

Leopard Resources NL



PO Box 8 • West Perth • Western Australia • 6872

T: +61 (0)8 9381 2517 F: +61 (0)8 9381 5853

ABN 99 009 076 233

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Companies Announcements Office
ASX Limited
20 Bridge Street
Sydney NSW 2000

Acquisition of Wireless Technology and \$4m funding

The Board of Leopard Resources N.L. (ASX: LRR, “the Company” or “Leopard”) is pleased to advise the company has entered an agreement to acquire 100% of all rights and title in all the issued capital of G8 Communications Holdings Limited (“G8”) (“Acquisition”), the 100% owner of Connected IO (“CIO”), a highly prospective next generation wireless technology business.

CIO is a next generation wireless technology business based in Silicon Valley, California which has developed a flagship product being the Machine Connect modem. CIO has fully developed and is now marketing this unique machine to machine (“M2M”) device for intelligent connectivity between machines.

M2M is a term that can be used to describe any technology that enables networked devices to exchange information and perform actions without the manual assistance of humans.

Some key Machine to Machine applications include:



The M2M phenomenon is accelerating and has the potential to affect about every device requiring connection to the internet. CIO's technology is mobile, rugged and has enormous versatility. It uses a cloud management platform to provide a way to connect enterprise machine assets such as vending machines, ATM's, lights, household appliances, digital signage, security systems, energy management systems and drones to the internet of things.

It is a scalable end-to-end solution that enables customers to roll out M2M solutions in a timely, streamlined and cost-effective manner.

Material Terms of Acquisition

A summary of the key terms of the Acquisition Agreement and associated transactions is set out below.

- **Consideration:** the Company has agreed to issue 200 million fully paid shares in LRR on a post consolidation basis (60:1) for 100% interest, subject to the satisfactory completion of due diligence, shareholder and regulatory approval ("**Consideration**").

Pursuant to the terms of the Acquisition Agreement, Milestone shares will be issued to the vendors on the satisfaction of certain milestone revenue targets.

- Milestone (1) \$15,000,000 in revenues during the years 2016, 2017 or 2018 the vendors will be issued 100,000,000 fully paid ordinary shares @ \$0.02; and
- Milestone (2) \$25,000,000 in revenues during the years 2016, 2017 or 2018 the vendors will be issued 50,000,000 fully paid ordinary shares @ \$0.02.
- **Conditions:** The Acquisition is subject to the satisfaction of the following key conditions:
 - **Formal agreement:** Entry into formal documentation in relation to the Acquisition and associated issue of the prospectus (further information in respect of the Prospectus is outlined below);
 - **Shareholder and regulatory approvals:** the Company obtaining all necessary shareholder and regulatory approval; and
 - **Due diligence:** The Company completing due diligence in respect of the Acquisition to its satisfaction within 30 days.
- **End date:** The end date for completing the Acquisition is 30th September 2015.

Funding for Acquisition

- Leopard is also pleased to advise that it is seeking to raise up to \$1,000,000 by way of a convertible note raising which is to be completed in two tranches of \$500,000. The notes will convert at a rate of \$0.01 per share (on a post consolidation basis) and are subject to escrow and shareholder approval. The first tranche of \$500,000 will be utilised to pay outstanding creditors, re-compliance costs and for general working capital. The second tranche of \$500,000 will be utilised for G8's working capital.
- The company will also undertake completing a capital raising of \$3,000,000 to fund the ongoing operation and expansion of G8 Communications and provide additional general working capital.

The Company proposes to convene a general meeting to seek shareholder approval in respect of (among other things) the above capital raisings.

The indicative capital structure and timetable for completion of the transaction are set out in Annexure A.

RE-COMPLIANCE WITH CHAPTERS 1 & 2 OF ASX LISTING RULES

The Company anticipates that the transaction with G8 will constitute a significant change in the nature and scale of the Company's activities which will require the Company to re-comply with the requirements of Chapters 1 and 2 of the ASX Listing Rules. The Company therefore intends to seek approval for the transaction from shareholders under ASX Listing Rule 11.1.2. The Company will, however, consult with ASX regarding the structure of the proposed transaction.

Mission and Cables Gold Project

As per the announcement of the 16 April 2015 the company has reapplied for the mission and cable lease. This application was lodged on the 18 June 2015. The company is also seeking ministerial judgement as a remedy to the Mission and Cables lease.

Yours faithfully

Mr Jason Ferris
Director
Leopard Resources N.L.

ANNEXURE A

PROPOSED CAPITAL STRUCTURE

	Fully Paid Ordinary Shares	Price per Share	\$
Existing	2,391,053,092	-	-
Consolidation 60:1	39,850,884	-	-
Con Note – Tranche 1 (i)	50,000,000	\$0.01	\$500,000
Con Note – Tranche 2	50,000,000	\$0.01	\$500,000
Prospectus Raising (ii)	150,000,000	\$0.02	\$3,000,000
Vendor Consideration	200,000,000	\$0.02	\$4,000,000
Vendor Loan (iii)	90,000,000	\$0.01	\$900,000
Facilitation Shares (iv)	20,000,000	\$0.02	\$400,000
Debt Repayment (v)	15,000,000	\$0.02	(\$300,000)
Performance Milestone 1	100,000,000	Nil	Nil
Performance Milestone 2	50,000,000	Nil	Nil
TOTAL SHARES	764,850,884		

Notes:

- (i) Convertible Note – Convertible Notes to raise \$1,000,000, with notes converting at a price of \$0.01 per share (on a post consolidate basis) and are subject to escrow and shareholder approval.
- (ii) Prospectus Raising to raise \$3,000,000 the at an issue price of \$0.02 per share (on a post consolidation basis).
- (iii) Vendor Loan - repayment of a loan to Vuna Capital Trustees (or its nominee) on behalf of G8. The loan repayment is for a total of \$900,000 payable in shares at \$0.01 per share on a post consolidation basis. The loan was utilised for research and development, administrative and for working capital expenses incurred from March 2013 to May 2015. The repayment of the Vendor Loan is triggered by a listing/sale event; that is, the Acquisition.
- (iv) Facilitation Shares - 20,000,000 shares to be issued on a post consolidation basis for Facilitation fees.
- (v) Debt Repayment - The Company agrees to issue 30,000,000 post consolidation shares to its secured creditor, 708 Capital Pty Ltd (or its nominee) in full and final satisfaction of all its outstanding obligations to the secured creditor unless the secured creditor elects in its unfettered discretion within 7 days after completion date to receive 15,000,000 post consolidation shares and be paid the amount of \$300,000 in cash from the proceeds of a completed prospectus raising. 708 Capital advanced funds directly

to Leopard in April 2013 and the debt is secured with a fixed and floating charge over Leopard's assets including the Missions and Cables asset. The funds were utilised for administrative and working capital expenses. The current balance of the debt is \$600,000.

INDICATIVE TRANSACTION TIMETABLE

The transaction timetable set out below is indicative only and subject to change without further notice.

Event	Date
Convertible Note Raising – Tranche 1	17 July 2015
Dispatch Notice of Meeting	24 July 2015
Convertible Note Raising – Tranche 2	7 August 2015
Lodge Prospectus	14 August 2015
General Meeting of LRR shareholders	28 August 2015
Suspension of LRR Shares	28 August 2015
Completion of Acquisition	31 August 2015
Re-instatement to ASX	10 September 2015