BLACK FIRE MINERALS LIMITED
ACN 122 921 813

NOTICE OF EXTRAORDINARY GENERAL MEETING

EXPLANATORY STATEMENT

PROXY FORM

Date of Meeting
23 October 2014

Time of Meeting
11.00 am (CST)

Place of Meeting
Level 16
211 Victoria Square
ADELAIDE SA 5000

This Notice of Extraordinary General Meeting should be read in its entirety. If shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

The Independent Expert has concluded that the transaction the subject of Resolution 2 outlined in this Notice of Extraordinary General Meeting is NOT FAIR BUT REASONABLE to shareholders. The Independent Expert's Report is enclosed with this Notice of Extraordinary General Meeting.

It is recommended that all shareholders read the Independent Expert's Report in full.

Should you wish to discuss the matters in this Notice of Extraordinary General Meeting please do not hesitate to contact the Company Secretary on (+61 8) 8133 5000.

NOTICE OF EXTRAORDINARY GENERAL MEETING

BLACK FIRE MINERALS LIMITED
ACN 122 921 813

Notice is hereby given that an Extraordinary General Meeting of shareholders of Black Fire Minerals Limited (**Company**) will be held at 11.00 am (CST) on 23 October 2014 at Level 16, 211 Victoria Square, Adelaide, South Australia.

RESOLUTION 1 - SUBSEQUENT APPROVAL OF THE ISSUE OF 54,000,000 SHARES

To consider and, if thought fit, pass, with or without amendment, the following resolution as an ordinary resolution:

'*That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, subsequent approval is given to the issue by the Company of 54,000,000 fully paid ordinary shares (pre-Consolidation) on the terms and conditions set out in the Explanatory Statement.*'

RESOLUTION 2 – DISPOSAL OF BLACK FIRE INDUSTRIAL MINERALS PTY LTD SHAREHOLDING

To consider and, if thought fit, pass, with or without amendment, the following resolution as an ordinary resolution:

'*That, for the purposes of ASX Listing Rules 10.1 and 11.2 and for all other purposes, approval is given for the sale by the Company of all of its shareholding in its subsidiary Black Fire Industrial Minerals Pty Ltd (being 100% of the issued shares in Black Fire Industrial Minerals Pty Ltd) to Thor Mining Plc (which has the effect of disposing of the Company's Pilot Mountain Project) on the terms and conditions set out in the Explanatory Statement.*'

Independent Expert's Report: Shareholders should carefully consider the report prepared by the Independent Expert for the purposes of the shareholder approval required under ASX Listing Rule 10.1. The Independent Expert's Report comments on the fairness and reasonableness of the transaction the subject of this resolution to the non-associated shareholders of the Company.

RESOLUTION 3 – IN SPECIE DISTRIBUTION OF THOR MINING PLC CDIs

To consider and, if thought fit, pass, with or without amendment, the following resolution as an ordinary resolution:

'*That, subject to the passing of Resolution 2 and to completion being effected under the Terms Sheet between the Company and Thor Mining Plc, for the purposes of sections 256B and 256C of the Corporations Act 2001 (Cth) and for all other purposes, approval is given for the net assets of the Company to be reduced by the Company making a pro rata in specie distribution of 418,750,000 Thor Mining Plc CDIs to the shareholders registered on the Record Date, in proportion to their registered shareholding in the Company on that date, on the terms and conditions set out in the Explanatory Statement.*'

RESOLUTION 4 - CONSOLIDATION OF SHARES

To consider and, if thought fit, pass, with or without amendment, the following resolution as an ordinary resolution:

'That, for the purpose of section 254H of the Corporations Act 2001 (Cth) and for all other purposes, approval is given for the issued capital of the Company to be consolidated on the basis that every 13.33333 fully paid ordinary shares be consolidated into one fully paid ordinary share and where this consolidation ratio would otherwise result in a fractional entitlement to a share, that fractional entitlement be rounded up to the nearest whole share, as set out in the Explanatory Statement.'

RESOLUTION 5 – CHANGE TO NATURE AND SCALE OF ACTIVITIES

To consider and, if thought fit, pass, with or without amendment, the following resolution as an ordinary resolution:

'*That, subject to the passing of Resolutions 6 - 11 (inclusive), for the purpose of ASX Listing Rule 11.1.2 and for all other purposes, approval is given for the Company to make a significant change to the nature and scale of its activities as set out in the Explanatory Statement.*'

RESOLUTION 6 – ISSUE OF NEW CLASS OF SECURITIES (PERFORMANCE SHARES)

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **special resolution**:

'That, subject to the passing of resolutions 5 and 7 – 11 (inclusive), for the purpose of section 246B of the Corporations Act 2001 (Cth) and for all other purposes, approval is given for the Company to issue A Class Performance Shares and B Class Performance Shares on the terms and conditions set out in the Explanatory Statement.'

RESOLUTION 7 – ISSUE OF CONSIDERATION SECURITIES

To consider and, if thought fit, pass, with or without amendment, the following resolution as an ordinary resolution:

'*That, subject to the passing of Resolutions 5, 6 and 8 - 11 (inclusive) and the Company obtaining the approval of ASX for reinstatement of its securities to quotation, for the purpose of ASX Listing Rule 7.1 and for all other purposes, approval is given to the issue by the Company of 75,000,000 fully paid ordinary shares (post-Consolidation), 30,000,000 A Class Performance Shares (post-Consolidation) and 15,000,000 B Class Performance Shares (post-Consolidation) to the Animoca Vendors (or their nominees) on the terms and conditions set out in the Explanatory Statement.*'

RESOLUTION 8 – CAPITAL RAISING

To consider and, if thought fit, pass, with or without amendment, the following resolution as an ordinary resolution:

'*That, subject to the passing of Resolutions 5 - 7 (inclusive) and 9 - 11 (inclusive), for the purpose of ASX Listing Rule 7.1 and for all other purposes, approval is given to the issue by the Company of 12,000,000 fully paid ordinary shares (post-Consolidation) at a minimum issue price of $0.20 per share to raise $2,400,000 (minimum subscription) and up to an*

additional 13,000,000 fully paid ordinary shares (post-Consolidation) at a minimum issue price of $0.20 per share to raise up to an additional $2,600,000 by way of oversubscriptions (maximum subscription) on the terms and conditions set out in the Explanatory Statement.'

RESOLUTION 9 – ISSUE OF OPTIONS TO TAYLOR COLLISON LIMITED

To consider and, if thought fit, pass, with or without amendment, the following resolution as an ordinary resolution:

'*That, subject to the passing of Resolutions 5 - 8 (inclusive) and 10 and 11, for the purpose of ASX Listing Rule 7.1 and for all other purposes, approval is given to the issue by the Company of up to 2,626,017 Options (post-Consolidation) to Taylor Collison Limited (or its nominee) on the terms and conditions set out in the Explanatory Statement.*'

RESOLUTION 10 – CHANGE OF NAME

To consider and, if thought fit, pass, with or without amendment, the following resolution as a **special resolution**:

'*That, subject to the passing of Resolutions 5 – 9 (inclusive) and 11, for the purposes of sections 157(1)(a) and 136(2) of the Corporations Act 2001 (Cth) and for all other purposes, approval is given for the name of the Company to be changed to Animoca Brands Corporation Limited, and for all references to the Company's name in the Constitution of the Company to be replaced with Animoca Brands Corporation Limited.*'

RESOLUTION 11: APPROVAL OF EMPLOYEE SHARE OPTION PLAN

To consider and, if thought fit, pass, with or without amendment, the following resolution as an ordinary resolution:

'*That, subject to the passing of Resolutions 5 – 10 (inclusive), for the purpose of ASX Listing Rule 7.2, Exception 9(b) and for all other purposes, the Company approves the issue of securities under the employee incentive option scheme for employees known as 'Animoca Brands Corporation Limited Employee Share Option Plan', the rules of which are annexed as Annexure E to the Explanatory Statement, as an exception to ASX Listing Rule 7.1.*'

DATED 24 SEPTEMBER 2014

BY ORDER OF THE BOARD
BLACK FIRE MINERALS LIMITED

DONALD STEPHENS
COMPANY SECRETARY

NOTES:

1. **Explanatory Statement**

The Explanatory Statement accompanying this Notice of Extraordinary General Meeting is incorporated in and comprises part of this Notice of Extraordinary General Meeting and should be read in conjunction with this Notice of Extraordinary General Meeting.

Shareholders are specifically referred to the Glossary in the Explanatory Statement which contains definitions of capitalised terms used in both this Notice of Extraordinary General Meeting and the Explanatory Statement.

2. **Voting Exclusion Statements**

(a) **Resolution 1**

The Company will disregard any votes cast on Resolution 1 by a person who participated in the issue and their associates.

However, the Company need not disregard a vote if:

- it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

(b) **Resolution 2**

For the purposes of:

(i) ASX Listing Rule 10.1, the Company will disregard any votes cast on Resolution 2 by a party to the Thor Transaction and their associates; and

(ii) ASX Listing Rule 11.2, the Company will disregard any votes cast on Resolution 2 by a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if Resolution 2 is passed, and their associates.

However, the Company need not disregard a vote if:

- it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

(c) **Resolution 5**

The Company will disregard any votes cast on Resolution 5 by a person (and their associates) who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if Resolution 5 is passed.

However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or

- it is cast by a person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

(d) **Resolution 7**

The Company will disregard any votes cast on Resolution 7 by a person (and their associates) who may participate in the proposed issue and a person (and their associates) who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if Resolution 7 is passed.

However, the Company need not disregard a vote if:

- it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or

- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

(e) **Resolution 8**

The Company will disregard any votes cast on Resolution 8 by a person (and their associates) who may participate in the proposed issue and a person (and their associates) who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if Resolution 8 is passed.

However, the Company need not disregard a vote if:

- it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or

- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

(f) **Resolution 9**

The Company will disregard any votes cast on Resolution 9 by a person (and their associates) who may participate in the proposed issue and a person (and their associates) who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if Resolution 9 is passed.

However, the Company need not disregard a vote if:

- it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or

- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

(g) **Resolution 11**

(i) For the purposes of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on Resolution 11 if:

- the person is either:
  - a member of the Key Management Personnel for the Company or, if the Company is part of a consolidated entity, for the entity; or
  - a Closely Related Party of such a member; and
- the appointment does not specify the way the proxy is to vote on the Resolution.

However, the Company will not disregard a vote if:

- the person is the chair of the meeting at which the Resolution is voted on; and
- the appointment expressly authorises the chair to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company or, if the Company is part of a consolidated entity, for the entity.

(ii) For the purposes of the ASX Listing Rules, the Company will disregard any votes cast on Resolution 11 by any Director of the Company (except one who is ineligible to participate in the Animoca Brands Corporation Limited Employee Share Option Plan) and any associates of that Director of the Company.

However, subject always to paragraph 2(h)(i), the Company will not disregard a vote if:

(A) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the proxy form; or

(B) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

3. **Proxies**

A shareholder entitled to attend this Meeting and vote is entitled to appoint a proxy to attend and vote for the shareholder at the Meeting. A proxy need not be a shareholder. If the shareholder is entitled to cast two or more votes at the Meeting the shareholder may appoint two proxies and may specify the proportion or number of votes which each proxy is appointed to exercise. A form of proxy accompanies this Notice.

To record a valid vote, a shareholder will need to take the following steps:

3.1 complete and lodge the manual proxy form at the share registry of the Company, Security Transfer Registrars Pty Limited:

(a) by post at the following address:

Security Transfer Registrars Pty Limited
PO Box 535
Applecross WA 6953

OR

(b) by facsimile on +61 (0) 8 9315 2233

OR

(c) by hand at the following address:

Security Transfer Registrars Pty Limited
770 Canning Highway
APPLECROSS WA 6153

OR

3.2 cast the shareholder's vote online by visiting www.securitytransfer.com.au,

so that it is received no later than 11.00 am (CST) on 21 October 2014.

Please note that if the chair of the Meeting is your proxy (or becomes your proxy by default), you expressly authorise the chair to exercise your proxy on Resolution 11 even though it is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company, which includes the chair. If you appoint the chair as your proxy you can direct the chair to vote for or against or abstain from voting on Resolution 11 by marking the appropriate box on the Proxy Form.

The chair intends to vote undirected proxies in favour of each item of business.

4. **'Snap Shot' Time**

The Company may specify a time, not more than 48 hours before the Meeting, at which a 'snap-shot' of shareholders will be taken for the purposes of determining shareholder entitlements to vote at the Meeting. The Directors have determined that all shares of the Company that are quoted on ASX as at 7.00 pm (CST) on 21 October 2014 shall, for the purposes of determining voting entitlements at the Meeting, be taken to be held by the persons registered as holding the shares at that time.

5. **Corporate Representative**

Any corporate shareholder who has appointed a person to act as its corporate representative at the Meeting should provide that person with a certificate or letter executed in accordance with the Corporations Act authorising him or her to act as that company's representative. The authority may be sent to the Company and/or registry in advance of the Meeting or handed in at the Meeting when registering as a corporate representative.

EXPLANATORY STATEMENT

PART 1 – GENERAL INFORMATION

This Explanatory Statement forms part of a Notice convening an Extraordinary General Meeting of shareholders of Black Fire Minerals Limited to be held on 23 October 2014. This Explanatory Statement is to assist shareholders in understanding the background to and the legal and other implications of the Notice and the reasons for the Resolutions proposed. Both documents should be read in their entirety and in conjunction with each other.

Other than the information set out in this Explanatory Statement, the Directors believe that there is no other information that could reasonably be required by shareholders to consider Resolutions 1 to 11 (inclusive).

1. SUBSEQUENT APPROVAL OF SHARE ISSUE

On 13 August 2014, the Company announced a placement of 54,000,000 ordinary shares (pre-Consolidation) to raise $810,000.

The issue of these shares did not result in the Company breaching the 15% limit referred to in ASX Listing Rule 7.1. The issue of the shares does not therefore depend upon shareholders passing Resolution 1. The purpose of Resolution 1 is to obtain shareholder approval for the purpose of ASX Listing Rule 7.4 and for all other purposes. If shareholders approve the issue of the shares the subject of Resolution 1 for the purpose of Listing Rule 7.4, the issue of those shares will not count towards determining the number of equity securities which the Company can issue in any 12 month period. However, if shareholders do not approve the issue of the shares the subject of Resolution 1 for the purpose of ASX Listing Rule 7.4, the issue of those shares will count towards the number of equity securities which the Company can issue in any 12 month period.

Resolution 1 is a stand-alone resolution and does not depend on the passing of any other Resolution. The Directors recommend that shareholders vote in favour of Resolution 1.

2. DISPOSAL OF BLACK FIRE INDUSTRIAL MINERALS PTY LTD SHAREHOLDING AND IN SPECIE DISTRIBUTION OF THOR MINING PLC CDIs

The Company currently holds via its wholly owned subsidiary Black Fire Industrial Minerals Pty Ltd (**Industrial**) a 100% interest in the Pilot Mountain Tungsten-Copper Project in Nevada, USA (**Pilot Mountain Project**).

On 10 June 2014, the Company announced that it had entered into a Terms Sheet with dual ASX and AIM listed company Thor Mining Plc (**Thor**) pursuant to which the Company agreed to sell all of its shares in Industrial to Thor, effectively disposing of the Pilot Mountain Project to Thor, in consideration for the issue by Thor to the Company of 418,750,000 CHESS Depository Interests (**CDIs**) at a deemed issue price of 0.4 cents per CDI, equivalent to $1,675,000 (**Thor Transaction**). As part of that transaction, Thor will also assume the Company's debt obligation of $625,000 (including accrued interest) which was secured from a consortium of lenders in March 2014, to complete the acquisition of 45 mineral claims at Pilot Mountain from Pacific Gold Corp. Inc (as outlined in paragraph (d) below).

The conditions precedent to completion of the Thor Transaction are:

(a) Thor conducting prior to 5.00 pm WA time on 8 October 2014 (or such later date agreed by the Company and Thor) commercial, technical and legal due diligence in respect of Industrial, the Subsidiaries and their respective assets and liabilities and being satisfied in all respects with such due diligence;

(b) the Company and Thor each obtaining shareholder approval of the transaction contemplated by the Terms Sheet, including for the purposes of the ASX Listing Rules, the AIM Rules and the Corporations Act (or any other law);

(c) the Company and Thor each obtaining any other regulatory approvals or third party consents or waivers which are necessary for the transaction contemplated by the Terms Sheet;

(d) the Company, Thor and any third parties entering into such deed and other associated documentation as the Company may reasonably require, in order to effect the novation (on or before completion under the Terms Sheet) of certain debts owed by the Company in the total sum of $625,000 (including accrued interest) pursuant to loan agreements entered into by the Company and third-party lenders (partially secured against the Pilot Mountain Project) in or about March 2014 (and payable by 30 September 2015) in connection with the acquisition of 45 of the tenements comprising the Pilot Mountain Project from Pacific Gold Corp. Inc (**Pilot Mountain Debt**); and

(e) execution of a definitive legal agreement to effect the Thor Transaction.

As at the date of lodgment of this Notice with ASX, the condition precedent referred to in paragraph (d) has been satisfied, and Thor has obtained the approval of its shareholders as referred to in paragraph (b).

