Mr. Brickler and Mr. Kuo are based in Australia. Messrs Kim, Siu and Yung are based in Hong Kong. Subject to completion of the proposed transaction, Mr Mick Billing and Mr Matthew Sheldrick will resign as directors of BFE. Mr Martin Green will continue as director of the Company following completion of the proposed transaction.

Additional background on each of the proposed new directors is provided later in this release.

Further Information on Animoca Brands

Animoca Brands Corporation was incorporated in 2014 as a spinoff from Appionics, which is commonly known by the consumer brand “Animoca.” The mission of Animoca Brands is the development and publication of games for touch-screen phones and tablets, primarily Apple iOS and Google Android devices. Animoca brands leverages globally-recognised intellectual properties to build fun and engaging content for users around the world. The team behind Appionics and Animoca Brands has been creating successful brand-based mobile hits since 2011, including “Garfield’s Diner,” “Garfield Pet Hospital,” “Ben 10 Xenodrome,” “Astro Boy Dash” and “Doraemon Repair Shop.” In addition to self-developed titles, Animoca Brands also acts as publisher for select titles developed by third-party studios. Examples of third-party apps published and/or managed by Animoca Brands are “Ragnarok: War of Gods” and “Star Poker” by NeoCyon, a subsidiary of GungHo Online of Japan, and “Battle Heroes” by Dakota Interactive.

Animoca Brands’ core strength is its ability to efficiently build and market casual and midcore mobile games for global distribution. Unlike most in the mobile games industry, Animoca Brands has pursued a volume strategy, launching multiple titles monthly (instead of yearly) to build a broad consumer network for efficient and low-cost distribution of apps. Animoca Brands’ rapid production strategy is made possible by the library of game engines and licensed intellectual property that allow for a modular approach to creating new games. This modular approach to the game development process markedly decreases costs and increases output.

Animoca Brands has a broad consumer footprint, distributing and marketing its games to a global audience and offering its titles in local language versions in countries across Europe, Asia and the Americas. Animoca Brands also leverages this global experience in its role as publisher, investing in promising mobile game titles from around the world and helping the games’ developers to localise and distribute products outside of their home markets.

Animoca Brands is headquartered in Hong Kong and employs 70 staff in the areas of game development, graphic design, computer programming, software architecture, and other related skill sets. As a part of Appionics, Animoca Brands’ team was instrumental in releasing a wide variety of successful mobile game titles starting with its very first hit “Pretty Pet Salon” in 2011, which grew into a large franchise of Pretty Pet games. Appionics was founded in 2010, and its investors include Intel Capital, IDG-Accel, Neoteny, and Forgeame. It is the intention of Appionics, upon the sale of Animoca Brands to the Company, to distribute the consideration shares to its shareholders in specie.

Background information on proposed new directors

- **Incoming executive director – Yat Siu;**

Yat is the founder and CEO of Outblaze, a digital media company specializing in gaming, cloud technology, and smartphone/tablet software development. In 2009 Yat sold Outblaze’s messaging division to IBM and successfully pivoted Outblaze from B2B messaging services to B2C digital entertainment. He is a director for TurnOut Ventures, a partnership between Outblaze and Turner Entertainment, and he is co-founder of Animoca, a major developer and publisher of smartphone games. In 2012 he set up ThinkBlaze, the research arm of Outblaze dedicated to investigating socially meaningful issues related to technology. Yat has earned numerous accolades including Global Leader of Tomorrow at the World Economic Forum, and Young Entrepreneur of the Year at the DHL/SCMP Awards. He is a supporter of various NGOs and serves on the board of directors for the Asian Youth Orchestra.

- **Incoming executive director – David Kim;**

David serves as the CEO of Appionics, more commonly known by the consumer brand “Animoca”. Prior to that he was the CEO of mail.com Corporation, a leading personalized email and messenger service co-based in Seattle and Hong Kong. Mr. Kim also manages several independent financing and advisory projects ranging from private equity investments to refinancing of distressed assets. In recent years, he has advised and served on the boards of many prominent companies around the Pacific Rim including Bamboo Networks in Hong Kong, Vitzel of Malaysia and Daum Corporation in Korea, where after 7 years of service as the chairman of the Audit Committee, he spearheaded the USD 105 million acquisition of Lycos, Inc. After the highly publicized transaction, David managed the integration of the acquisition as the CEO of Lycos. In 1999, when he steered China.com to its Initial Public Offering, David became the youngest CFO of a company listed on the NASDAQ. He has also served as managing director for Softbank, Inc., and as managing director and CEO for techpacific Venture Capital. A graduate of Stanford University in Economics and Communications with Honors, Mr. Kim is also a classical vocalist with extensive musical and theatrical interest and experience.

