



# International Coal Limited

**Brisbane Office**  
ANZ Bank Building  
Level 15, 324 Queen Street  
Brisbane QLD 4000  
PO Box 255  
Northgate QLD 4013  
**P** 07 3320 2233  
**F** 07 3228 4999

**Sydney Office**  
Unit 7, No.3 Gibbes Street  
Chatswood NSW 2067  
**P** 02 9415 0180  
**F** 02 9417 6877

**ACN** 149 197 651

## INTERNATIONAL COAL LTD

### SECURES EXCITING TECHNOLOGY OPPORTUNITY

- **Scalable, cloud based training, education, induction and video content platform**
- **Strong growth profile and significant international potential**
- **Leveraging established customer relationships**
- **Turnover of ~\$1.5m in the past 12 months**
- **Well seasoned executive team with significant international experience**
- **Option and staged milestone payments manages risk for ICX shareholders**

International Coal Ltd (ICX or the Company) is pleased to announce that it has entered into a conditional option agreement to purchase 100% of the issued capital of two related entities: Velpic, a video eLearning platform in the cloud & Dash Digital, a brand technology agency (together known as **Velpic** or **the Transaction**).

Velpic is a Perth-based technology company that has developed a novel online platform providing a scalable cloud based training, induction and education solution. This is complemented by the group's existing Dash Digital business with extensive experience in digital marketing, web development and app development activities.

Velpic has achieved revenue of approximately \$1.5m over the past 12 months. Importantly, the company already has an extensive list of ASX Top 200 clients using the platform and is now positioning to significantly expand its footprint and revenues.

The Velpic platform has been over two years in development and allows businesses to create their own highly engaging video based training lessons and distribute them online to staff and contractors on all devices including smart phones and tablets. Velpic is extremely simple to use, providing businesses with the ability to track, manage and schedule all their company's training and learning from a single turn-key solution.

**Velpic is a SaaS (Software as a Service) based product in the cloud. What Xero is to accounting and Atlassian is to project management, think of Velpic for training, presentations and inductions. The Velpic platform has global potential and is set to disrupt the traditional Learning Management System (LMS) marketplace.**

For personal use only



# International Coal Limited

Velpic has a distinct point of difference in the global LMS market place in that it provides both the ability to create video-based lessons and manage training via its LMS all within a single browser based application.

Velpic brings with it a strong team of innovative software personnel and strong business management abilities and demonstrable track records in building technology-based businesses in Australia, UK and USA.

For further information on the Velpic Group, please visit [www.velpic.com](http://www.velpic.com) and [www.dashdigital.com.au](http://www.dashdigital.com.au)

**Brisbane Office**  
ANZ Bank Building  
Level 15, 324 Queen Street  
Brisbane QLD 4000  
PO Box 255  
Northgate QLD 4013  
P 07 3320 2233  
F 07 3228 4999

**Sydney Office**  
Unit 7, No.3 Gibbes Street  
Chatswood NSW 2067  
P 02 9415 0180  
F 02 9417 6877

ACN 149 197 651

## Transaction Highlights:

The option fee is a cash payment of \$200,000 to be retained as working capital within Velpic.

The option can be exercised at any time up to 27<sup>th</sup> September 2015.

The total value of the Transaction consideration assuming all milestones are met and including the cash option fee is \$5,200,000 (based on a share price of \$0.02)

Following completion of the Transaction, ICX will change its name to Velpic Limited.

## Material terms of the Transaction

ICX will conduct a detailed due diligence on Velpic before exercising the option and should the Transaction be terminated due to any materially misleading information during the due diligence period, then the option fee will convert into equity in Velpic.

On exercise of the option the consideration will be:

1. The issue of 125.0 million shares of ICX valued for the purpose of the transaction at 2 cents a share.
2. The issue of a further 50.0 million shares of ICX if agreed milestones are reached in relation to pay per views of ICX's training program;
3. The issue of a further 50.0 million shares of ICX if ICX obtains cumulative revenue of \$10.0 million within 3 years of the Transaction completing; and
4. The issue of a further 25.0 million shares of ICX if ICX obtains annual revenue of \$50.0 million in any of the 5 financial years of the Transaction completing.

Should International Coal elect to exercise the option and purchase Velpic then it will be required to fulfil the requirements of chapters 1 and 2 of the ASX listing rules. The proposed Transaction would involve a change in the nature and scale of the Company's activities and would be conditional on the approval of International

For personal use only



# International Coal Limited

Coal's shareholders at a general meeting as well as ASX approval. Please see Schedule 1 for further conditions precedent to the Transaction.

In addition, the board composition of ICX will be re-structured following completion of the Transaction so that the ICX board will be controlled by nominees of Velpic, including the appointment of three nominees of Velpic to the ICX board. Mr Russell Francis will assume the role of Managing Director.

The terms sheet otherwise contains terms typical for a transaction of this nature, including standard representations and warranties from both parties.

## Proposed timetable

Announcement of Transaction	6 May 2015
Independent experts report received	12 June 2015
Despatch of Notice of General Meeting of Shareholders	26 June 2015
General Meeting of Shareholders held	31 July 2015
Expected suspension from ASX for final regulatory approvals	31 July 2015
Despatch of Prospectus	14 August 2015
Company re-lists as Velpic Limited	25 September 2015
End Date	27 September 2015

The dates above are a guideline only and are subject to change. Shareholders should also note that the Company's securities will be suspended from trading on the day of the general meeting and if such approval is obtained will remain suspended until such time as the Company has re-complied with Chapters 1 and 2 of the ASX Listing Rules.

**Brisbane Office**  
ANZ Bank Building  
Level 15, 324 Queen Street  
Brisbane QLD 4000  
PO Box 255  
Northgate QLD 4013  
P 07 3320 2233  
F 07 3228 4999

**Sydney Office**  
Unit 7, No.3 Gibbes Street  
Chatswood NSW 2067  
P 02 9415 0180  
F 02 9417 6877

**ACN** 149 197 651

For personal use only



# International Coal Limited

## Pro-forma Capital Structure

The indicative pro-forma capital structure of the Company post completion of the Transaction is outlined below.

Shares	Number
Existing shares on issue	183,230,003
Consideration Shares issued to vendors	125,000,000
Shares issued upon completion of capital raising (assuming a \$3m raise with an issue price of \$0.02)	150,000,000
Shares issued under transaction (assuming all milestones are met)	125,000,000
<b>Total Shares on issue after completion of Transaction</b>	<b>583,230,003</b>

No new options will be issued under the Transaction therefore the Company will continue to have 27,200,000 unlisted options on issue.

### Schedule 1 - Conditions Precedent

Other conditions precedent to the Transaction (unless waived by ICX) include:

1. Raising sufficient funds so that the Company holds a minimum of \$3m cash (net of fees and expenses)
2. ICX entering into service agreements with key Velpic personnel
3. ICX obtaining all necessary regulatory and shareholder approvals or waivers to allow it to complete the Transaction
4. ICX entering into security sale agreements with the Velpic/Dash Digital security holders such that it holds 100% of Velpic/Dash Digital

*For further information please contact:*

**Harry Karelis** – Non-Executive Director  
0413 056 328

**Brisbane Office**  
ANZ Bank Building  
Level 15, 324 Queen Street  
Brisbane QLD 4000  
PO Box 255  
Northgate QLD 4013  
**P** 07 3320 2233  
**F** 07 3228 4999

**Sydney Office**  
Unit 7, No.3 Gibbes Street  
Chatswood NSW 2067  
**P** 02 9415 0180  
**F** 02 9417 6877

**ACN** 149 197 651

For personal use only