The consideration payable by Thor for the Thor Transaction as outlined above takes into account the novation of the Debt to Industrial.

The Pilot Mountain Project is a substantial asset of the Company for the purposes of ASX Listing Rule 10.1, being more than 5% of the equity interest of the Company as set out in the Company's latest accounts given to ASX under the ASX Listing Rules.

For the purposes of ASX Listing Rule 10.1.1 (and having regard to section 228 of the Corporations Act), the Company is of the opinion that Thor is a related party of the Company as a result of the degree of control exercised by Mr Michael Billing (a director of both the Company and Thor and Chairman of Thor) over Thor and in particular Mr Billing's capacity to determine the outcome of decisions about Thor's financial and operating policies.

ASX Listing Rule 10.1 requires shareholder approval for any transaction with a related party which involves the disposal of a substantial asset, and ASX Listing Rule 10.10.2 further requires that the notice of meeting be accompanied by an independent expert report which states whether the proposed transaction is fair and reasonable.

Shareholders should carefully consider the Independent Expert's Report prepared for the purposes of the shareholder approval required under ASX Listing Rule 10.1, and which comments on the fairness and reasonableness of the Thor Transaction to the non-associated shareholders of the Company. ***The Independent Expert's Report has determined that the Thor Transaction the subject of Resolution 2 is not fair but reasonable to the non-associated shareholders of the Company.***

In addition, ASX Listing Rule 11.2 provides that an entity must seek the approval of its shareholders before disposing of its main undertaking. As the Thor Transaction represents the disposal of the Company's main undertaking, shareholder approval is sought for the Company to dispose of the whole of its shareholding in Industrial pursuant to Resolution 2.

The approvals required by both ASX Listing Rules 10.1 and 11.2 are sought from shareholders in Resolution 2.

As noted above, as part of the Thor Transaction, the Company will be issued 418,750,000 CDIs in Thor. It is proposed that as a part of a capital reduction by the transfer of assets these CDIs will be distributed in specie to the Company's shareholders. Although the Terms Sheet requires the CDIs to be held in escrow for 12 months from issue, the Company will reserve the right (subject to obtaining all relevant approvals) to transfer the CDIs to shareholders by way of an in specie distribution, conditional upon any such transfer being subject to a holding lock for the balance of the escrow period.

Section 256C of the Corporations Act provides that an entity must seek the approval of its shareholders before undertaking a capital reduction. This approval is sought from shareholders in Resolution 3.

Resolution 2 is a stand-alone resolution and does not depend on the passing of any other Resolution. The passing of Resolution 3 is conditional upon, and subject to, Resolution 2 being approved by shareholders and completion being effected under the Terms Sheet between the Company and Thor. The Directors (other than Mr Michael Billing who is also a director of Thor and therefore refrains from giving a recommendation) recommend that shareholders vote in favour of Resolutions 2 and 3.

3. CONSOLIDATION OF SHARES AND OPTIONS

Resolution 4 seeks shareholder approval to consolidate the number of shares on a one-for-13.33333 basis (rounded up to the nearest whole number) (**Consolidation**).

If shareholders approve the Animoca Acquisition proposed by passing Resolutions 5 to 11, the Company will need to requalify for and seek admission to the official list of ASX. One of the conditions to requalify is that the Company must have a share price equal to, or greater than, $0.20.

The proposed Consolidation is intended to position the Company so that the price of its shares will satisfy this condition to the Company's re-admission to the official list of ASX.

If Resolution 4 is passed, the Company will undertake the proposed Consolidation even if shareholders do not approve the Animoca Acquisition by passing Resolutions 5 to 11.

Resolution 4 is a stand-alone resolution and does not depend on the passing of any other Resolution. The Directors recommend that shareholders vote in favour of Resolution 4.

4. CURRENT OPERATIONS

* *Pilot Mountain Tungsten/Copper Project – Nevada, USA (100% Black Fire Minerals)*

The Pilot Mountain Project comprises 176 unpatented mineral claims located on the eastern flank of Pilot Mountain, 250km southeast of the city of Reno and 20km east of the town of Mina, in Nevada USA. This ground package was the result of a consolidation program undertaken by the Company which acquired the rights to US based Pacific Gold Corp's 45 claims over historical deposits as well as staking 131 claims in its own right to secure additional nearby prospects.

The project is located on open rangelands with excellent infrastructure including grid power and intrastate highway less than 20km to the west. Nevada is generally regarded as the 'mining capital' of the USA with a favourable regulatory environment and availability of equipment and a skilled workforce.

The project covers historically defined tungsten-copper-silver skarn-style mineralisation at three locations, including the Desert Scheelite, Gunmetal and Garnet Deposits, where Union Carbide Corp undertook detailed evaluation and feasibility studies and developed a 70,000 ton trial pit between 1977 and 1983. These deposits were never exploited due to a collapse in tungsten prices in the mid 1980s and no significant modern exploration has been undertaken on the project since this time. Consequently, the project represents an advanced opportunity to capitalize on the increasing demand for tungsten which has seen significant price growth both before and since the GFC.

As noted above, in June 2014, the Company announced that it had executed a Terms Sheet with dual ASX and AIM listed company Thor Mining Plc (**Thor**) to sell the Pilot Mountain Project, further details of which transaction are set out in Section 2 of Part 1 of this Explanatory Statement.

* *Mystique Gold Project – Western Australia (100% Black Fire Minerals)*

The Mystique Gold Project (E28/1915) is located approximately 240km ESE of Kalgoorlie, Western Australia. The Company earned an initial 60% interest in the tenement pursuant to the Mystique Joint Venture which was structured with PacMag Metals Ltd in September 2009.

The project is located in the Proterozoic Albany - Fraser Belt (also referred to as the Tropicana Belt) from which gold prospectivity has only become known in the last 10 years or so and as such has a very low exploration maturity. The discovery of the +5Moz Tropicana gold deposit by the Anglogold - Independence Group Joint Venture using simple calcrete soil geochemical techniques has resulted in much exploration interest in the belt (including the recent Nova/Bollinger discoveries by ASX listed Sirius Resources NL) and a number of other encouraging prospects such as Beachcomber, Plumridge and Hercules Trend being reported.

The Mystique project is centred on a substantial historic gold soil anomaly, known as Torquata, defined before the discovery of Tropicana and that has to date been ineffectively drill tested.

In March 2014, the Company executed an Option and Sale Agreement (**Option Agreement**) with ASX listed Parmelia Resources Ltd (**Parmelia**) (ASX: PML) over its 60% interest in E28/1915. The Company's Joint Venture partner at that time, Entrée Gold Inc. (**Entrée**) also agreed to divest its 40% interest in E28/1915 to Parmelia on the same terms.

In April 2014, the Company announced to ASX that it had acquired the remaining 40% interest in E28/1915 from its Joint Venture partner, Entrée, effectively assuming Entrée's rights under the above Option Agreement executed with Parmelia.

Under the terms of the Option Agreement, Parmelia was granted a six month Option period (expiring on 6 September 2014) to conduct certain due diligence over the tenement. At the expiry of this Option period Parmelia could either withdraw from the Option Agreement or elect to proceed with the acquisition by issuing up to 12 million fully paid ordinary shares in Parmelia at a deemed price of 2.5 cents per share for deemed total consideration of $300,000. Parmelia has recently notified the Company that it does not wish to exercise its option under the Option Agreement to acquire E28/1915, and that it will withdraw from the Option Agreement.

* *Kangeshi Copper/Silver Project – Democratic Republic of Congo (**DRC**)*

In July 2011 the Company entered into an agreement with Canadian private company, Rift Valley Minerals Ltd (**RVM**) and private DRC company, TSM Enterprise s.p.r.l. (**TSM**) for the acquisition of up to 54% effective equity in the Kangeshi Copper-Silver Project located in the Democratic Republic of Congo.

The project is located in the southern part of the country, approximately 190km north of the city of Lubumbashi in the highly copper prospective and very active mining province of Katanga. The Katanga Province covers a large portion of the Central African Copperbelt that extends from Zambia, through the DRC, and into Angola.

Initially, the Company earned a 27% interest in RVM by contributing $1m in equity to facilitate a drilling program at the project. Unfortunately, upon mobilisation of the drilling equipment for this program, the DRC Government imposed a forestry restriction over the licence, effectively preventing all activities within the licence. The project has remained dormant since this time and the Company has written down its investment in RVM to $Nil. Furthermore, the Company will not be exercising its remaining Option interests over RVM or TSM.

5. CHANGE TO NATURE AND SCALE OF ACTIVITIES

The acquisition by the Company of all the issued share capital of Animoca involves a significant change to the nature of the Company's main business activity from exploring for minerals to the creation and/or publication of mobile games for smartphones and tablets. Furthermore, the Animoca Acquisition involves a significant change to the size of the Company's business operations. Given these circumstances, ASX has exercised its discretion to require the significant change to the nature and scale of the Company's main business activity

to be approved by the Company's shareholders under ASX Listing Rule 11.1.2. This approval is sought from shareholders in Resolution 5.

6. INFORMATION ON THE ANIMOCA BUSINESS

Animoca was incorporated in 2014 as a spinoff from Appionics, which is commonly known by the consumer brand 'Animoca'. The mission of Animoca is the development and publication of games for touch-screen phones and tablets, primarily Apple iOS and Google Android devices. Animoca leverages globally-recognised intellectual properties to build fun and engaging content for users around the world. The team behind Appionics and Animoca 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 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's 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 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's 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 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 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 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's 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 Forgame.

7. CONDITIONS PRECEDENT TO COMPLETION OF THE ANIMOCA ACQUISITION

On 22 June 2014 the Company entered into a legally binding Heads of Agreement with Appionics to acquire all the issued share capital of Animoca in consideration for the issue of 1,000,000,000 fully paid ordinary shares (pre-Consolidation), 400,000,000 A class performance shares (pre-Consolidation) and 200,000,000 B class performance shares (pre-Consolidation).

The conditions precedent to completion of the Animoca Acquisition are:

(a) the Company conducting due diligence in respect of Animoca, its subsidiary and the business and being satisfied in all respects with such due diligence;

(b) Appionics conducting due diligence in respect of the Company and its subsidiaries and being satisfied in all respects with such due diligence;

(c) execution of definitive legal agreements to effect the Animoca Acquisition;

(d) each of the Company and Appionics obtaining all necessary shareholder and regulatory approvals, waivers or modifications for the transaction, including any approvals which may be required under Hong Kong legislation and any approvals or statements which may be required under the *Foreign Acquisitions and Takeovers Act 1975* (Cth), and any approvals, waivers or modifications necessary to implement the transaction under the ASX Listing Rules and the Corporations Act;

(e) the Company obtaining shareholder approval to consolidate its shares;

(f) the Company obtaining shareholder approval to change its name to 'Animoca Brands Corporation Limited';

(g) the Company raising at least $2.4 million and no more than $5 million via a prospectus for the offer of 12 million ordinary shares (post-Consolidation) and no more than 25 million ordinary shares (post-Consolidation) at an offer price of at least $0.20 each;

(h) the Company obtaining conditional approval (subject only to the imposition of conditions usual to such approvals) from ASX for its ordinary shares to be reinstated to quotation on ASX;

(i) Appionics being able to secure adequate insurance on acceptable terms so that the holders of the Consideration Shares are adequately protected from any claims or liability from the operation of the Company's business prior to Completion including any claims or liabilities in relation to taxation, litigation, occupational health and safety, industrial relations or environmental prosecution resulting from the operation by the Company of its mining and prospecting activities; and

(j) the Company not breaching any of the covenants in clause 8(c) of the Heads of Agreement.

As at the date of lodgement of this Notice with ASX, none of these conditions precedent have been satisfied.

Neither Appionics nor any other person (either alone or together with that person's associates as defined in the Corporations Act) will hold more than 20% of the Company's shares following the Company's re-compliance with ASX's admission requirements in Chapters 1 and 2.

8. BOARD CHANGES

On completion of the Animoca Acquisition the Directors propose to appoint Messrs Yat Siu, David Kim, Robert Yung, David Brickler and Richard Kuo as additional Directors. Furthermore, it is proposed that two of the existing

Directors, Messrs Matthew Sheldrick and Michael Billing, will resign as Directors, with Mr Martin Green continuing as a Director.

Profiles of each of the proposed new Directors are set out below:

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.

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. David 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, Viztel 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 Honours, David is also a classical vocalist with extensive musical and theatrical interest and experience.

Robert Yung

Robby is the CEO of Animoca 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.

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.

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.

9. RE-COMPLIANCE WITH CHAPTERS 1 AND 2 OF THE ASX LISTING RULES

ASX has notified the Company that the significant change to the nature and scale of the Company's main business activity arising from the Animoca Acquisition will require re-compliance with ASX's admission requirements in Chapters 1 and 2.

In accordance with guidelines published by ASX, the Company intends requesting a trading halt under ASX Listing Rule 17.1 to apply from the start of trading on the date of the Extraordinary General Meeting. Then, if shareholders approve the change to the nature and scale of activities of the Company and related resolutions, trading in the Company's securities will be immediately suspended until re-compliance with the admission requirements is achieved.

ASX will consider the application of the escrow provisions in Chapter 9 when considering the Company's application for re-admission. ASX may, in certain circumstances, impose an escrow period of up to 24 months.

10. INDICATIVE TIMETABLE

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

Event	Date
Despatch Notice of Meeting	24 September 2014
Lodge Prospectus with ASIC and ASX	16 October 2014
General Meeting	23 October 2014
Suspension of trading in the Company's securities	23 October 2014
Offer under Prospectus opens	24 October 2014
Offer under Prospectus closes	7 November 2014
Completion of Animoca Acquisition and issue of shares under the Prospectus	14 November 2014
Expected date for re-quotation of the Company's shares on ASX	19 November 2014

11. PRO-FORMA CAPITAL STRUCTURE

The capital structure of the Company following completion of all of the Resolutions the subject of the Notice is set out in the following table:

	SHARES	OPTIONS	PERFORMANCE SHARES
Current issued capital (pre-Consolidation)	417,344,536	Nil	Nil
Current issued capital (post-Consolidation)	31,300,840	Nil	Nil
Issued to Animoca Vendors (Resolution 7)	75,000,000	Nil	45,000,000
Issued pursuant to Capital Raising (Resolution 8)*	25,000,000	Nil	Nil
Issued to Taylor Collison (Resolution 9)*	Nil	2,626,017	Nil
Total issued capital on reinstatement*	131,300,840	2,626,017	45,000,000

*Assumes that pursuant to Resolution 8, the maximum number of 25,000,000 shares are issued.

12. PRO-FORMA STATEMENT OF FINANCIAL POSITION

Set out in Annexure A to this Explanatory Statement is a pro-forma consolidated statement of financial position of the Company taking into account the Animoca Acquisition. The pro-forma statement of financial position illustrates the effect of the Animoca Acquisition as if it had occurred on 31 December 2013 (adjusted for certain events outlined in the notes in Annexure A).

13. USE OF FUNDS

Funds raised from the Capital Raising are intended to be used for the following purposes:

Use of proceeds over a one year period will be utilised as follows:

Use if the full amount is raised:

Expenses associated with the acquisition:	$771,535
Acquisition of new IP licences	$500,000
Acquisition of new publishing title rights	$500,000
Marketing	$1,500,000
	$3,271,535

Use if the minimum amount is raised:

Expenses associated with the acquisition:	$771,535
Acquisition of new IP licences	$500,000
Acquisition of new publishing title rights	$500,000
Marketing	$500,000
	$2,271,535

14. ADVANTAGES OF THE ANIMOCA ACQUISITION

14.1 More certain return to shareholder value creation

Your Directors have been mindful of the current state of the Australian share market with regard to junior exploration companies and continued low investor sentiment. Cash preservation has been front of mind however good investment opportunities have been sought. In the current share market environment there is greater likelihood of restoring shareholder value by progressing the proposed acquisition of Animoca than if the Company was simply to remain a junior mineral explorer listed on ASX.

14.2 **Transaction provides shareholders with exposure to existing growing business**

The Animoca Acquisition provides current shareholders of the Company with exposure to an existing well managed and expanding business involved in the mobile gaming industry. The business will be well capitalised following a proposed minimum $2.4 million equity raising. Existing and new funds will be directed to accelerate growth by funding additional sales and marketing activities as well as continuing product and service development to obtain market leadership.

14.3 **Increased investor interest and market liquidity**

Until recently, transactions in Company shares on ASX have been sparse. In more recent days this has changed and is mostly related to the 23 June 2014 announcement of the proposed acquisition of Animoca. It is not unreasonable to anticipate continued improved liquidity going forward post completion of the Animoca Acquisition.

14.4 **No cash payment for an existing growing business with track record**

The proposed acquisition of Animoca has no cash consideration.

15. DISADVANTAGES OF THE ANIMOCA ACQUISITION

15.1 **Change of business focus and a move away from mineral exploration focus**

It is very likely that the Company, once it has changed its name to Animoca Brands Corporation Limited, will move out of the mineral exploration business and focus on the mobile gaming industry. This may be seen as a disadvantage to some shareholders that were seeking, via the Company, a 'pure' mineral exploration investment.