- **Incoming executive director – Robby Yung;**

Robby is the CEO of Animoca Brands and a Director of Appionics. Robby was previously the co-founder and CFO of Redgate Media, a venture-backed Chinese television and outdoor media holding company he sold to Inno-Tech Holdings (HK.8202) in 2012. Robby was also co-founder and Chief Strategy Officer of One Media Group (HK.426), a Hong Kong-based magazine group whose IPO he oversaw in 2005. Prior to that, Robby was the founder and CEO of One Studio, a venture-backed web development company in Hong Kong, and OSMedia, a Chinese television advertising sales company. Robby began his career in Asia as the General Manager of Metromedia Asia (AMEX: MMG), building wireless broadband networks and mobile telecoms services in China and Indonesia. Robby holds an MA in Liberal Studies from New York University and an AB [BA] in Public Policy from the University of Chicago.

- **Incoming non-executive director – David Brickler;**

David is the Senior Director of Applications for World Vision International, one of the world’s largest non-profit organisations, based in Melbourne. Prior to that, David served as Asia Pacific CIO for Mizuho Securities Asia Ltd., was an Executive Director of Ernst & Young in Hong Kong, and Global CIO for the Noble Group, one of the largest commodities traders in the world. David was the founder and CEO of Emergent Technology, a venture-backed Hong Kong supply-chain company, and a VP of Information Technology at Caspian Securities. Prior to his 11 years in Hong Kong, David spent 15 years in Japan, most recently as the Vice President of Equity Technology at Goldman Sachs Japan. David also served in various engineering positions at EDS Japan, Sundai, and Fujitsu Limited. David holds and EMBA MBA from Kellogg-HKUST and a BA from Princeton University and is a fluent speaker of Chinese and Japanese.

- **Incoming non-executive director – Richard Kuo**

Richard is the founder and CEO of Pier Capital, a boutique investment banking firm specialising in the technology sectors. He is a non-executive director of Probiotec Limited, Favourit.com and Australian Art Events Foundation, and has held directorships of Equity Capital Markets Limited and Glenorchy Arts & Sculpture Park. Prior to founding Pier Capital, Richard practiced as a lawyer, specialising in corporate law in a large national law firm and then moved into investment banking as a corporate adviser. Richard's technology experience includes a senior management role in Open Telecommunications during a period in which it grew to become one of Australia's largest software companies. He has advised on a wide range of domestic and cross-border transactions involving technology and digital media companies including investing directly in emerging technology companies in Australia and internationally. Richard is a Fellow of the Australian Institute of Company Directors and holds qualifications in accounting, finance and law together with post graduate qualifications in applied finance and investment.

Indicative timetable

An indicative timetable for re-compliance with the admission requirements is set out in the following table:

| Event | Date |
|---|-------------------|
| Dispatch Notice of Meeting | 22 July 2014 |
| Lodge Prospectus with ASIC and ASX | 21 August 2014 |
| General Meeting | 20 August 2014 |
| Suspension of trading in the Company's securities | 20 August 2014 |
| Offer under Prospectus opens | 29 August 2014 |
| Offer under prospectus closes | 15 September 2014 |
| Consolidation record date | 22 September 2014 |
| Completion of Animoca Brands acquisition and issue of shares under prospectus | 22 September 2014 |
| Expected date for re-quotation of the Company's shares on ASX | 25 September 2014 |

Effect on BFE capital Structure

The following table shows the indicative impact the proposed transaction will have on the Company's share capital structure, subject to rounding of fractional entitlements under the proposed BFE share consolidation and assuming the public offer is fully subscribed:

| Share Capital transaction | Number of Shares | % of total | Options |
|--|------------------|------------|-----------|
| Current Issued Capital | 363,344,536 | | Nil |
| Post Consolidation Issued Capital | 9,083,613 | 14.2% | Nil |
| Shares to be issued to Vendors | 25,000,000 | 39.0% | Nil |
| Satisfaction of Milestone for Performance Shares | 15,000,000 | 23.4% | Nil |
| Capital Raising (1) | 15,000,000 | 23.4% | Nil |
| Proposed Director Options | | | 500,000 |
| Transaction Fees | | | 1,307,828 |
| Total Post Acquisition and Capital Raising | 64,083,613 | | 1,807,828 |

(1) This may be increased by up to 10,000,000 shares in the event of the raising up to a maximum of \$5,000,000

Note: The above table shows BFE's pre and post acquisition capital structure. As part of the proposed transaction, the Company will most likely need to undertake the consolidation in order to comply with Chapters 1 and 2 of the ASX Listing Rules, which require a capital raising at \$0.20 per share. The above table is based on a share price of \$0.005 immediately prior to the issue of the requisite notice of meeting, and consequently a consolidation ratio of 1 share for every 40 held. However, if the share price is at a higher price prior to the issue of the notice of meeting, the reconstruction ratio may be reduced. As a result, the issue of BFE Shares under the Capital Raising will be adjusted accordingly.

Contact Information

For further information please contact:

Mick Billing
Chairman
0414 741 007

Craig Ball
Taylor Collison Limited
08 8217 3900