



POTASH MINERALS LIMITED



POTASH SIGNS OPTION AGREEMENT TO ACQUIRE SEATTLE-BASED INTERNET of THINGS DATA PLATFORM, BUDDY PLATFORM, INC.

HIGHLIGHTS

- Following the execution of an exclusive option agreement, Potash Minerals Limited intends to acquire 100% of US-based Internet of Things (“IoT”) data platform, Buddy Platform, Inc.
- By 2020, Cisco estimates that there’ll be over 50 billion devices connected to the Internet. Buddy takes the data generated by these devices, and secures it, manages it, then makes it useful.
- Buddy offers this functionality as software as a service (“SaaS”) – sold to organizations that manufacture or manage devices which generate data, but which are not equipped to manage, secure or access this volume of data.
- Buddy operates a global technology platform to meet customers’ IoT data sovereignty needs with infrastructure located in the US, EU, China and soon, Australia.
- Buddy’s technology is of value to device and sensor manufacturers, automotive OEMs, airlines, connected home and smart metering companies, telecommunications companies & mobile carriers, mobile application developers, amongst others.
- Buddy is currently billing, in trials or soon to begin trials with Fortune 500 companies in the automotive, telecommunications, airline, consumer electronics and retail spaces, in addition to government customers.
- Early investors include US west coast VCs, Microsoft Corporation and AF Square, the venture division of prominent Los Angeles entertainment and artist management company, Atom Factory.
- The proposed ASX listing will provide a platform for Buddy to grow a global business, take a leadership position in the management and aggregation of IoT data, while expanding the company’s commercial footprint in Australia.

Potash Minerals Limited (“Potash”, ASX:POK) is pleased to announce that it has entered into a binding heads of agreement detailing an option to acquire 100% of the issued share capital of US-based Buddy Platform, Inc. (“Buddy”). Based in the cloud technology capital of the world – Seattle, Washington – Buddy is one of the world’s first data aggregation and management platforms to focus on IoT and connected device data.

Founded in 2011 and headed by CEO and co-founder David McLauchlan, the company services a rapidly growing market of organizations whose products or infrastructure generates huge volumes of



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valuable data, but which are without the systems to manage, secure or access it. With cars, appliances, phones and now even our light bulbs becoming connected, there's never been so much data needed to be handled by companies whose core competency is not "big data". Buddy provides a SaaS platform to get connected device data easily and securely into the tools organizations are already using, delivering immediate value from a resource they were previously unable to tap into.

Buddy's pricing model suits customers with high volumes of data from large numbers of deployed sensors or devices, by charging customers for data consumed, not for data sent to (or managed by) Buddy. This is a point of difference compared to typical hosted cloud solutions, which have the disadvantage of discouraging organizations from processing large volumes of generated data. A volume-friendly model enables customers to extract the maximum value from their data.

Buddy's management and Board of Directors have extensive successful track records, and supported by an experienced 'tech' Board of Advisors. The company's CEO, David McLauchlan, is an Australian business technologist and engineer who spent nearly eleven years at Microsoft Corporation in Redmond, Washington. Mr. McLauchlan formerly co-founded and sold TVinteract, a tool for professional television broadcasters to display social media on-screen, and presently sits on the Technical Advisory Board for the Bill & Melinda Gates Foundation.

The Board of Directors and Advisors includes:

- Alexander Gounares (CEO of Polyverse, former CTO of AOL, former technical advisor to Bill Gates),
- Richard Borenstein (Chairman, Sequoia Partners),
- Charles E. Kindel (Amazon, Microsoft),
- Jessica Michaels (Bread n Butter, GroupM, MEC, Wunderman); and
- Parag Garg (VP Engineering/Product for Connected Solutions at Sears).

Buddy was the first investment made by Microsoft Ventures, and the company retains a close relationship with Microsoft. "We're thrilled to see Buddy take this next step towards a leadership position on the global IoT stage", said Scott Coleman, General Manager of Microsoft Ventures at Microsoft.

As more countries around the world legislate the sovereignty of data – where data is physically permitted to be stored & processed – Buddy already offers options for customers to sandbox their data in the US, Netherlands, China, Hong Kong and very soon, Australia. "With the physical location of data processing becoming a key market differentiator, we look forward to seeing Buddy leverage their global footprint to substantial international growth", said Hank Vigil, General Partner at Acequia Capital, former SVP of Partnerships & Strategy at Microsoft, and investor in Buddy.

It is anticipated that the completion of the acquisition will result in a change of company name to Buddy Limited and the appointment of two new company directors to join David McLauchlan, Richard Borenstein and Alexander Gounares on the board of directors.