15.2 **Issue of new securities pursuant to the resolutions will dilute existing shareholders**

The proposed Capital Raising of not less than $2.4 million by way of a prospectus and the issue of shares to the Animoca Vendors will be dilutive on some or all shareholders. Consequently, the current shareholders' voting power and influence over the affairs of the Company will be reduced.

15.3 **Transaction and Capital Raising costs**

The proposed transaction for the Company to acquire all the existing shares in Animoca has required the Company to engage a number of advisers, lawyers and experts to facilitate and report on the proposal. This work includes preparation of the Notice of Extraordinary General Meeting and a prospectus to ensure compliance with ASX Listing Rules and other statutory requirements and approvals. These are sunk but necessary costs to all of the Company's shareholders.

Your Directors believe the advantages of the transaction outweigh the disadvantages substantially.

16. RISKS

16.1 Specific Risk Factors

Financial Risks

1. Animoca is currently operating at a loss, and if Animoca does not have access to capital in future, either from investors or operating cash flow, Animoca may not have sufficient funds to meet its obligations.

2. Animoca may not be able to raise funds in the future.

3. Animoca operates globally, and the risk exists that tax policies in the countries where Animoca operates may change so as to adversely affect the profitability of Animoca's operations.

4. Animoca operates globally, and its products are denominated in a variety of currencies depending upon the country in which they are available for sale. The risk exists that fluctuations in the exchange rate to the US dollar may adversely affect Animoca's financial position.

Industry Risks

1. The market for mobile games is a vibrant global market, and it is expected to grow rapidly. However, the risk of a new entertainment technology emerging that competes for consumers' time and discretionary spending with mobile games is always possible.

2. Mobile games also compete with other forms of entertainment, such as television, print media and the World Wide Web, and the risk exists that consumers will decrease their time and spending on mobile games in favour of other existing media products.

3. Mobile advertising is in its infancy, and as the market for mobile advertising matures, the cost of purchasing mobile advertisements will increase. This increase may have an adverse impact on Animoca's ability to effectively market its mobile games to consumers if it can no longer afford to utilize adequate marketing channels.

4. At the time of this Notice, the majority of revenues in the mobile game industry come from the in-app purchase of virtual items, which are subject to commissions levied by the dominant global platforms operated by Apple Inc. and Google. There exists a risk that Apple and Google decide to increase these commission rates and thereby increase Animoca's cost of sales.

5. The current industry trend of 'freemium' games, in which the game is free to download but requires payment for certain services within the game, may not be as accepted in future by consumers as it is today. It is also possible that government regulators may place restrictions on the manner in which this freemium model is

implemented, which may have an adverse impact on Animoca's financial prospects.

6. The majority of Animoca's revenues come via platforms operated by Apple Inc. and Google, and there exists a risk that Animoca's revenues, cost of sales or cash flow may be adversely affected by changes in the business practices and/or policies of Apple and Google.

7. The availability of the majority of Animoca's mobile games for sale depends upon the app stores operated by Apple Inc., Google and Amazon, and the risk exists that they may be subject to technical problems, such as server outages, computer viruses and hacking, that impact their ability to maintain the operations of their app stores which could adversely affect the ability of Animoca to market, operate and make revenue and profit from its products.

8. The mobile games developed and / or operated by Animoca collect a certain amount of personal data from the user, subject to a privacy policy for each mobile game. The risk exists that governments will increase regulation of privacy issues related to mobile applications, and that this will adversely affect the ability of Animoca to market, operate and make revenue and profit from its products.

9. The mobile game industry is highly competitive, with thousands of companies around the world producing games, and the risk exists that Animoca will not be able to effectively compete with so many other companies, and this will adversely affect Animoca's prospects.

10. The mobile game industry is subject to rapid technological change, which may adversely affect Animoca's prospects if new technologies replace those that have been historically used by Animoca or its partners and customers.

11. The mobile game industry, particularly in China, is susceptible to piracy, and if competitors are successful in copying Animoca's intellectual property, this piracy may have an adverse impact on Animoca's ability to market genuine products, and the legal remedies available may be insufficient to remedy the damage done by the pirates.

12. There is relatively little regulation in the mobile games industry, and therefore there may be risk in not only increased regulation, but in that local legislatures and judiciaries are insufficiently familiar with this new industry to draft fair legislation or adjudicate fairly in disputes.

Company Risks

1. Animoca is headquartered and has the majority of its operations in Hong Kong, which is a large city, but with a relatively small pool of talent in the mobile technology industry, and the risk exists that Animoca may have difficulty in future recruiting staff with the

relevant experience, and recruiting from overseas may be more expensive.

2. Animoca has a relatively limited operating history, and there is a risk that the successful implementation of Animoca's business plans will not result in profitability.

3. Animoca's business model is dependent upon Animoca's ability to launch and market new mobile games on a regular basis, and the risk exists that if Animoca fails to launch new games, the revenues for existing games will decline and adversely impact the financial position of Animoca.

4. Animoca has agreements with a variety of intellectual property holders to utilize their intellectual property in its products. Should Animoca not be able to renew the majority of these agreements, it may have an adverse impact on the financial position of Animoca.

5. Animoca may not be successful in designing games in the future that are popular and engaging with consumers, and if the attractiveness of its games is not adequate, consumers may not choose to spend money in Animoca's games, thereby adversely affecting the financial position of Animoca.

6. Animoca may not always be able to adhere to a specific timetable for the launch of games, and this may adversely affect Animoca's ability to generate revenues from those games.

7. Animoca depends on a number of key technical and management personnel, and the business could be severely disrupted if Animoca lost the benefit of their services.

8. Animoca's diverse player base exposes Animoca to potential litigation risk in different jurisdictions in the event that a particular jurisdiction enacts legislation regulating player behaviour on the Internet.

9. Animoca's games may contain defects in code or design that adversely impact player experiences, resulting in an adverse effect on revenues.

10. Chargebacks, in which consumers request refunds from their credit card companies for purchases made (either fraudulent or otherwise), may adversely affect Animoca's revenues.

11. If the payment and marketing partners of Animoca make material changes to their policies, this may adversely affect Animoca's revenues.

16.2 **General Risk Factors**

Economic conditions

The performance of Animoca is likely to be affected by changes in economic conditions. Profitability of the business may be affected by some of the matters listed below:

1. future demand for mobile games;

2. general financial issues which may affect policies, exchange rates, inflation and interest rates;

3. deterioration in economic conditions, possibly leading to reductions in spending and other potential revenues which could be expected to have a corresponding adverse impact on Animoca's operating and financial performance;

4. the strength of the equity and share markets in Australia and throughout the world;

5. financial failure or default by any entity with which Animoca may become involved in a contractual relationship;

6. industrial disputes in Hong Kong and overseas;

7. changes in investor sentiment towards particular market sectors;

8. the demand for, and supply of, capital; and

9. terrorism or other hostilities.

Government policies and legislation

Animoca may be affected by changes to government policies and legislation, and taxation.

Insurance

Animoca does, wherever practicable and economically advisable, utilise insurance to mitigate business risks. Such insurance may not always be available or may fall outside the scope of insurances cover. In addition, there remains the risk that an insurer defaults in the payment of a legitimate claim by Animoca.

Litigation

Litigation brought by third parties including but not limited to customers, partners, suppliers, business partners or employees could negatively impact the business in the case where the impact of such litigation is greater than or outside the scope of Animoca's insurance.

Other general risks

Other general risks associated with investment in Animoca may include:

1. fluctuation of the price at which Animoca's shares trade due to market factors; and

2. price volatility of Animoca's shares in response to factors such as:

    - additions or departures of key personnel;

    - litigation and legislative change;

- press newspaper or other media reports; and
- actual or anticipated variations in Animoca's operating results.

17. FUTURE DIRECTION FOR THE COMPANY IF THE CHANGE TO NATURE AND SCALE OF ACTIVITIES IS NOT APPROVED

If Resolutions 5 – 11 (inclusive) are not passed the Animoca Acquisition will therefore not proceed. In this circumstance, the Company will continue with the evaluation of potential advanced opportunities that might meet criteria capable of adding significant shareholder value.

18. DIRECTORS' RECOMMENDATION

The Directors consider that the proposed change to the nature and scale of activities of the Company arising from the Animoca Acquisition has the potential to add significant shareholder value for the Company's shareholders. Accordingly, the Directors recommend the Animoca Acquisition and that shareholders vote in favour of proposed Resolutions 5 – 11 (inclusive).

EXPLANATORY STATEMENT

PART 2 - EXPLANATION OF THE PROPOSED RESOLUTIONS

This Explanatory Statement forms part of a Notice convening an Extraordinary General Meeting of shareholders of Black Fire Minerals Limited to be held on 23 October 2014. This Explanatory Statement is to assist shareholders in understanding the background to and the legal and other implications of the Notice and the reasons for the Resolutions proposed. Both documents should be read in their entirety and in conjunction with each other.

Other than the information set out in this Explanatory Statement, the Directors believe that there is no other information that could reasonably be required by shareholders to consider Resolutions 1 to 11 (inclusive).

1. RESOLUTION 1 – SUBSEQUENT APPROVAL OF THE ISSUE OF 54,000,000 SHARES

On 13 August 2014, the Company announced a placement of 54,000,000 ordinary shares (pre-Consolidation) to raise $810,000.

ASX Listing Rule 7.1

ASX Listing Rule 7.1 sets out the basic prohibition on an entity issuing or agreeing to issue equity securities in any 12 month period which amount to more than 15% of its ordinary securities. An issue in excess of the 15% limit can be made with the approval of holders of ordinary securities.

ASX Listing Rule 7.4

However, ASX Listing Rule 7.4 provides that an issue of equity securities made without shareholder approval under ASX Listing Rule 7.1 is treated as having been made with shareholder approval for the purpose of ASX Listing Rule 7.1 if:

(a) the issue did not breach ASX Listing Rule 7.1; and

(b) holders of ordinary securities subsequently approve it.

Resolution 1 seeks approval by shareholders under ASX Listing Rule 7.4 for the issue of 54,000,000 shares (pre-Consolidation).

The following additional information is provided pursuant to the requirements of ASX Listing Rule 7.5.

- The Company has issued 54,000,000 shares (pre-Consolidation).
- The shares were issued at an issue price of $0.015 each.
- The shares were issued on the same terms as the Company's existing issued fully paid ordinary shares.
- The shares were issued to professional and/or sophisticated investor applicants for shares (who are not related parties of the Company) as determined by the Board.

- Funds raised from the issue of the shares will be used for working capital purposes.

Resolution 1 is an ordinary resolution.

The Directors recommend that shareholders vote in favour of Resolution 1.

The chair intends to vote undirected proxies in favour of Resolution 1.

Resolution 1 is a stand-alone resolution and does not depend on the passing of any other Resolution.

2. RESOLUTION 2 – DISPOSAL OF BLACK FIRE INDUSTRIAL MINERALS PTY LTD SHAREHOLDING

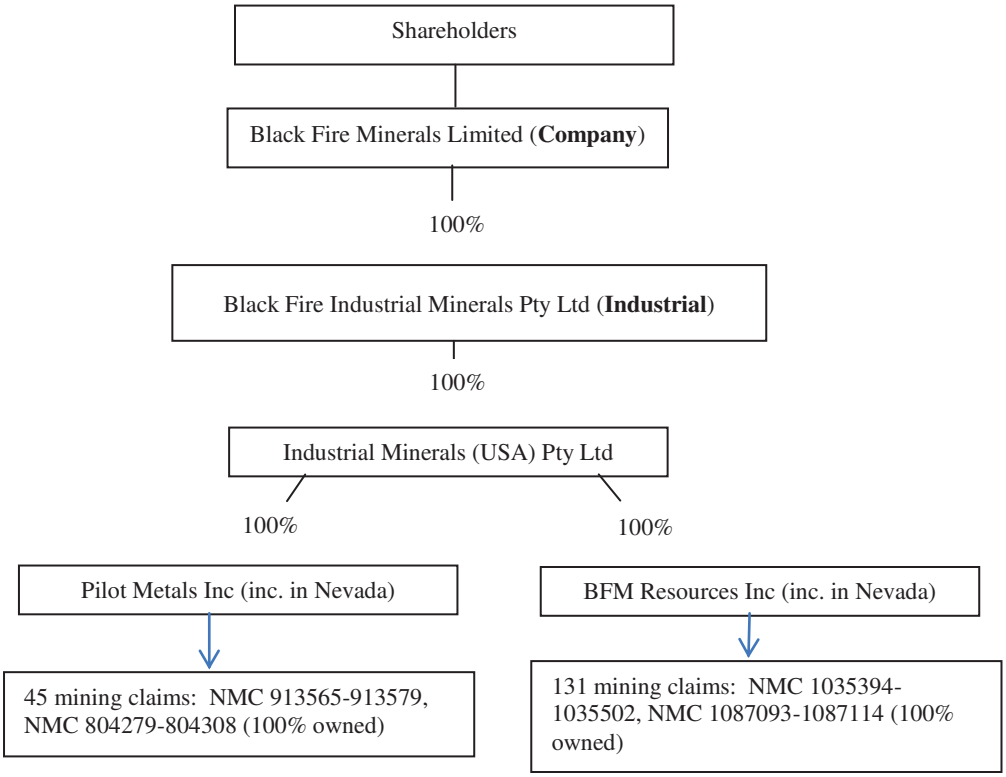
(a) Background

As referred to in Section 2 of Part 1 of this Explanatory Statement, the Thor Transaction is conditional on (among other things) the Company obtaining all necessary approvals for the disposal of the Pilot Mountain Project by the sale to Thor of the Industrial Shares pursuant to the Terms Sheet.

The Pilot Mountain Tungsten-Copper Project is situated in south-western Nevada and comprises 131 mining claims staked (and 100% owned) by BFM Resources Inc and another 45 mining claims acquired from Pacific Gold Corp Inc and now 100% owned by Pilot Metals Inc, final payment having been made in March 2014[1]. Further details concerning this Project are available on the Company's website: www.blackfireminerals.com.au.

As noted above, the Company's Pilot Mountain Project tenements are 100% owned by two wholly owned subsidiaries of the Company, BFM Resources Inc and Pilot Metals Inc, both incorporated in Nevada. The following shows the current structure of the Company, Industrial and the Subsidiaries and the ownership of the Pilot Mountain Project:

[1] In order for the vendor company to agree to a reduction in the final payment made by the Company in the sum of US$600,000 in March 2014, the Company has agreed to increase the amount payable to the vendor Pacific Gold Corp Inc upon commencement of commercial production at the Pilot Mountain Project from US$1 million to US$1.5 million.



To facilitate the disposal of the Company's Pilot Mountain Project, the Company:

(i) has entered into the Terms Sheet to sell all of its shareholding in Industrial (**Industrial Shares**) to Thor in consideration for the issue to the Company of 418,750,000 CDIs[2] in the capital of Thor (**Thor CDIs**); and

(ii) will then, subject to Resolution 3 being passed, and to obtaining all relevant approvals, conduct an in specie distribution on a pro rata basis to shareholders of those 418,750,000 CDIs held by the Company in Thor on the basis of 1.00337 Thor CDIs for each pre-Consolidation share held in the Company on the Record Date). Where a fractional entitlement occurs, the Directors will round that fraction down to the nearest whole CDI.

(b) **Information about Thor**

Thor is a dual ASX and AIM listed mineral and development company with the following tungsten/molybdenum project and precious and base metal exploration projects, situated in the Northern Territory and Western Australia as follows:

[2] A CHESS Depositary Interest (**CDI**) is a financial product issued under the ASX Settlement Rules in respect of an underlying financial product which is not able to participate in CHESS (such as shares issued by a company domiciled in a jurisdiction in which uncertificated holdings or electronic transfer of legal title are not recognised). CDIs allow investors to electronically hold and transfer interests in foreign issued financial products via CHESS without actually holding legal title to those financial products (legal title is held by a nominee company, CHESS Depositary Nominees Pty Ltd (a wholly owned subsidiary of ASX Ltd) on behalf of CDI holders as beneficial owners), and the rights of CDI holders are more particularly set out in Part 1 of Annexure G.

* *Molyhil Tungsten-Molybdenum Project*

  The Molyhil Tungsten-Molybdenum Project comprises three exploration licences (EL 22349, EL 28948 and EL 28949) and three mineral leases (ML 23825, ML 24429 and ML 25721), all 100% owned by Thor, and is located approximately 220 km north-east of Alice Springs in the Northern Territory.

* *Dundas Gold Project*

  The Dundas Gold Project comprises two exploration licences (E 63/872 and E 63/1102) and is located approximately 100 km east-south-east of Norseman in Western Australia. Thor holds a 60% equity interest in this project and has earned the right to increase this interest to 100% in two stages, firstly via the issue of Thor shares to the value of $2 million, exercisable following expenditure by Thor of $1 million in exploration and development expenditure by the end of September 2012 to earn an 80% interest, and secondly via the issue of shares to the further value of $2 million, exercisable following the expenditure by Thor of a further $1 million exploration and development expenditure by the end of September 2014, to acquire a total 100% interest. Thor has recently sold its base metal interests in this project to Ram Resources Ltd, and retains a gold interest only in the relevant tenements.

