

23 January 2014

## Acquisition of mig33 social entertainment platform

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### Highlights

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- Latin Gold has reached agreement to acquire 100% of the mig33 social entertainment platform with offices and servers in Singapore, Malaysia, Indonesia, and Silicon Valley, through the issue of approximately 720 million shares in Latin Gold.
- mig33 is a social entertainment platform with 3 million monthly active users and was recently relaunched as a Beta in August 2013. The service includes Miniblog, Chat, Chatrooms, Virtual Gifts and Games and is available on Android, WAP and Web.
- The platform is monetising and is targeting internet users in emerging markets representing over 3.5 billion people and the next frontier of growth in the Internet.
- With its unique engagement and monetisation model, together with the size of market opportunity, the mig33 platform offers Latin Gold shareholders access to an exciting and significant growth opportunity in the IT sector.

The Board of Latin Gold Limited (ASX: LAT) (the "Company" or "Latin Gold") is pleased to advise that it has entered into a Heads of Agreement to acquire 100% of the mig33 social entertainment platform through the issue of approximately 720 million shares to the various shareholders of mig33 and its operating entities ("mig33 Group").

Relaunched as a Beta in August 2013, mig33 is a social entertainment platform featuring miniblog, chat, chatrooms, virtual gifts and games, is available on Android, WAP and Web, and has over 3 million monthly active users. The platform is tailored for emerging markets across South East Asia, South Asia, Middle East and Africa which represent a population of over 3.5 billion people, and monetises not through advertising but primarily through the sale of virtual gifts and games. Part of this business model was developed to build on the success of the Chinese based Tencent Holdings (700:HK), which now has a market capitalisation of over USD\$120 billion.

Early results indicate that artists and celebrities using mig33 in Indonesia and South Asia are achieving levels of engagement comparable to and exceeding that of their equivalent presence on Facebook and Twitter. With these results, the mig33 team is currently focused on broadening and polishing the service offering and growing the user base in 2014.

A significant attraction of the mig33 business model to Latin Gold was that, even in this early stage of commercialisation, income is being generated through the company's monetisation model which is based around surety of payment through the purchase of mig33 prepaid credits.

The development of mig33 has been spearheaded by Steven Goh, who achieved considerable success in the late 1990's by developing Sanford Securities, Australia's first online stock broking company. This operation grew to 160,000 customers with over \$2.4 billion in customer assets, before being taken over in 2003. Steven is Managing Director and CEO of mig33 and is recognised as an authority on contemporary IT issues and serves on a number of advisory panels throughout the Asian region.

Steven is well supported at board level with a group of directors that provide exceptional high level IT expertise and extensive commercial experience.

These Directors are:

Andy Zain: Andy has 15 years experience in building internet and mobile businesses in South East Asia and launched the first content provider and ringtone service in Indonesia.

Dmitry Levit: Dmitry is a partner of Digital Media Partners which is a venture capital firm within the technology sector. He has extensive experience in the IT sector and was Business Development Manager for Yahoo in South East Asia.

John Lee: John has had multiple senior executive roles in publicly listed games companies on NASDAQ and the KSE. He also had former consulting roles with McKinsey & Company and Deloitte & Touche in their technology services divisions.

Following completion of the transaction, Steven Goh, Andy Zain, John Lee and Dmitry Levit will be appointed to the Latin Gold Board and three Latin Gold Directors will resign.

Key terms to the proposed transaction are:

- (a) the combined Latin Gold and mig33 Group will have net cash resources of at least A\$5 million;
- (b) all necessary shareholder approvals are obtained, including:

- (i) holders of shares in the mig33 Group approving the transaction and the merger agreement; and
  - (ii) Latin Gold shareholders approving the transaction in accordance with applicable ASX Listing Rules including a change in the nature and/or scale of Latin Gold's activities in accordance with ASX Listing Rule 11.1.2, the allotment and issue of the Latin Gold shares, the election of new Directors, share consolidation, and a change of Company name;
- (c) all necessary ASX, governmental and regulatory consents and approvals being obtained for completion and for the continued listing and quotation of Latin Gold shares on ASX following completion; and
- (d) Latin Gold 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).

On completion of the transaction, Latin Gold shareholders will own approximately 30.5% of the merged group.

Latin Gold has further agreed to provide the mig33 Group with a fully-recourse loan of US\$500,000, that will become immediately repayable if completion of the transaction does not occur within 5 months.

It is anticipated that a detailed notice of general meeting will be available to Latin Gold shareholders by mid March, with the meeting to consider the proposed transaction to be held by late April.

The mig33 Group delivers a commercialised social entertainment platform, a community with encouraging early results, a strong board and a highly experienced, motivated and extremely enthusiastic operating team of some 90 persons.

The Board of Latin Gold views the proposed merger with the mig33 Group as a significant opportunity for all shareholders to be part of a very exciting growth opportunity within the social entertainment sector.

Howard Dawson  
Chairman