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KEY ACQUISITION TERMS

- Payment of a \$250,000 option fee by Potash to acquire an exclusive twenty eight (28) day option to purchase 100% of the issued capital in Buddy.
- A further \$250,000 is payable at the completion of due diligence which is 28 days from execution of the Option.
- In exchange for 100% of the issued capital in Buddy, Potash agrees to issue 500,000,000 Potash shares to the shareholders of Buddy, which will be subject to ASX escrow provisions.
- Potash agrees at completion of the acquisition, a performance share offering will be implemented to issue to key management and Board members, in the amount of 100,000,000 performance shares. The performance shares will convert into ordinary Potash shares on the basis of achieving the following milestones:
 - One third of all performance shares on logging 20,000,000 total discrete connections to any Buddy server or service (“interactions”) by any approved network connected hardware or software application (“device”) per day for no less than 3 consecutive weeks within a period of 24 months.
 - One third of all performance shares upon the total number of devices creating an Interaction with a Buddy application that it has not previously interacted with (“new connection”) exceeding 500,000 per week for no less than three (3) consecutive weeks.
 - One third of all performance shares upon satisfying the following milestones within a period of 36 months:
 - total daily device interactions with the Buddy Platform exceed 50,000,000 per day for no less than 3 consecutive weeks; and
 - total number of devices creating new connections to Buddy exceeding 1,000,000 per week for no less than 3 consecutive weeks.
- Subject to shareholder approval, Potash agrees to put in place an employee incentive rights plan in the amount of 100,000,000 employee rights, which will be allocated to current and future employees at the discretion of the Board of Directors.

Conditions precedent for the completion of the acquisition will include Potash obtaining all regulatory and shareholder approvals as required:

- To issue the consideration shares, performance shares and employee incentive plan rights;
- To roll-over existing Buddy options into Potash options on an equivalent value basis;
- To approve a change to its’ business from a mineral exploration company to a technology company;
- To change the name of Potash to Buddy Limited;
- To issue shares in Potash under a capital raising in an amount sufficient for Potash to re-comply with Chapters 1 and 2 of the ASX Listing Rules;
- Each party (Potash and Buddy) completing financial and legal due diligence on the other, and the results of the due diligence being to the satisfaction of both parties;
- Potash preparing a prospectus for a capital raising sufficient to enable Potash to be reinstated to quotation on the ASX, lodging the prospectus with the Australian Securities and Investments Commission (ASIC) and receiving sufficient applications to meet the minimum subscription under the prospectus; and
- Potash receiving a letter from the ASX confirming that it will re-instate Potash to trading on the ASX following compliance with Chapters 1 and 2 of the ASX Listing Rules, with the terms of the letter acceptable to Potash and Buddy.

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Completion of the acquisition will also be conditional upon Potash being satisfied that Buddy has received all necessary consents and approvals from its security holders and relevant regulatory bodies required in order to ensure that Potash will hold 100% of the issued capital in Buddy following completion of the acquisition. If this condition is not satisfied and Buddy terminates the agreement, Buddy must repay \$200,000 of the option fee paid to it by Potash.

Potash will also issue the following options in connection with the acquisition:

- 30,000,000 options to acquire Potash shares exercisable at a 25% premium to the price of shares issued under the public offer (described below) on or before 30 November 2017 (Capital Raising Options); and
- 12,500,000 options to acquire Potash shares exercisable at \$0.03 on or before 30 November 2017 (Transaction Options).

PUBLIC OFFER

Subject to the receipt of shareholder approval, Potash will also undertake a capital raising of A\$7,500,000 to be completed under a prospectus. All funds raised would be employed towards the business development of Buddy.

PRO FORMA CAPITAL STRUCTURE

Following the public offer and acquisition the indicative effect on the Company's capital structure will be as follows:

Event	Shares	Performance Shares	Options
Current	121,394,894	-	48,220,948
Consideration to Buddy shareholders and optionholders	500,000,000	100,000,000	804,041
Public offer	150,000,000	-	-
Capital Raising Options and Transaction Options	-	-	42,500,000
TOTAL	771,394,894	100,000,000	91,524,989

Upon completion of the acquisition, Potash will also issue 100,000,000 rights to acquire Potash shares to employees of Buddy upon those persons meeting specified performance milestones. These performance rights are intended to be issued under an employee performance rights plan to be adopted by Potash in connection with the acquisition.



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INDICATIVE TIMETABLE

Event	Date
Execute option agreement for the acquisition of Buddy	20 July 2015
Completion of first tranche payment	27 July 2015
Due diligence completed and formal documents executed	20 August 2015
Completion of second tranche payment	26 August 2015
Dispatch Notice of Meeting seeking approval for the acquisition of Buddy	21 August 2015
General Shareholder Meeting to approve the acquisition of Buddy	25 September 2015
Lodgement of prospectus with ASIC	28 September 2015
Closing date of offer under the prospectus	23 October 2015
Dispatch holding statements	26 October 2015
Re-quotation of shares on ASX	4 November 2015

All enquiries should be directed Chris Watts, Potash Company Secretary on +61 (08) 6380 2555 or potash@buddy.com.

For and on behalf of Potash Minerals Limited

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