* *Spring Hill Gold Project*

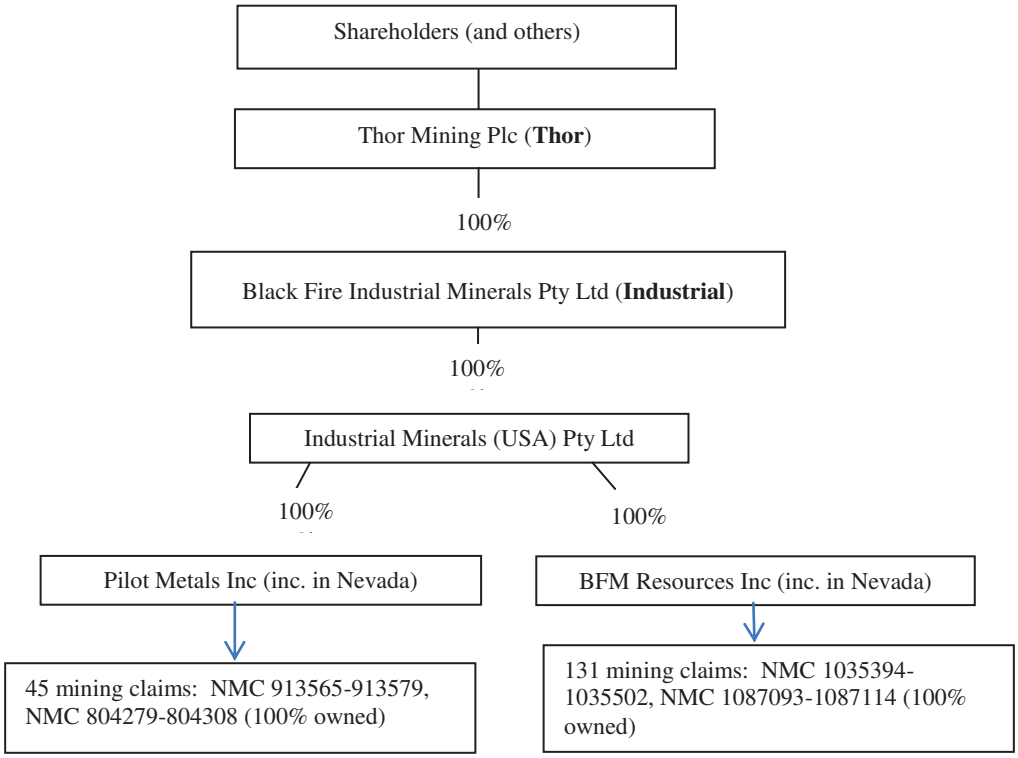
  The Spring Hill Gold Project comprises three exploration licences and one mineral lease and is located approximately 150 km south-east of Darwin in the Northern Territory. In relation to EL 22957 and ML 23812, Thor currently holds a 51% equity interest, together with the right, subject to Minister's consent, to increase its equity in the project to 80% (via the issue of 5 million shares, plus shares to the value of $500,000 to the minority interest holder, Western Desert Resources Ltd), following completion of expenditure by Thor of a further $1.5 million in exploration and development expenditure due by February 2014, which expenditure has now been completed. In relation to EL 28855 and EL 28981, Thor holds a 100% interest.

Further details of Thor's projects are available on Thor's website: http://www.thormining.com.

Thor is a disclosing entity for the purposes of the Corporations Act as CDIs in Thor are quoted on ASX. Thor is therefore subject to regular reporting and disclosure obligations under the ASX Listing Rules. Shareholders may obtain or inspect a copy of Thor's most recent annual report and continuous disclosure notices given by Thor to ASX or ASIC from an ASX or ASIC office during normal business hours or from the ASX website www.asx.com.au (ASX Code: THR)

or from the Thor website as noted above. The Company will provide a copy of any such documents to a shareholder on request free of charge.

The following shows the structure of Thor, Industrial and the Subsidiaries following completion of the Thor Transaction and the in-specie distribution (assuming that Resolutions 2 and 3 are passed):



(c) **Indicative Timetable**

Subject to ASX Listing Rules and Corporations Act requirements, as at the date of lodgement of this Notice of Meeting with ASX the Company anticipates completion of the completion of the Thor Transaction and in-specie distribution will be in accordance with the following timetable:

General Meeting	23 October 2014
Company notifies ASX that shareholders approved the in specie distribution	23 October 2014
Completion effected under the Terms Sheet	24 October 2014
Record date to determine entitlements of shareholders to Thor CDIs under the in specie distribution	30 October 2014
In specie distribution to shareholders of Thor CDIs	6 November 2014

(d) **Effect of Resolutions 2 and 3 on the Company and Shareholders**

Effect on the Company

(i) The Company will cease to hold any shares in Industrial (or any interest in the Pilot Mountain Project).

(ii) The Company will hold 418,750,000 Thor CDIs, issued to the Company pursuant to the Terms Sheet.

(iii) The Company will undertake an in specie distribution of the 418,750,000 Thor CDIs to the Company's shareholders in which case the Company will no longer have an ownership interest in any Thor CDIs.

Effect on Shareholders

(i) A shareholder will own Thor CDIs on the basis of approximately 1.00337 Thor CDIs for every share held in the Company, subject to rounding down of fractional entitlements as outlined in Section 2(a)(ii) of Part 2 of this Explanatory Statement.

(ii) For tax consequences, see Section 2(f) of Part 2 of this Explanatory Statement.

(e) **Overseas Shareholders**

Distribution of Thor CDIs to any shareholder with a registered address outside Australia or New Zealand under the in specie distribution in Resolution 3 will be subject to legal and regulatory requirements in the relevant jurisdictions of those shareholders.

If the requirements of any such jurisdiction restricts or prohibits the distribution of Thor CDIs as proposed or would impose on the Company an undue obligation or burden, the Thor CDIs to which the relevant overseas shareholder is entitled will be sold by the Company on their behalf as soon as practicable after the distribution and the Company will then account to the shareholder for the net proceeds of the sale.

(f) **Tax implications for Shareholders**

The in specie distribution of the Thor CDIs to shareholders may have tax implications for both shareholders who are residents of Australia and for non-resident shareholders. All shareholders should seek their own tax advice on the implications of the capital reduction by way of in specie distribution in Resolution 3 to their Australian tax position and, if applicable, the tax rules which apply in their country of residence.

The capital reduction by way of in specie distribution of Thor CDIs to the shareholders pursuant to Resolution 3 is anticipated to constitute a capital payment for tax purposes. The Company will apply for a class ruling from the Australian Taxation Office to confirm this treatment.

The Company will provide further details to shareholders once this class ruling has been received.

Following the capital payment a shareholder's existing tax cost base of shares in the Company will have to be reduced by the value of the Thor CDIs received. If the value of the Thor CDIs is greater than the tax cost base of the shares in the Company, shareholders may realise a taxable capital gain equal to the difference.

The Company will provide information to assist in this allocation following the capital payment.

The Company's interest in Thor immediately prior to the in specie distribution will be less than 20%, therefore demerger relief will not be available to the Company's shareholders on this transaction.

However, shareholders should seek their own taxation advice regarding the capital payment as individual circumstances may differ. Neither the Company nor any of its officers accept any responsibility or liability in respect of the potential tax consequences arising from the Distribution.

(g) **Chapter 2E of the Corporations Act**

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

(i) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and

(ii) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

Although the Thor Transaction constitutes giving a financial benefit and Thor is a related party of the Company by virtue of it being an entity controlled by Mr Michael Billing (as outlined in Part 1 of this Explanatory Statement), the Directors consider that shareholder approval pursuant to Chapter 2E of the Corporations Act is not required because the Thor Transaction is on terms that would be reasonable in the circumstances if the Company and Thor were dealing at arm's length, and therefore falls within the exception set out in section 210 of the Corporations Act.

(h) **ASX Listing Rule 10.1**

ASX Listing Rule 10.1 provides that an entity must not acquire a substantial asset from, or dispose of a substantial asset to, a related party without obtaining the approval of its shareholders.

An asset is substantial if its value, or the value of the consideration for it is, or in ASX's opinion is, 5% or more of the equity interests of

the Company as set out in the latest accounts given to ASX under the Listing Rules.

As at 31 December 2013, being the date of the Company's half year report lodged with ASX on 12 March 2014, the Company had equity interests (as that term is defined in the ASX Listing Rules) of $4,580,149. Given the value of the consideration offered for the Industrial Shares is greater than 5% of the equity interests of the Company, the proposed disposal is deemed to be of a substantial asset.

As the transaction the subject of Resolution 2 represents the disposal of a substantial asset of the Company to a related party, shareholder approval is sought for the Company to dispose of the whole of its shareholding in Industrial pursuant to Resolution 2.

(i) **Independent Expert's Report**

ASX Listing Rule 10.10.2 requires that shareholder approval sought for the purpose of ASX Listing Rule 10.1 must include a report on the proposed transaction from an independent expert.

The Independent Expert's Report must provide an assessment as to whether or not, in the opinion of the Independent Expert, the sale of the Industrial Shares under the Terms Sheet is fair and reasonable to the existing non-associated shareholders.

The Independent Expert's Report also contains an assessment of the advantages and disadvantages of the Thor Transaction, which assessment is designed to assist all shareholders in reaching their voting decision in relation to Resolution 2.

The Independent Expert has provided the Independent Expert's Report. In the opinion of the Independent Expert the proposal as outlined in Resolution 2 is not fair but reasonable to the non-associated shareholders of the Company.

The Independent Expert's Report is enclosed with this Notice of Meeting as Annexure F. A copy of the Independent Expert's Report is also available for viewing or download at the Company's website: http://www.blackfireminerals.com.au. If a shareholder requests a copy of the Independent Expert's Report, then the Company will provide a hard copy of the Independent Expert's Report to that shareholder at no cost.

The Company strongly recommends that shareholders read the Independent Expert's Report in full.

(j) **ASX Listing Rule 11.2**

ASX Listing Rule 11.2 provides that an entity must seek the approval of its shareholders before disposing of its main undertaking. As the transaction the subject of Resolution 2 represents the disposal of the Company's main undertaking, shareholder approval is sought for the

Company to dispose of the whole of its shareholding in Industrial pursuant to Resolution 2.

(k) **Advantages and disadvantages of the disposal**

Set out below are non-exhaustive lists of what the Directors consider to be the advantages and disadvantages of the transaction the subject of Resolution 2:

Advantages

The Directors believe that the following non-exhaustive list of advantages may be relevant to a shareholder's decision on how to vote on Resolution 2:

(i) the Company can focus on other activities, including the proposed Animoca Acquisition the subject of Resolutions 5 to 11 (inclusive);

(ii) the Company will receive 418,750,000 Thor CDIs; and

(iii) the distribution of the Thor CDIs will result in shareholders retaining exposure to the Company's Pilot Mountain Project.

Disadvantages

The Directors believe that the following non-exhaustive list of disadvantages may be relevant to a shareholder's decision on how to vote on Resolution 2:

(i) the Company will not be able to participate in or derive any future potential profits from its Pilot Mountain Project; and

(ii) the transaction the subject of Resolution 2 may not be consistent with the investment objectives of all shareholders.

Resolution 2 is an ordinary resolution.

The Directors (other than Mr Michael Billing who is also a director of Thor and therefore refrains from giving a recommendation) recommend that shareholders vote in favour of Resolution 2.

The chair intends to vote undirected proxies in favour of Resolution 2.

Resolution 2 is a stand-alone resolution and does not depend on the passing of any other Resolution.

3. RESOLUTION 3 – IN SPECIE DISTRIBUTION OF THOR MINING PLC CDIs

(a) **Sections 256B and 256C Corporations Act**

The transaction the subject of Resolution 2 (**Thor Transaction**) provides for the issue of 418,750,000 Thor CDIs to the Company. The Board considers it appropriate for the Thor CDIs issued to the

Company pursuant to the Thor Transaction to be distributed to the Company's shareholders (**Distribution**). This distribution requires shareholder approval and Resolution 3 seeks that approval.

The in specie distribution of the Thor CDIs is a capital reduction. Section 256B(1) of the Corporations Act applies to this distribution. The three requirements in that section are that the reduction:

(i) is fair and reasonable to the Company's shareholders as a whole;

(ii) does not materially prejudice the Company's ability to pay its creditors; and

(iii) is approved by shareholders under section 256C of the Corporations Act.

As to (i), as all shareholders are being treated equally, the reduction is fair and reasonable.

As to (ii), the capital reduction results in an asset of the Company, the Thor CDIs, being transferred to shareholders without the Company receiving any consideration for those shares and results in the value of the assets of the Company being reduced by the fair value of the Thor CDIs. The Board is however of the view that the capital reduction does not materially prejudice the Company's ability to pay its creditors.

As to (iii), the reduction is an equal reduction because in terms of section 256B(2):

- it relates only to ordinary shares;
- it applies to each holder of ordinary shares in the proportion to the number of ordinary shares they hold; and
- the terms of the reduction are the same for each holder of ordinary shares.

If Resolution 3 is passed, the Company will make all necessary arrangements to transfer the Thor CDIs to shareholders via CHESS as outlined in Section 2(a) of this Part 2 of the Explanatory Statement.

(b) **Advantages of the Distribution**

The Directors are of the view that the following non-exhaustive list of advantages may be relevant to a shareholder's decision on how to vote on the proposed Distribution:

(i) each shareholder will retain an interest in the development of the Company's Pilot Mountain Project;

(ii) subject to the CDI Escrow Condition, each shareholder will be free to either hold or sell their Thor CDIs independently and

will not be subject to control over this investment indirectly through the Company; and

(iii) as Thor is an ASX (and AIM) listed company, each shareholder will, subject to the CDI Escrow Condition, be able to sell their Thor CDIs on market.

(c) **Disadvantages of the Distribution**

The Directors believe that the following non-exhaustive list of disadvantages may be relevant to a shareholder's decision on how to vote on the proposed Distribution:

(i) there is no guarantee that the Thor CDIs will increase in value (following the Distribution);

(ii) during the period in which the Thor CDIs are subject to the CDI Escrow Condition, shareholders will not be able to sell their Thor CDIs; and

(iii) shareholders may incur additional transaction costs if they wish to dispose of their new investment in Thor.

(d) **Board of Thor**

The board of Thor comprises the following:

Michael Billing

Mick Billing CPA – B Bus MAICD has 40 years of mining and agri-business experience and a background in finance. His career includes experience in company director, general management, company secretarial, senior commercial, and CFO roles including lengthy periods with Bougainville Copper Ltd and WMC Resources Ltd. He has worked extensively with junior resource companies over the past 17 years.

He is also a director of ASX listed companies Southern Gold Limited and Black Fire Minerals Limited, and a director of, unlisted, Emperor Range Group Limited.

Michael Ashton

Michael Ashton owns a timber manufacturing business, Upper Murray Case Supplies in Riverland South Australia. He provides his products throughout Australia and worldwide. Michael has extensive knowledge and experience in the exploration and mining industries. He is a shareholder in the Titeline Drilling Group, a successful exploration drilling company in Victoria which has operations all over Australia as well as in Botswana and Zambia.

Gregory Durack

Greg Durack is a Member of the Australian Institute of Mining and Metallurgy. A metallurgist with over 30 years' experience in

Australia, Papua New Guinea and Greece, Greg has worked primarily on gold projects, in operational and development management roles. He now provides consulting services to the mining industry through his company Martineau Resources Pty Ltd managing feasibility studies, process plant optimizations, metallurgical test work supervision and flow sheet development.

Trevor Ireland

Trevor Ireland is a geologist with more than 40 years' experience in minerals exploration and corporate management. He has been involved both as a manager and as a company director with mineral discoveries, economic evaluations and new mine developments covering gold, nickel, uranium and bauxite deposits in Australia and in several African countries. Trevor is particularly associated with the discovery and development of The Granites and Callie gold mines in the Tanami region of the Northern Territory by North Flinders Mines Ltd. He served as a director and Exploration Manager - Europe and Africa for Normandy La Source SAS, overseeing the evaluation of Ahafo and Akeyem gold orebodies in Ghana, and Tasiast gold in Mauritania, all of which have subsequently reached development or operating status. More recently, he was managing director of Australasia Gold Ltd.

David Thomas

David Thomas is a mining engineer from the Royal School of Mines, London, with experience in all facets of the mining industry. David has worked for Anglo American in Zambia, Selection Trust in London, BP Minerals, WMC Resources and BHP Billiton in Australia in senior positions in mine and plant operational management, and is experienced in project management and completion of feasibility studies. He has also worked as a consultant in various parts of the world in the field of mine planning, process plant optimisation, business improvement and completion of studies.

(e) **Duty**

The Company's shareholders will not bear any duty on the transfer of Thor CDIs to them pursuant to the Distribution.

(f) **Lodgement with ASIC**

The Company has lodged with ASIC a copy of the Notice and this Explanatory Statement in accordance with section 256C(5) of the Corporations Act.

(g) **Directors' Interests**

Set out below is a table which indicates the shares held by the Directors prior to the Distribution and the number of Thor CDIs they are likely to receive if Resolution 3 is passed:

Director	Black Fire Minerals Shares	Approximate number of Thor CDIs each Director will receive if Resolution 3 is passed
Michael Billing	7,247,203	7,271,608
Martin Green	11,300,000	11,338,054
Matthew Sheldrick	6,575,964	6,598,109

Directors' remuneration for the year ended 30 June 2014 was as follows:

Director	Salary	Fees*	Total
Michael Billing	Nil	$21,800	$21,800
Martin Green	Nil	$21,800	$21,800
Matthew Sheldrick	Nil	$103,400**	$103,400

*inclusive of superannuation
**includes consulting fees invoiced in addition to directors' fees.

(h) **Rights Attaching to Thor CDIs**

The Thor CDIs distributed to shareholders will rank equally with all other fully paid ordinary shares and CDIs in the capital of Thor on issue. Full details of the rights attaching to Thor CDIs (and underlying fully paid ordinary shares in Thor) are set out in the memorandum and articles of association of Thor. Those rights are summarised in Annexure G to this Explanatory Statement.

(i) **Thor Risk Factors**

Thor CDIs should be regarded as speculative and carry no guarantee of payment of dividends, return of capital or of their market value. There are various risks factors to which Thor is subject and a list of material risk factors is set out in Annexure H to this Explanatory Statement.

Resolution 3 is an ordinary resolution.

The Directors (other than Mr Michael Billing who is also a director of Thor and therefore refrains from giving a recommendation) recommend that shareholders vote in favour of Resolution 3.

The chair intends to vote undirected proxies in favour of Resolution 3.

The passing of Resolution 3 is conditional upon, and subject to, Resolution 2 being approved by shareholders and completion being effected under the Terms Sheet between the Company and Thor. Accordingly if you intend to vote in favour of Resolution 3, you should also vote in favour of Resolution 2.

4. RESOLUTION 4 - CONSOLIDATION OF SHARES

(a) General comments

Resolution 4 seeks shareholder approval to consolidate the number of shares on a one-for-13.33333 basis (rounded up to the nearest whole number) (**Consolidation**).

(b) Background and explanation

If shareholders approve the Animoca Acquisition proposed by passing Resolutions 5 to 11, the Company will need to requalify for and seek admission to the official list of ASX. One of the conditions to re-qualify is that the Company must have a share price equal to, or greater than, $0.20.

The proposed Consolidation is intended to position the Company so that the price of its shares will satisfy this condition to the Company's re-admission to the official list of ASX.

If Resolution 4 is passed, the Company will undertake the proposed Consolidation even if shareholders do not approve the Animoca Acquisition by passing Resolutions 5 to 11.

(c) Legal requirements

Section 254H of the Corporations Act provides that a company may, by resolution passed in general meeting, convert all or any of its shares into a larger or smaller number.

In the case of a consolidation of share capital of the Company, the ASX Listing Rules also require that the number of Options on issue be consolidated in the same ratio as the ordinary capital and the exercise price by amended in inverse proportion to that ratio. As at the date of this Meeting, the Company does not have any Options on issue.

(d) Fractional entitlements

The consolidation ratio is 13.33333:1. Fractional entitlements may arise where shareholders hold a number of shares which cannot be evenly divided by 13.33333. Where a fractional entitlement occurs, the Directors will round that fraction up to the nearest whole share.

(e) Taxation

The Company considers that no taxation implications will arise for shareholders from the Consolidation. However, shareholders are advised to seek their own tax advice on the effect of the Consolidation and neither the Company nor the Directors (or the Company's advisers) accept any responsibility for the individual taxation implications arising from the Consolidation.

(f) **Holding statements**

From the date of the Consolidation all holding statements for the shares will cease to have any effect, except as evidence of entitlement to a certain number of shares on a post-Consolidation basis.

After the Consolidation becomes effective, the Company will arrange for new holding statements for shares to be issued to holders of those securities.

(g) **Effect on Capital Structure**

Shareholders are referred to the pro-forma capital structure in paragraph 11 of Part 1 of the Explanatory Statement for the effect of the Consolidation on the capital structure of the Company.

(h) **Expected timetable for consolidation**

The Company will release a timetable in accordance with the ASX Listing Rules following satisfaction of the conditions to the Consolidation.

If shareholders approve the change in nature and scale of the Company's activities the subject of Resolution 5, the securities of the Company will remain suspended until the Company satisfies the requirements of Chapters 1 and 2 of the ASX Listing Rules.

The Company's securities will recommence trading on a T+3 basis when the Company has re-complied with Chapters 1 and 2 of the Listing Rules and ASX confirms that it will reinstate the Company's securities to official quotation.

Resolution 4 is an ordinary resolution.

The Directors recommend that shareholders vote in favour of Resolution 4.

The chair intends to vote undirected proxies in favour of Resolution 4.

Resolution 4 is a stand-alone resolution and does not depend on the passing of any other Resolution.

5. RESOLUTION 5 – CHANGE TO NATURE AND SCALE OF ACTIVITIES

ASX Listing Rule 11.1 provides that if an entity proposes to make a significant change, either directly or indirectly, to the nature or scale of its activities, it must provide full details to ASX as soon as practicable. Further, the following rules apply in relation to the proposed change:

(a) the entity must give ASX information regarding the change and its effect on future potential earnings, and any information that ASX asks for;

(b) if ASX requires, the entity must get the approval of holders of its ordinary securities; and

(c) if ASX requires, the entity must meet the requirements in Chapters 1 and 2 as if the entity were applying for admission to the official list.

The acquisition by the Company of all the issued share capital of Animoca involves a significant change to the nature of the Company's main business activity from exploring for minerals to the creation and/or publication of mobile games for smartphones and tablets. Furthermore, the Animoca Acquisition involves a significant change to the size of the Company's business operations (details of the Animoca business and the proposed changes to the structure and business operations of the Company are provided in this Explanatory Statement). Given these circumstances, ASX has exercised its discretion to require the significant change to the nature and scale of the Company's main business activity to be approved by the Company's shareholders under ASX Listing Rule 11.1.2. Moreover, ASX has notified the Company that the significant change to the nature and scale of the Company's main business activity will require re-compliance with ASX's admission requirements in Chapters 1 and 2 of the ASX Listing Rules.

If Resolution 5 is passed the Company will have complied with the ASX requirement to obtain shareholder approval for the significant change to the nature and scale of its activities. Conversely, if Resolution 5 is not passed the Company will not be allowed to change the nature and scale of its activities as proposed in this Explanatory Statement and the Animoca Acquisition will not proceed.

Resolution 5 is an ordinary resolution.

The Directors recommend shareholders vote in favour of Resolution 5.

The chair intends to vote undirected proxies in favour of Resolution 5.

The passing of Resolution 5 is conditional upon, and subject to, Resolutions 6 - 11 (inclusive) being approved by shareholders. Accordingly, if you intend to vote in favour of Resolution 5, you should also vote in favour of Resolutions 6 - 11 (inclusive).

6. RESOLUTION 6 – ISSUE OF NEW CLASS OF SECURITIES (PERFORMANCE SHARES)

As described elsewhere in this Explanatory Statement, on 22 June 2014 the Company entered into a Heads of Agreement with Appionics to acquire all the issued share capital of Animoca for the following consideration:

- 1,000,000,000 fully paid ordinary shares (pre-Consolidation);
- 400,000,000 A Class Performance Shares (pre-Consolidation); and
- 200,000,000 B Class Performance Shares (pre-Consolidation).

The purpose of resolution 6 is to seek approval from shareholders for the issue of the A Class Performance Shares and B Class Performance Shares, being a new class of securities having different rights to the existing fully paid ordinary shares.

Section 246C(5) of the Corporations Act

Section 246C(5) of the Corporations Act provides that if a company with one class of shares issues new shares, the issue is taken to vary the rights attached to the shares already on issue if the rights attaching to the new shares are not the same as the rights attached to shares already issued and those rights are not provided for in the company's constitution or a notice, document or resolution that is lodged with ASIC.

Further, section 246B of the Corporations Act and the Company's constitution provide that the rights attached to shares in a class of shares may be varied only by special resolution of the Company and either:

- by special resolution passed at a meeting of the members holding shares in the class; or
- with the written consent of members with at least 75% of the votes in the class.

Full terms of the A Class Performance Shares are set out in Annexure B to this Explanatory Statement and full terms of the B Class Performance Shares are set out in Annexure C to this Explanatory Statement.

Resolution 6 is a **special resolution**.

The Directors recommend that shareholders vote in favour of Resolution 6.

The chair intends to vote undirected proxies in favour of Resolution 6.

The passing of Resolution 6 is conditional upon, and subject to, Resolutions 5 and 7 – 11 (inclusive) being approved by shareholders. Accordingly, if you intend to vote in favour of Resolution 6, you should also vote in favour of Resolutions 5 and 7 - 11 (inclusive).

7. RESOLUTION 7 – ISSUE OF CONSIDERATION SECURITIES

Resolution 7 seeks approval by shareholders for the issue of Consideration Securities to the Animoca Vendors (or their nominees) for the purpose of ASX Listing Rule 7.1.

ASX Listing Rule 7.1

ASX Listing Rule 7.1 sets out the basic prohibition on an entity issuing or agreeing to issue equity securities in any 12 month period which amount to more than 15% of its ordinary securities. An issue in excess of the 15% limit can be made with the approval of holders of ordinary securities.

Resolution 7 seeks approval by shareholders under ASX Listing Rule 7.1 for the issue of:

- 75,000,000 fully paid ordinary shares (post-Consolidation);
- 30,000,000 A Class Performance Shares (post-Consolidation); and
- 15,000,000 B Class Performance Shares (post-Consolidation).

to the Animoca Vendors (or their nominees). Some or all of the shares will be subject to ASX imposed escrow conditions.

The following additional information is provided pursuant to the requirements of ASX Listing Rule 7.3.

- The Company will issue:
    - 75,000,000 fully paid ordinary shares (post-Consolidation);
    - 30,000,000 A Class Performance Shares (post-Consolidation); and
    - 15,000,000 B Class Performance Shares (post-Consolidation).
- The Consideration Securities will be issued no later than three months after the date of this Meeting or such later date as permitted by ASX. It is intended that all Consideration Securities will be issued on the same date.
- The Consideration Securities will not be issued for cash consideration.
- The Consideration Securities will be issued to the Animoca Vendors (or their nominees).
- The consideration shares will be issued on the same terms as the Company's existing issued fully paid ordinary shares.

  Full terms of the A Class Performance Shares are set out in Annexure B to this Explanatory Statement and full terms of the B Class Performance Shares are set out in Annexure C to this Explanatory Statement.
- No funds will be raised from the issue of the Consideration Securities.

Resolution 7 is an ordinary resolution.

The Directors recommend that shareholders vote in favour of Resolution 7.

The chair intends to vote undirected proxies in favour of Resolution 7.

The passing of Resolution 7 is conditional upon, and subject to, Resolutions 5, 6 and 8 - 11 (inclusive) being approved by shareholders and the Company obtaining the approval of ASX for reinstatement of its securities to quotation. Accordingly if you intend to vote in favour of Resolution 7, you should also vote in favour of Resolutions 5, 6 and 8 - 11 (inclusive).

8. RESOLUTION 8 – CAPITAL RAISING

ASX Listing Rule 7.1 sets out the basic prohibition on an entity issuing equity securities in any 12 month period which amount to more than 15% of its ordinary securities. An issue in excess of the 15% limit can be made with the approval of holders of ordinary securities.

Resolution 8 seeks approval by shareholders under ASX Listing Rule 7.1 for the issue of 12,000,000 shares (post-Consolidation) at a minimum issue price of $0.20 cents per share to raise $2,400,000 (minimum subscription) and up to an additional 13,000,000 shares (post-Consolidation) at a minimum issue price of $0.20 per share to raise up to an additional $2,600,000 by way of oversubscriptions (maximum subscription) (**Capital Raising**).

The Company is undertaking the Capital Raising in conjunction with the Animoca Acquisition, using a prospectus (**Prospectus**) to satisfy ASX Listing Rule 1.1 condition 3 and re-comply with ASX's admission requirements.

The Company intends to issue the Prospectus on or about 16 October 2014.

If Resolution 8 is passed it will permit the Directors to complete the Capital Raising no later than three months after the date of the Meeting (or such longer period as allowed by ASX) without impacting on the Company's 15% placement limit under ASX Listing Rule 7.1.

The following additional information is provided pursuant to the requirements of ASX Listing Rule 7.3:

- The Company will issue a maximum of 25,000,000 shares (post-Consolidation) pursuant to the Capital Raising.

- The shares will be issued no later than three months after the date of this Meeting or such later date as permitted by ASX. It is intended that all shares issued under the Prospectus will be issued on the same date.

- The issue price will be a minimum of $0.20 per share.

- The shares will be issued to applicants for shares under the Prospectus, to clients of Taylor Collison and others as determined by the Board, none of whom will be related parties of the Company.

- The shares will be issued on the same terms as the Company's existing issued fully paid ordinary shares.

- The use of funds raised under the Prospectus are detailed in Section 13 of Part 1 of the Explanatory Statement.

Resolution 8 is an ordinary resolution.

The Directors recommend that shareholders vote in favour of Resolution 8.

The chair intends to vote undirected proxies in favour of Resolution 8.

The passing of Resolution 8 is conditional upon, and subject to, Resolutions 5 – 7 (inclusive) and 9 – 11 (inclusive) being approved by shareholders. Accordingly, if you intend to vote in favour of Resolution 8, you should also vote in favour of Resolutions 5 – 7 (inclusive) and 9 – 11 (inclusive).

9. RESOLUTION 9 – ISSUE OF OPTIONS TO TAYLOR COLLISON LIMITED

The Company and Taylor Collison are parties to a mandate letter dated 25 March 2014 under which the Company has agreed to issue that number of Options to Taylor Collison equating to 2% of the issued capital of the Company (post-Capital Raising) upon completion of the Animoca Acquisition.

ASX Listing Rule 7.1 sets out the basic prohibition on an entity issuing or agreeing to issue equity securities in any 12 month period which amount to more than 15% of its ordinary securities. An issue in excess of the 15% limit can be made with the approval of holders of ordinary securities.

Resolution 9 seeks approval by shareholders under ASX Listing Rule 7.1 for the issue of up to 2,626,017 Options (post-Consolidation) to Taylor Collison (or its nominee). Some or all of the Options will likely be subject to ASX imposed escrow conditions.

The following additional information is provided pursuant to the requirements of ASX Listing Rule 7.3:

- The Company will issue a maximum of 2,626,017 Options (post-Consolidation).
- The Options will be issued no later than three months after the date of this Meeting or such later date permitted by ASX.
- The Options will not be issued for cash consideration but for the provision of corporate services in relation to introducing Animoca to the Company.
- The Options will be issued to Taylor Collison (or its nominee).
- Full terms of the Options are set out in Annexure D to this Explanatory Statement.
- No funds will be raised from the issue of the Options.

Resolution 9 is an ordinary resolution.

The Directors recommend that shareholders vote in favour of Resolution 9.

The chair intends to vote undirected proxies in favour of Resolution 9.

The passing of Resolution 9 is conditional upon, and subject to, Resolutions 5 – 8 (inclusive) and 10 and 11 being approved by shareholders. Accordingly, if you intend to vote in favour of Resolution 9, you should also vote in favour of Resolutions 5 – 8 (inclusive) and 10 and 11.

10. RESOLUTION 10 – CHANGE OF NAME

In accordance with section 157(1)(a) of the Corporations Act, the Company submits to shareholders for consideration and adoption by way of a special resolution for the name of the Company to be changed to Animoca Brands Corporation Limited.

The Company also seeks approval under section 136(2) of the Corporations Act, to the Company's Constitution being updated to reflect the change of name.

Resolution 10 is a **special resolution**.

The Directors recommend that shareholders vote in favour of Resolution 10.

The chair intends to vote undirected proxies in favour of Resolution 10.

The passing of Resolution 10 is conditional upon, and subject to, Resolutions 5 – 9 (inclusive) and 11 being approved by shareholders. Accordingly, if you intend to vote in favour of Resolution 10, you should also vote in favour of Resolutions 5 – 9 (inclusive) and 11.

11. RESOLUTION 11 - APPROVAL OF EMPLOYEE SHARE OPTION PLAN

Conditional upon, and subject to, shareholders passing Resolutions 5 – 11 (inclusive), the Directors have resolved to adopt the Plan under which employees may be offered the opportunity to receive Options in order to increase the range of potential incentives available to them and to strengthen links between the Company and its employees.

The Plan is designed to provide incentives to the employees of the Company and to recognise their contribution to the Company's success. Under the Company's current circumstances the Directors consider that Options are a cost effective and efficient means of incentivising employees. To enable the Company to secure employees who can assist the Company in achieving its objectives, it is necessary to provide remuneration and incentives to such personnel. The Plan is designed to achieve this objective by encouraging continued improvement in performance over time and by encouraging personnel to acquire and retain significant shareholdings in the Company.

Under the Plan, the Board may offer to eligible persons the opportunity to receive such number of Options in the Company as the Board may decide and on terms set out in the rules of the Plan, a copy of which is contained in Annexure E to this Explanatory Statement. Options granted under the Plan will be offered to participants in the Plan on the basis of the Board's view of the contribution of the eligible person to the Company.

ASX Listing Rule 7.1 restricts the number of shares and options a listed entity can issue in any 12 month period without shareholder approval. ASX Listing Rule 7.2 contains a number of exceptions to ASX Listing Rule 7.1. In particular, Exception 9(b) of ASX Listing Rule 7.2 provides that ASX Listing Rule 7.1 does not apply to an issue under an employee incentive scheme if within three years before the date of issue, holders of ordinary securities have approved the issue of securities under the scheme as an exception to ASX Listing Rule 7.1.

Shareholders have not previously approved the issue of securities under the Plan for the purposes of Exception 9(b) of ASX Listing Rule 7.2. The purpose of Resolution 11 is to seek approval of the issue of securities under the Plan for the purposes of Exception 9(b) of ASX Listing Rule 7.2 and for all other purposes.

In accordance with the requirements of Exception 9(b) of ASX Listing Rule 7.2 the following information is provided:

(a) a copy of the rules of the Plan is contained in Annexure E to this Explanatory Statement;

(b) shareholders have not previously approved the issue of securities under the Plan for the purposes of Exception 9(b) of ASX Listing Rule 7.2, and no Options have been issued under the Plan; and

(c) a voting exclusion statement has been included for the purpose of Resolution 11.

Resolution 11 is an ordinary resolution.

As the Directors are excluded from voting on this resolution they do not wish to make a recommendation as to how shareholders ought to vote in respect of the resolution.

Please note that if the chair of the meeting is your proxy (or becomes your proxy by default), you expressly authorise the chair to exercise your proxy on Resolution 11 even though it is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company, which includes the chair. If you appoint the chair as your proxy you can direct the chair to vote for or against or abstain from voting on Resolution 11 by marking the appropriate box on the proxy form.

The chair intends to vote undirected proxies in favour of Resolution 11.

The passing of Resolution 11 is conditional upon, and subject to, Resolutions 5 – 10 (inclusive) being approved by shareholders. Accordingly, if you intend to vote in favour of Resolution 11, you should also vote in favour of Resolutions 5 – 10 (inclusive).

.

12. GLOSSARY

In this Explanatory Statement and Notice of Extraordinary General Meeting the following expressions have the following meanings unless stated otherwise or unless the context otherwise requires:

$ means Australian dollars.

A Class Performance Share means a Performance Share with the terms and conditions set out in Annexure B to this Explanatory Statement.

AIM means the Alternative Investment Market of the Exchange.

AIM Rules means the official AIM Rules for Companies issued by the Exchange, except to the extent of any express waiver by the Exchange.

Animoca means Animoca Brands Corporation (British Virgin Islands Company No 1799850).

Animoca Acquisition means the acquisition by the Company of all of the issued capital of Animoca pursuant to the Heads of Agreement.

Animoca Vendors means the registered holders of Animoca shares from time to time and/or their nominees and assignees.

Annexure means an annexure to this Explanatory Statement.

Appionics means Appionics Holdings Limited (an exempted company incorporated in the Cayman Islands).

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited ACN 008 624 691 or the Australian Securities Exchange, as the context requires.

ASX Listing Rules means the Listing Rules of ASX.

B Class Performance Share means a Performance Share with the terms and conditions set out in Annexure C to this Explanatory Statement.

Black Fire Minerals means the Company.

Board means the current board of directors of the Company.

Capital Raising means the capital raising the subject of Resolution 8.

CDI or **CHESS Depositary Interest** means a CDI or CHESS Depositary Interest within the meaning given to that term in the ASX Listing Rules and issued under the ASX Settlement Rules, being a unit of beneficial ownership of a fully paid ordinary share issued by a company, and legally held by CDN (or other nominee).

CDI Escrow Condition means the condition imposed under the Terms Sheet in relation to the escrow of the Thor CDIs for a period of 12 months from issue, as referred to in Part 1 of this Explanatory Statement.

CDN means CHESS Depositary Nominees Pty Ltd ACN 071 346 506.

CHESS means the ASX Clearing House Electronic Subregistry System operated by ASX Settlement and Transfer Corporation Pty Ltd ACN 008 504 532.

CST means Central Standard Time as observed in Adelaide, South Australia.

Closely Related Party of a member of the Key Management Personnel for an entity means:

(a) a spouse or child of the member;

(b) a child of the member's spouse;

(c) a dependant of the member or of the member's spouse;

(d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealings with the entity;

(e) a company the member controls; or

(f) a person prescribed as such by the *Corporations Regulations 2001* (Cth).

Company means Black Fire Minerals Limited ACN 122 921 813.

Consideration Securities means 75,000,000 fully paid ordinary shares (post-Consolidation) in the capital of the Company, 30,000,000 A Class Performance Shares (post-Consolidation) and 15,000,000 B Class Performance Shares (post-Consolidation).

Consolidation means the consolidation of the existing securities of the Company on a one-for-13.33333 basis (rounded up to the nearest whole number).

Constitution means the Company's constitution.

Corporations Act means the *Corporations Act 2001* (Cth).

Directors means the current directors of the Company.

Distribution means the proposed in specie distribution of the Thor CDIs to shareholders, the subject of Resolution 3.

Exchange means The London Stock Exchange plc.

Explanatory Statement means the explanatory statement accompanying the Notice.

General Meeting or **Meeting** means the meeting convened by the Notice.

Heads of Agreement means the heads of agreement dated 22 June 2014 between the Company and Appionics relating to the purchase by the Company of all of the issued capital of Animoca, as novated and amended, and any definitive legal agreement entered into pursuant to the heads of agreement.

Independent Expert means DMR Corporate Pty Ltd.

Independent Expert's Report means the report by the Independent Expert which is contained in Annexure F to this Explanatory Statement.

Industrial means Black Fire Industrial Minerals Pty Ltd ACN 140 493 778.

Industrial Shares means all of the issued and allotted shares in the capital of Industrial.

Key Management Personnel has the same meaning as in the accounting standards as defined in section 9 of the Corporations Act (so the term broadly includes those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director, whether executive or otherwise, of the Company).

Notice or **Notice of Extraordinary General Meeting** or **Notice of General Meeting** means this notice of general meeting including the Explanatory Statement and the Proxy Form.

Option means an option to acquire a fully paid ordinary share in the capital of the Company.

Performance Share means a right to be issued for no consideration a fully paid ordinary share in the capital of the Company upon the satisfaction of specified performance conditions.

Pilot Mountain Debt means the debt of $625,000 (partially secured) owing by the Company pursuant to certain loan agreements entered into by the Company and third party lenders in or about March 2014 in connection with the acquisition by Pilot Metals Inc of the remaining 45 mining claims comprising the Pilot Mountain Project.

Pilot Mountain Project means the project comprising 131 mining claims staked (and 100% owned) by BFM Resources Inc, and 45 mining claims 100% owned by Pilot Metals Inc (both companies wholly owned by the Company) and known as the Pilot Mountain Tungsten-Copper Project, located in Nevada, USA, further details of which Project are set out in Section 2(a) of Part 2 of this Explanatory Statement.

Plan means the Animoca Brands Corporation Limited Employee Share Option Plan.

Prospectus means the prospectus to be issued by the Company in relation to the Capital Raising.

Proxy Form means the proxy form accompanying the Notice.

Record Date means 30 October 2014.

Subsidiaries means:

(a) Industrial Minerals (USA) Pty Ltd ACN 146 780 449;

(b) BFM Resources Inc (incorporated in Nevada); and

(c) Pilot Metals Inc (incorporated in Nevada),

and any or all of them as the context may require.

Taylor Collison means Taylor Collison Limited ACN 008 172 450.

Terms Sheet means the terms sheet dated 8 June 2014 between the Company and Thor relating to the sale by the Company of all of the issued capital of Industrial, as novated and amended, and any definitive legal agreement entered into pursuant to the terms sheet.

Thor means Thor Mining Plc.

Thor CDIs means 418,750,000 CDIs each in respect of a fully paid ordinary share in the capital of Thor to be issued to the Company at completion of the sale and purchase of the Industrial Shares pursuant to the Terms Sheet, at a deemed issue price equal to 0.4 cents per Thor CDI.

Thor Transaction means the disposal by the Company of 100% of the issued share capital in Industrial pursuant to the Terms Sheet.

ANNEXURE A

PRO FORMA BALANCE SHEET

	Deemed subsidiary Black Fire Minerals Ltd As at 31 Dec 2013 AUD $	Pro-Forma Entries (1) Acquisition of 100% of Pilot Mountain	(2) Disposal of Pilot Mountain +/- gain/loss	(3) In-specie distribution of Tungsten shares	(4) Disposal of other assets +/- gain/loss	(5) Acquisition of AB through issue of shares	(6) Capital raising	Consolidated Group Merged 31 Dec 2013 AUD $	Converted to USD Rate: 0.9342 31 Dec 2013 USD $
CURRENT ASSETS									
Cash and cash equivalents	520,593	(156,113)	-	-	18,588	-	757,122	1,140,190	1,065,165
Trade and other receivables	9,950	-	-	-	-	-		9,950	9,295
Other current assets	40,170	-	-	-	-	-		40,170	37,527
TOTAL CURRENT ASSETS	570,713							1,190,310	1,111,987
NON-CURRENT ASSETS									
Property, plant and equipment	6,333	-	-	-	(6,333)	-	-	-	-
Available for sale assets	27,730	-	1,256,250	(1,256,250)	(27,730)	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-	-
Exploration and evaluation assets	4,032,589	656,113	(3,964,188)	-	(724,514)	-	-	-	-
Investment in subsidiary	-	-	-	-	-	24,358,410	-	24,358,410	22,755,627
TOTAL NON-CURRENT ASSETS	4,066,652							24,358,410	22,755,627
TOTAL ASSETS	4,637,365							25,548,720	23,867,614
CURRENT LIABILITIES									
Trade and other payables	41,337	-	-	-	-	-	-	41,337	38,616
Short-term provisions	15,879	-	-	-	-	-	-	15,879	14,834
TOTAL CURRENT LIABILITIES	57,216							57,216	53,450
NON-CURRENT LIABILITIES									
Long-term borrowings	-	625,000	(625,000)	-	-	-	-	-	-
Other non-current liabilities	-	-	-	-	-	6,358,410	-	6,358,410	5,940,027
TOTAL NON-CURRENT LIABILITIES	-	625,000	(625,000)	-	-	6,358,410	-	6,358,410	5,940,027
TOTAL LIABILITIES	57,216							6,415,626	5,993,477
NET ASSETS	4,580,149							19,133,094	17,874,137
EQUITY									
Issued capital	14,649,058	-	-	(1,256,250)	-	18,000,000	757,122	32,149,930	30,034,465
Reserves	71,340	-	-	-	-	-	-	71,340	66,646
Accumulated losses	(10,140,249)	(125,000)	(2,082,938)	-	(739,989)	-	-	(13,088,176)	(12,226,974)
TOTAL EQUITY	4,580,149							19,133,094	17,874,137

	Deemed parent Appionics Holdings Ltd As at 31 Dec 2013 USD $	Deemed subsidiary Black Fire Minerals Ltd Adjusted Parent 2013 USD $	Pro-Forma Entries (7) Reverse acquisition of AB	(8) Capital raising	(9) Share options	(10) Transaction costs	Consolidated Group Merged 31 Dec 2013 USD $
CURRENT ASSETS							
Cash and cash equivalents	2	1,065,165	-	4,671,000	-	-	5,736,167
Trade and other receivables	-	9,295	-	-	-	-	9,295
Other current assets	-	37,527	-	-	-	-	37,527
TOTAL CURRENT ASSETS	2	1,111,987					5,782,989
NON-CURRENT ASSETS							
Investment in subsidiary	-	22,755,627	(22,755,627)	-	-	-	-
TOTAL NON-CURRENT ASSETS	-	22,755,627					-
TOTAL ASSETS	-	23,867,614					5,782,989
CURRENT LIABILITIES							
Trade and other payables	-	38,616	-	-	-	687,552	726,168
Short-term provisions	-	14,834	-	-	-	-	14,834
TOTAL CURRENT LIABILITIES	-	53,450					741,002
NON-CURRENT LIABILITIES							-
Long-term provisions	-	-	-	-	-	-	-
Other non-current liabilities	-	5,940,027	-	-	-	-	5,940,027
TOTAL NON-CURRENT LIABILITIES	-	5,940,027					5,940,027
TOTAL LIABILITIES	-	5,993,477					6,681,029
NET ASSETS	-	17,874,137					(898,040)
EQUITY		-					
Issued capital	2	30,034,465	(23,016,566)	4,671,000	(261,465)	(621,486)	10,805,950
Reserves	-	66,646	(6,006,673)	-	261,465	-	(5,678,562)
Accumulated losses	-	(12,226,974)	6,267,612	-	-	(66,066)	(6,025,428)
TOTAL EQUITY	2	17,874,137					(898,040)

Pro Forma Adjustments – Black Fire Minerals Ltd

The unaudited adjusted Pro-Forma Black Fire Minerals Ltd Balance Sheet has been prepared on the basis that the combination had taken place on 31 December 2013 and has been adjusted for the following events:

1. *The acquisition of 100% of the Mt Pilot Project* – as announced to the ASX on 1 April 2014, Black Fire Minerals Ltd ("Black Fire") acquired 100% of the Mt Pilot project by making a payment of US $400,000 to the vendors, Pacific Gold Corporation. Prior to this, on 14 February 2014 the Company made a payment of US $200,000 in connection with the acquisition. To finance this final payment, the Company raised a total of AU $500,000, repayable in 18 months with a flat coupon rate of 25%.

2. *Disposal of the Mt Pilot Project* – As announced to the ASX on 10 June 2014, Black Fire has entered into an agreement to dispose of the Mt Pilot project to an ASX listed entity Thor Mining PLC, for the consideration of 418,750,000 shares in Thor and the assumption of the $625,000 debt (including accrued interest) secured against the project.

3. *In-specie distribution of shares* – As proposed in this Notice of Meeting, the Company will distribute to shareholders (in-specie) the Thor Mining PLC shares received as consideration to shareholders.

4. *Disposal of other assets* – The balance sheet has been adjusted to reflect the sale of available for sale investments held on hand and to affect a write down of the Company's investment in the Mystique Exploration Licence (E28/1915).

5. *The acquisition of Animoca Brands Corporation* – As detailed in the Notice of Meeting, Black Fire as consideration for the acquisition of Animoca Brands Corporation (Animoca Brands') is to issue 75,000,000 fully paid ordinary shares (having a notional value of AU$0.20 per share post consolidation), 30,000,000 Class A Performance Shares and 15,000,000 Class B Performance Shares. All shares to be issued are quoted post consolidation, following the anticipated consolidation of the Company's capital on a 1 for 13.33~ basis. As the Performance Shares potentially convert into a variable number of Black Fire shares, in accordance with accounting standards the fair value of these shares has been treated as a financial liability held at fair value. Fair value will be recognized at each balance date and gains and losses recognised through profit and loss.

6. *Capital raising conducted prior to completion* – On 20 August 2014, the Company allotted a total of 54,000,000 fully paid ordinary shares in the Company (pre-consolidation) at an issue price of AU$0.015 per share. In doing so, the Company incurred capital raising fees of AU$52,878

7. *Reverse acquisition of Black Fire Minerals Ltd* - In accordance with Australian Accounting standards, the business combination contemplated in the pro forma financial statements is referred to as a reverse acquisition. Under these rules, for accounting purposes Animoca Brands is deemed to have acquired Black Fire Minerals and at the date of acquisition the assets and liabilities of Animoca Brands are recorded at book value and the assets and liabilities of Black Fire Minerals (excluding the investment in Animoca Brands and after being translated to US Dollars using the current AUD/USD exchange rate of $0.9342) are recorded at fair value. The excess of the consideration deemed to have been paid by Animoca Brands to acquire Black Fire Minerals (approximately US$6.0 Million) over the fair value of the assets of Black Fire Minerals has been treated as a transaction cost and expensed in the pro-forma financial statements

8. *Shares issued under the Prospectus* – As part of Black Fire Minerals' re-compliance with Chapters 1 and 2 of the ASX Listing rules, the Company is seeking shareholder approval to conduct a capital raising by offering under a Prospectus 12,000,000 Shares at a price of AU$0.20 per share to raise AU$2,400,000, with an option to issue a further 13,000,000 Shares (or AU$2,600,000) by way of oversubscriptions. It has been assumed for the purposes of the above financial statements that the full oversubscription amount will be raised.

9. *Issue of options to the Company's broker Taylor Collison Ltd* –A total of 2,626,017 unlisted options are to be issued to the Company's brokers, Taylor Collison Ltd, in relation to the provision of corporate services (on the basis of a maximum subscription of $5 million).

10. *Transaction costs* - – In relation to the raising of up to AU $5,000,000, it has been assumed that the cost involved in the preparation and implementation of the Prospectus and the placement fee payable will be US $621,486. This amount has been offset against the share capital figure. All remaining costs in relation to the acquisition of Animoca Brands have been included as an expense and have been recorded in the pro-forma group balance sheet in accumulated losses.

ANNEXURE B

A CLASS PERFORMANCE SHARES

Part 1 – General Terms

The terms and conditions of the A Class Performance Shares are set out below.

(**Shares**) Each A Class Performance Share is a share in the capital of the Company.

(**General Meeting**) An A Class Performance Share confers on the holder of it (**Holder**) the right to receive notices of general meetings and financial reports and accounts of the Company that are circulated to shareholders. The Holder has the right to attend general meetings of shareholders of the Company.

(**No Voting Rights**) An A Class Performance Share does not entitle the Holder to vote on any resolutions proposed at a general meeting of shareholders of the Company.

(**No Dividend Rights**) An A Class Performance Share does not entitle the Holder to any dividends (cumulative, preferential or otherwise) unless and until the A Class Performance Share is converted into a Company Share.

(**No Rights on Winding Up**) An A Class Performance Share does not confer on the Holder any right to participate in the surplus profits or assets of the Company upon winding up of the Company.

(**Not Transferable**) An A Class Performance Share is not transferable.

(**No Return of Capital**) An A Class Performance Share does not confer on the Holder any right to a return of capital, whether in a winding up, upon a reduction of capital or otherwise.

(**Reorganisation of Capital**) If at any time the issued capital of the Company is reconstructed, an A Class Performance Share will be treated in accordance with the ASX Listing Rules at the time of reorganisation.

(**Participation in New Offers and Issues of Shares**) Subject to clause 6 in Part 2 below, an A Class Performance Share does not confer on the Holder any right to participate in new offers and issues of securities to holders of ordinary shares in the Company (**Company Shares**) including bonus issues and entitlement issues unless and until the A Class Performance Share is converted into a Company Share.

(**Application to ASX**) An A Class Performance Share will not be quoted on ASX. However, upon conversion of an A Class Performance Share into a Company Share, the Company must within seven days after the conversion, apply for the official quotation of the Company shares arising from the conversion on ASX.

(**No Other Rights**) An A Class Performance Share gives the Holder no rights other than those expressly provided by these terms and those provided at law where such rights at law cannot be excluded by these terms.

(**Conversion Procedure**) Upon conversion of an A Class Performance Share pursuant to Part 2 of this Annexure B, the Company will issue each Holder with a new holding statement for the relevant number of Company Shares.

(**Ranking of Company Shares**) The Company Shares into which an A Class Performance Share will convert will rank pari passu in all respects with all existing Company Shares.

Part 2 – Conversion of the A Class Shares

Subject to obtaining any shareholder approvals required under the *Corporations Act 2001* (Cth) (**Corporations Act**) and the ASX Listing Rules, as soon as practicable, but in any event within ten (10) Business Days from, the first to occur of any of the events listed in the first column of the table below (**Conversion Event**) and after notifying the Holder, each A Class Performance Share will automatically convert into the number of Company Shares set out opposite that Conversion Event in the second column of the table below:

Conversion Event	**Number of Company Shares**
As soon as possible after the Company is provided with audited financial statements allowing the confirmation that: (a) the Group has achieved FY 2015 Sales of at least US$6,000,000; and (b) the FY 2015 EBIT of the Group is not less than negative US$2,000,000, (together, **Milestone 1**).	1 Company Share
If the Group fails to meet the requirements of Milestone 1, as soon as possible after the Company is provided with audited financial statements allowing the confirmation that: (a) the Group has achieved FY 2016 Sales of at least US$8,000,000; and (b) the FY 2016 EBIT of the Group is not less than negative US$2,000,000, (together, **Milestone 2**).	1 Company Share
If the Group fails to meet the requirements of Milestone 1 and Milestone 2, as soon as practical after the Company is provided with audited financial statements allowing the confirmation that: (a) the FY 2015 EBIT of the Group is not less than negative US$2,000,000; and (b) the Group has failed to meet the requirements of Milestone 2.	0.025 Company Shares for every US$100,000 that the Group's FY 2015 Sales exceeds US$2,000,000 (up to a maximum of 1 Company Share)
The occurrence of a Change of Control Event	1 Company Share, subject to clause 3 below
Disposal Event	See Clause 2 below

1. For the purposes of this Annexure B, the following words have the following meanings:

(a) **AB Business** means the mobile applications and games development and publishing business operated by Animoca Brands' subsidiary;

(b) **Animoca Brands** means Animoca Brands Corporation, a corporation (Company No 1799850) incorporated in the British Virgin Islands on 20 November 2013;

(c) **Change of Control Event** means either:

(i) a change of control of the Company within the meaning of section 50AA of the Corporations Act;

(ii) when a Court sanctions a compromise or arrangement for the purposes of or in connection with a scheme for the amalgamation of the Company with any other company or companies under Part 5.1 of the Corporations Act; or

(iii) when the Company passes a resolution for voluntary winding up or if an order is made for the compulsory winding up of the Company.

(d) **Company** means Black Fire Minerals Limited;

(e) **Disposal Event** means completion of the sale of the AB Business prior to Milestone 2 being achieved for a sale price that exceeds the value of AU$5,000,000 plus Milestones Received;

(f) **FY 2015 EBIT** means the Group's consolidated earnings before interest and taxes, excluding any deemed interest cost and issue cost (whether cash or non-cash) relating to the A Class Performance Shares, for the financial year ending 30 June 2015, calculated on a pre-corporate overheads basis and normalised to exclude non-recurring transaction and other costs, contributions for any business or entity acquired by a Group Member (other than the Company) and the impact of fresh capital;

(g) **FY 2016 EBIT** means the Group's consolidated earnings before interest and taxes, excluding any deemed interest cost and issue cost (whether cash or non-cash) relating to the A Class Performance Shares, for the financial year ending 30 June 2016, calculated on a pre-corporate overheads basis and normalised to exclude non-recurring transaction and other costs, contributions for any business or entity acquired by a Group Member (other than the Company) and the impact of fresh capital;

(h) **FY 2015 Sales** means the Group's total sales revenue actually received (paid in cleared funds) for the financial year ended 30 June 2015;

(i) **FY 2016 Sales** means the Group's total sales revenue actually received (paid in cleared funds) for the financial year ended 30 June 2016;

(j) **Group** means Animoca Brands and its subsidiaries (as that term is defined in the **Corporations** Act) and **Group Member** means any one of them;

(k) **Milestone Notional Issue Price** means AU$0.005; and

(l) **Milestones Received** means the number of Company Shares issued upon conversion of A Class Performance Shares and B Class Performance Shares as at completion of the Disposal Event, multiplied by the Milestone Notional Issue Price.

2. In addition to the Conversion Events set out above, the A Class Performance Shares and the B Class Performance Shares will (if no other Conversion Event has already occurred) collectively be converted into Company Shares upon the occurrence of a Disposal Event in accordance with the following formula, but capped at a maximum of 600,000,000 (on a pre-Consolidation basis) Company Shares:

Company Shares = (Sale price of the AB Business – (AU$5,000,000 Milestones Received)) ÷ Milestone Notional Issue Price

3. The maximum aggregate number of A Class Performance Shares and B Class Performance Shares that convert into Company Shares on the occurrence of a Change of Control Event must not exceed the number equal to 10% of the Company Shares on issue immediately before the occurrence of the Change of Control Event. Where on the occurrence of a Change of Control Event, the conversion of all A Class Performance Shares and B Class Performance Shares would contravene this clause 3, the number of A Class Performance Shares and B Class Performance Shares that convert in aggregate will be the number equal to 10% of the Company Shares on issue immediately before the occurrence of the Change of Control Event, allocated amongst the holders of A Class Performance Shares and B Class Performance Shares in proportion to the number of A Class Performance Shares and B Class Performance Shares held. Any A Class Performance Shares and B Class Performance Shares that are not converted will continue to be held by their holders on the same terms and conditions, but as if the Change of Control Event had not occurred.

4. Where the application of any provision of these terms results in a fraction of a Company Share being issued for each A Class Performance Share, the number of Company Shares to be issued to a Holder on conversion of all A Class Performance Shares and all B Class Performance Shares held by that Holder will first be aggregated (including all fractions per Share) and the resultant number of Company Shares be rounded up to the nearest whole number.

5. Where no Conversion Event occurs prior to 5pm on 31 October 2016, each A Class Performance Share will automatically be forfeited for no consideration.

6. If the Company undertakes a bonus issue, share split, share consolidation or other transactions of similar nature to holders of Company Shares, the number of Company Shares to which the A Class Performance Shares can convert will be increased by the number of Company Shares which the Holder would have received if the A Class Performance Shares had been converted to Company Shares before the record date for the bonus issue.

ANNEXURE C

B CLASS PERFORMANCE SHARES

Part 1 – General Terms

The terms and conditions of the B Class Performance Shares are set out below.

(**Shares**) Each B Class Performance Share is a share in the capital of the Company.

(**General Meeting**) A B Class Performance Share confers on the holder of it (**Holder**) the right to receive notices of general meetings and financial reports and accounts of the Company that are circulated to shareholders. The Holder has the right to attend general meetings of shareholders of the Company.

(**No Voting Rights**) A B Class Performance Share does not entitle the Holder to vote on any resolutions proposed at a general meeting of shareholders of the Company.

(**No Dividend Rights**) A B Class Performance Share does not entitle the Holder to any dividends (cumulative, preferential or otherwise) unless and until the B Class Performance Share is converted into a Company Share.

(**No Rights on Winding Up**) A B Class Performance Share does not confer on the Holder any right to participate in the surplus profits or assets of the Company upon winding up of the Company.

(**Not Transferable**) A B Class Performance Share is not transferable.

(**No Return of Capital**) A B Class Performance Share does not confer on the Holder any right to a return of capital, whether in a winding up, upon a reduction of capital or otherwise.

(**Reorganisation of Capital**) If at any time the issued capital of the Company is reconstructed, a B Class Performance Share will be treated in accordance with the ASX Listing Rules at the time of reorganisation.

(**Participation in New Offers and Issues of Shares**) Subject to clause 6 in Part 2 below, a B Class Performance Share does not confer on the Holder any right to participate in new offers and issues of securities to holders of ordinary shares in the Company (**Company Shares**) including bonus issues and entitlement issues unless and until the B Class Performance Share is converted into a Company Share.

(**Application to ASX**) A B Class Performance Share will not be quoted on ASX. However, upon conversion of a B Class Performance Share into a Company Share, the Company must within seven days after the conversion, apply for the official quotation of the Company shares arising from the conversion on ASX.

(**No Other Rights**) A B Class Performance Share gives the Holder no rights other than those expressly provided by these terms and those provided at law where such rights at law cannot be excluded by these terms.

(**Conversion Procedure**) Upon conversion of a B Class Performance Share pursuant to Part 2 of this Annexure C, the Company will issue each Holder with a new holding statement for the relevant number of Company Shares.

(**Ranking of Company Shares**) The Company Shares into which a B Class Performance Share will convert will rank pari passu in all respects with existing Company Shares.

Part 2 – Conversion of the B Class Shares

Subject to obtaining any shareholder approvals required under the *Corporations Act 2001* (Cth) (**Corporations Act**) and the ASX Listing Rules, as soon as practicable, but in any event within ten (10) Business Days from, the first to occur of any of the events listed in the first column of the table below (**Conversion Event**) and after notifying the Holder, each B Class Performance Share will automatically convert into the number of Company Shares set out opposite that Conversion Event in the second column of the table below:

Conversion Event	**Number of Company Shares**
As soon as possible after the Company is provided with audited financial statements allowing the confirmation that: (a) the Group has achieved FY 2016 Sales of at least US$8,000,000; and (b) the FY 2016 EBIT of the Group is not less than negative US$2,000,000, (together, **Milestone 2**).	1 Company Share
As soon as practical after the Company is provided with audited financial statements allowing the confirmation that the Group has failed to meet the requirements of Milestone 2.	0.05 Company Shares for every US$100,000 that the Group's FY 2016 Sales exceeds US$6,000,000 (up to a maximum of 1 Company Share)
The occurrence of a Change of Control Event	1 Company Share, subject to clause 3 below
Disposal Event	See Clause 2 below

1. For the purposes of this Annexure C, the following words have the following meanings:

   (a) **AB Business** means the mobile applications and games development and publishing business operated by Animoca Brands' subsidiary;

   (b) **Animoca Brands** means Animoca Brands Corporation, a corporation (Company No 1799850) incorporated in the British Virgin Islands on 20 November 2013;

   (c) **Change of Control Event** means either:

      (i) a change of control of the Company within the meaning of section 50AA of the Corporations Act;

      (ii) when a Court sanctions a compromise or arrangement for the purposes of or in connection with a scheme for the amalgamation of the

Company with any other company or companies under Part 5.1 of the Corporations Act; or

(iii) when the Company passes a resolution for voluntary winding up or if an order is made for the compulsory winding up of the Company.

(d) **Company** means Black Fire Minerals Limited;

(e) **Disposal Event** means completion of the sale of the AB Business prior to Milestone 2 being achieved for a sale price that exceeds the value of AU$5,000,000 plus Milestones Received;

(f) **FY 2015 EBIT** means the Group's consolidated earnings before interest and taxes, excluding any deemed interest cost and issue cost (whether cash or non-cash) relating to the B Class Performance Shares, for the financial year ending 30 June 2015, calculated on a pre-corporate overheads basis and normalised to exclude non-recurring transaction and other costs, contributions for any business or entity acquired by a Group Member (other than the Company) and the impact of fresh capital;

(g) **FY 2016 EBIT** means the Group's consolidated earnings before interest and taxes, excluding any deemed interest cost and issue cost (whether cash or non-cash) relating to the B Class Performance Shares, for the financial year ending 30 June 2016, calculated on a pre-corporate overheads basis and normalised to exclude non-recurring transaction and other costs, contributions for any business or entity acquired by a Group Member (other than the Company) and the impact of fresh capital;

(h) **FY 2015 Sales** means the Group's total sales revenue actually received (paid in cleared funds) for the financial year ended 30 June 2015;

(i) **FY 2016 Sales** means the Group's total sales revenue actually received (paid in cleared funds) for the financial year ended 30 June 2016;

(j) **Group** means Animoca Brands and its subsidiaries (as that term is defined in the Corporations Act) and **Group Member** means any one of them;

(k) **Milestone Notional Issue Price** means AU$0.005; and

(l) **Milestones Received** means the number of Company Shares issued upon conversion of A Class Performance Shares and B Class Performance Shares as at completion of the Disposal Event, multiplied by the Milestone Notional Issue Price.

2. In addition to the Conversion Events set out above, the B Class Performance Shares and the A Class Performance Shares will (if no other Conversion Event has already occurred) collectively be converted into Company Shares upon the occurrence of a Disposal Event in accordance with the following formula, but capped at a maximum of 600,000,000 (on a pre-Consolidation basis) Company Shares:

Company Shares = *(Sale price of the AB Business – (AU$5,000,000 + Milestones Received)) ÷ Milestone Notional Issue Price*

3. The maximum aggregate number of A Class Performance Shares and B Class Performance Shares that convert into Company Shares on the occurrence of a Change

of Control Event must not exceed the number equal to 10% of the Company Shares on issue immediately before the occurrence of the Change of Control Event. Where on the occurrence of a Change of Control Event, the conversion of all A Class Performance Shares and B Class Performance Shares would contravene this clause 3, the number of A Class Performance Shares and B Class Performance Shares that convert in aggregate will be the number equal to 10% of the Company Shares on issue immediately before the occurrence of the Change of Control Event, allocated amongst the holders of A Class Performance Shares and B Class Performance Shares in proportion to the number of A Class Performance Shares and B Class Performance Shares held. Any A Class Performance Shares and B Class Performance Shares that are not converted will continue to be held by their holders on the same terms and conditions, but as if the Change of Control Event had not occurred.

4. Where the application of any provision of these terms results in a fraction of a Company Share being issued for each B Class Performance Share, the number of Company Shares to be issued to a Holder on conversion of all B Class Performance Shares and all A Class Performance Shares held by that Holder will first be aggregated (including all fractions per Share) and the resultant number of Company Shares be rounded up to the nearest whole number.

5. Where no Conversion Event occurs prior to 5pm on 31 October 2016, each B class Performance Share will automatically be forfeited for no consideration.

6. If the Company undertakes a bonus issue, share split, share consolidation or other transactions of similar nature to holders of Company Shares, the number of Company Shares to which the B Class Performance Shares can convert will be increased by the number of Company Shares which the Holder would have received if the B Class Performance Shares had been converted to Company Shares before the record date for the bonus issue.

ANNEXURE D

TERMS AND CONDITIONS OF TAYLOR COLLISON LIMITED OPTIONS

1. Each option entitles the holder to one ordinary share in the Company.

2. Each of the options will be exercisable at $0.20.

3. Each option is exercisable in whole or in part at any time during the period commencing on the date of issue and expiring on the third anniversary on which the Company's shares are reinstated to official quotation on ASX (**Exercise Period**). Options not exercised before the expiry of the Exercise Period will lapse.

4. Options are exercisable by notice in writing to the Board delivered to the registered office of the Company and payment of the exercise price per option in cleared funds.

5. The Company will not apply to ASX for official quotation of the options.

6. The Company will make application for official quotation on ASX of new shares allotted on exercise of the options. Those shares will participate equally in all respects with existing issued ordinary shares, and in particular new shares allotted on exercise of the options will qualify for dividends declared after the date of their allotment.

7. Options can only be transferred with Board approval, except that if at any time before expiry of the Exercise Period the optionholder dies, the legal personal representative of the deceased optionholder may:

   (i) elect to be registered as the new holder of the options;

   (ii) whether or not he becomes so registered, exercise those options in accordance with the terms and conditions on which they were granted; and

   (iii) if the deceased has already exercised options, pay the exercise price in respect of those options.

8. An optionholder may only participate in new issues of securities to holders of ordinary shares in the Company if the option has been exercised and shares allotted in respect of the option before the record date for determining entitlements to the issue. The Company must give prior notice to the optionholder of any new issue before the record date for determining entitlements to the issue in accordance with the ASX Listing Rules.

9. If there is a bonus issue to the holders of ordinary shares in the capital of the Company, the number of ordinary shares over which the option is exercisable will be increased by the number of ordinary shares which the holder of the option would have received if the option had been exercised before the record date for the bonus issue.

10. If the Company makes a rights issue (other than a bonus issue), the exercise price of options on issue will be reduced according to the following formula:

$$A = O - \frac{E\,[P - (S + D)]}{(N + 1)}$$

Where:

A = the new exercise price of the option;

O = the old exercise price of the option;

E = the number of underlying ordinary shares into which one option is exercisable;

P = the average closing sale price per ordinary share (weighted by reference to volume) recorded on the stock market of ASX during the five trading days immediately preceding the ex rights date or ex entitlements date (excluding special crossings and overnight sales and exchange traded option exercises);

S = the subscription price for a security under the pro rata issue;

D = the dividend due but not yet paid on existing underlying securities (except those to be issued under the pro rata issue); and

N = the number of securities with rights or entitlements that must be held to receive a right to one new security.

11. If, during the currency of the options the issued capital of the Company is reorganised, those options will be reorganised to the extent necessary to comply with ASX Listing Rules.

ANNEXURE E

ANIMOCA BRANDS CORPORATION LIMITED EMPLOYEE SHARE OPTION PLAN

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

In these Terms, unless the contrary intention appears:

Applicable Law means any one or more or all, as the context requires of:

(a) Corporations Act and the *Corporations Regulations 2001* (Cth);

(b) Listing Rules;

(c) the constitution of the Company;

(d) any practice note, policy statement, class order, declaration, guideline, policy or procedure pursuant to the provisions of which either ASIC or ASX is authorised or entitled to regulate, implement or enforce, either directly or indirectly, the provisions of any of the foregoing statutes, regulations or rules or any conduct of any duly authorised person, pursuant to any of the abovementioned statutes, regulations or rules.

ASIC means the Australian Securities and Investments Commission.

Associate has the same meaning as is ascribed to that term in sections 12 to 16 (inclusive) of the Corporations Act.

ASX means the ASX Limited ACN 008 624 691.

Auditor means the registered auditor of the Company as appointed from time to time.

Bid Period, in relation to an off-market bid or a market bid in respect of Shares, means the period referred to in the definition of that expression in section 9 of the Corporations Act, provided that where a bid is publicly announced prior to the service of a bidder's statement on the Company, the bid period shall be deemed to have commenced at the time of that announcement.

Business Day means a day on which the stock market of ASX is open for trading in securities.

Certificate means the certificate for the Options issued by the Company to a Participant.

Change of Control Event means, if an entity does not have Control of the Company, the event pursuant to which that entity acquires Control of the Company.

Company means Animoca Brands Corporation Limited ACN 122 921 813.

Company Secretary means the secretary of the Company (or his delegate) as appointed from time to time.

Control has the meaning ascribed to that term in section 50AA of the Corporations Act.

Corporations Act means the *Corporations Act 2001* (Cth).

Directors means the directors for the time being of the Company.

Eligible Employee, **Eligible Associate**, **Eligible Person** have the meanings ascribed to those terms in clause 12.

Exercise means an exercise effected under clause 6.

Exercise Date means the date upon which an Option is Exercised in accordance with clause 6.1.

Exercise Notice means a notice given under clause 6.1.

Exercise Period means in relation to a particular grant of Options, the period beginning on the date determined in accordance with the provisions of clause 5.3 and ending on the date of the fifth anniversary of the Issue Date of those Options or as otherwise determined by the Directors at the Relevant Date.

Exercise Price means the price at which an Option may be Exercised in accordance with clause 3.2(b), as varied in accordance with these Terms.

Issue Date means the date upon which Options are issued to an Eligible Person pursuant to this Plan.

Listing Rules means the official listing rules of ASX, as varied from time to time.

Loan Period means in respect of each loan the period determined under clause 13.

Loan Share means a Plan Share acquired with a Loan which has not been repaid in full in respect of that Plan Share.

Loans means loans made pursuant to clause 13 and includes any interest, fees or other charges accrued on that loan or any part thereof.

Offer means an Offer of Options by the Directors to an Eligible Person pursuant to this Plan.

Option means an option over Plan Shares granted pursuant to the Plan.

Option Price means the amount payable for an Option as referred to in clause 3.2(a).

Participant means an Eligible Employee, Eligible Associate or Eligible Person to whom Options have been issued pursuant to the Plan.

Performance Conditions means one or more conditions (if any), as determined by the Directors under clause 5.2 and notified to a Participant in the Offer, which must be satisfied or waived by the Directors before an

Option may be Exercised.

Permitted Nominee has the meaning given to it by clause 4.3.

Plan means the Employee Share Option Plan for the Company established in accordance with these Terms.

Plan Share means a Share in the capital of the Company issued upon Exercise of an Option or in respect of which an Option has been granted.

Related Body Corporate has the same meaning as is ascribed to that term in section 50 of the Corporations Act.

Relevant Date means the date on which the Directors resolve to offer an Option or such other date as the Directors determine.

Share means a fully paid ordinary share in the capital of the Company.

Share Registry means the share registry of the Company from time to time.

Terms means these general terms and conditions, as varied from time to time.

1.2 **Interpretation**

In these Terms, unless the context requires otherwise:

(a) a reference to a word includes the singular and the plural of the word and vice versa;

(b) a reference to a gender includes any gender;

(c) if a word or phrase is defined, then other parts of speech and grammatical forms of that word or phrase have a corresponding meaning;

(d) a term which refers to a natural person includes a company, a partnership, an association, a corporation, a body corporate, a joint venture or a governmental agency;

(e) headings are included for convenience only and do not affect interpretation;

(f) a reference to a document includes a reference to that document as amended, novated, supplemented, varied or replaced;

(g) a reference to a thing includes a part of that thing and includes but is not limited to a right;

(h) the terms 'included', 'including' and similar expressions when introducing a list of items do not exclude a reference to other items of the same class or genus;

(i) a reference to a part, clause, party, annexure, exhibit or schedule is a reference to an item of that type in these Terms and includes a reference to the provisions or terms of that part, clause, annexure, exhibit or schedule;

(j) a reference to these Terms includes each annexure, exhibit and a schedule to these Terms;

(k) a reference to a party to this document includes the party's successors and permitted assigns and includes any person to whom these Terms are novated;

(l) a reference to a statute or statutory provision includes but is not limited to:

(i) a statute or statutory provision which amends, extends, consolidates or replaces the statute or statutory provision;

(ii) a statute or statutory provision which has been amended, extended, consolidated or replaced by the statute or statutory provision; and

(iii) subordinate legislation made under the statute or statutory provision including but not limited to an order, regulation, or instrument;

(m) a reference to a document is a reference to a document of any kind including but not limited to an agreement in writing, a certificate, a notice, or an instrument;

(n) reference to '$', 'A$', 'Australian Dollars' or 'dollars' is a reference to the lawful tender for the time being and from time to time of the Commonwealth of Australia;

(o) a provision of these Terms is not to be construed against the Company solely on the ground that the Company is responsible for the preparation of these Terms or a particular provision;

(p) a reference to an asset includes all property or title of any nature including but not limited to a business, a right, a revenue and a benefit, whether beneficial, legal or otherwise;

(q) a reference to liquidation includes appointment of an administrator, compromise, arrangement, merger, amalgamation, reconstruction, winding up, dissolution, assignment for the benefit of creditors, scheme composition or arrangement of creditors, insolvency, bankruptcy or any similar procedure or if applicable changes in the constitution of a partnership or the death of a person; and

(r) a reference to a body which is not a party to these Terms which ceases to exist or whose power or function is transferred to another body, is a reference to the body which replaces or substantially succeeds to the power or function of the first body.

1.3 **Business Day and Day**

(a) If these Terms require that the day on which a thing must be done is a day which is not a Business Day, then that thing must be done on or by the next Business Day.

(b) If an event occurs on a day which is not a Business Day, or occurs later than 5.00 pm local time at the place that the event occurs, then

the event is deemed to have occurred on the next Business Day in the place that the event occurs.

(c) A reference to a day is a reference to a time period which begins at midnight and ends 24 hours later.

(d) A reference to a period of time unless specifically written otherwise, includes the first day of that period.

2. DIRECTORS' AUTHORITY

2.1 The Directors will establish and administer the Plan in accordance with these Terms and, subject to any Applicable Law, will have the absolute discretion and power to:

(a) determine appropriate procedures for administration of the Plan;

(b) resolve conclusively all questions of fact or interpretation arising in connection with the Plan or these Terms;

(c) delegate to any one or more persons for such period and subject to such conditions as they may determine, the exercise of their powers or discretions, or of any of them, under these Terms; and

(d) alter, modify, add to or repeal any of these Terms, even where such alteration, modification, addition or repeal:

(i) will or may adversely affect, whether materially or otherwise, any existing right or entitlement of a Participant or otherwise disadvantage an existing Participant; and

(ii) occurs either during or after the expiry of the Exercise Period and irrespective of whether or not the Options, or the Plan Share or Plan Shares that have been issued to a Participant pursuant to the Exercise of an Option, have or would have otherwise fully vested in that Participant.

2.2 The Company undertakes to each Participant that the powers and rights available to the Directors under clause 2.1(d) will not be exercised in a capricious, malicious or unreasonable manner.

2.3 Subject to these Terms, the Directors may from time to time in their absolute discretion determine those Eligible Persons to whom an offer to participate in the Plan will be made and the terms of such an offer.

3. OPTIONS, OPTION PRICE AND EXERCISE PRICE

3.1 Subject to these Terms, the Directors may determine from time to time to grant Options upon such terms and to such Eligible Persons as they see fit.

3.2 Unless otherwise determined by the Directors:

(a) the Option Price will be nil;

(b) the Exercise Price will be the amount determined by the Directors on the Relevant Date and specified in an Offer; and

(c) the Directors will notify the Participants in writing of the Exercise Price of an Option at the time of making an Offer.

4. OFFER OF OPTIONS

4.1 Subject to these Terms, the Company (acting through the Directors) may make an Offer at such times and on such terms as the Directors consider appropriate. Each Offer must state:

(a) that the Eligible Person to whom it is addressed may accept the whole or any lesser number of Options offered. The Offer may stipulate a minimum number of Options and any multiple of such minimum or any other number which may be accepted;

(b) the period within which the Offer may be accepted and the Exercise Period;

(c) the method of calculation of the Exercise Price; and

(d) any other matters which the Directors may determine or is required under any Applicable Law.

4.2 Upon receipt of an Offer of Options, an Eligible Person may, within the period specified in the Offer:

(a) accept the whole or any lesser number of Options offered by notice in writing to the Directors; or

(b) nominate a nominee in whose favour the Eligible Person wishes to renounce the Offer by notice in writing to the Directors. The Directors may, in their absolute discretion, resolve not to allow such renunciation of an Offer in favour of a nominee without giving any reason for such decision.

4.3 Upon:

(a) receipt of the acceptance referred to in paragraph 4.2(a); or

(b) the Directors resolving to allow a renunciation of an Offer in favour of a nominee (**Permitted Nominee**) and the Permitted Nominee accepting the whole or any lesser number of Options offered by notice in writing to the Directors,

the Eligible Person or the Permitted Nominee, as the case may be, will be taken to have agreed to be bound by these Terms and will be issued Options subject to these Terms.

4.4 Certificates for Options will be dispatched within 10 Business Days after their Issue Date.

4.5 If Options are issued to a Permitted Nominee of an Eligible Person, the Eligible Person must, without limiting any provision in these Terms, ensure that the Permitted Nominee complies with these Terms.

5. VESTING AND ENTITLEMENT

5.1 At the time of making an Offer of Options, the Directors may impose such vesting conditions (if any) as they consider appropriate.

5.2 At the time of making an Offer of Options, the Directors may impose such Performance Conditions (if any) as they consider appropriate.

5.3 No Option can be Exercised until:

(a) it has vested under the vesting conditions (if any) applicable to the Option in accordance with clause 5.1 or the vesting conditions have been waived by the Directors; and

(b) the Performance Conditions (if any) applicable to the Option in accordance with clause 5.2 have been satisfied or waived by the Directors.

5.4 Once an Option is able to be exercised in accordance with clause 5.3, it:

(a) may be Exercised during the Exercise Period; and

(b) entitles the Participant to subscribe for and be allotted one Plan Share at the Exercise Price.

5.5 Notwithstanding these Terms, while the Shares are listed on the ASX, the Company must allot and issue Plan Shares upon Exercise of an Option in accordance with the Applicable Laws.

5.6 Plan Shares issued upon the Exercise of Options will rank equally with all existing Shares in the capital of the Company from their respective issue date.

6. EXERCISE OF OPTIONS

6.1 An Option is Exercised by:

(a) the Participant lodging with the Company an Exercise Notice;

(b) the receipt by the Company of a payment by or on behalf of a Participant and in immediately available funds, of the Exercise Price for each of the Options the subject of such Exercise Notice; and

(c) the Participant lodging with the Company the Certificate for those Options, for cancellation by the Company.

6.2 Subject to clause 6.1, within 15 Business Days after the later of the following:

(a) receipt by the Company of an Exercise Notice given in accordance with these terms and conditions and payment of the Exercise Price for each Option being exercised if the Company is not in possession of excluded information (as defined in section 708A(7) of the Corporations Act); and

(b) the date the Company ceases to be in possession of excluded information in respect to the Company (if any) following the receipt of the Exercise Notice and payment of the Exercise Price for each Option being exercised by the Company,

the Company will

(c) allot and issue the Plan Shares pursuant to the exercise of the Options;

(d) give ASX a notice that complies with section 708A(5)(e) of the Corporations Act or lodge a prospectus with ASIC that qualifies the Plan Shares for resale under section 708A(11) of the Corporations Act; and

(e) apply for official quotation on ASX of the Plan Shares issued pursuant to the exercise of the Options.

6.3 Subject to the provisions of clause 6.4, Exercise of some only of the Options held by a Participant does not prevent Exercise of any remaining vested unExercised Options.

6.4 Options may not be Exercised in parcels of less than 1,000. Holders of less than 1,000 Options may Exercise those Options in full but not in part.

6.5 Notwithstanding any other provision of this clause 6 or clause 5 but subject to the written consent of the Directors, all Options may be Exercised:

(a) during a Bid Period;

(b) at any time after a Change of Control Event has occurred; or

(c) if, on an application under section 411 of the Corporations Act, a court orders a meeting to be held concerning a proposed compromise or arrangement for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company.

7. LAPSE OF OPTIONS

7.1 Subject to clause 5.3, if the Participant is a Director or the Permitted Nominee of a Director, an Option may be Exercised by that Participant at any time prior to the first to occur of:

(a) the expiry of the Exercise Period;

(b) the expiry of 30 days after the person ceases to be a Director; and

(c) a determination by the other Directors that that Director has acted fraudulently, dishonestly or in breach of that Director's obligations to the Company and that the Option is to be forfeited.

If such a Participant fails, for any reason, to Exercise all the Options registered in his name prior to such occurrence, those Options that the Participant would have been entitled to Exercise and that have not been Exercised, and any right or entitlement of a Participant to have those Options vested in that Participant, will lapse and be of no further force or effect.

7.2 If a resolution of a general meeting of the Company to remove a person as a Director is passed, that person or the Permitted Nominee of that person who is a Participant may only Exercise a proportion of the Options that are registered in that Participant's name as is equal to the proportion that the period from the Issue Date of those Options to the date of passage of the resolution bears to

the Exercise Period and the balance of those Options will be wholly and unconditionally forfeited, lapse and be of no further force or effect upon and from the date of passage of the resolution.

7.3 Unless otherwise determined by the Directors and subject to clause 5.3, if a Participant is an employee or the Permitted Nominee of an employee, an Option may be Exercised by that Participant at any time prior to the first to occur of:

(a) the expiry of the Exercise Period;

(b) the expiry of 30 days after termination of the employee's employment where such termination has either been voluntary on the employee's part or otherwise has occurred without cause; and

(c) termination of the employee's employment with cause.

If such a Participant fails, for any reason, to Exercise all the Options registered in his or her name prior to such occurrence, those Options that the Participant would have been entitled to Exercise and that have not been Exercised, and any right or entitlement of a Participant to have those Options vested in that Participant, will lapse and be of no further force or effect.

8. TRANSFER

Except with the consent of Directors, Options may not be transferred and will not be quoted on or by the ASX. The Directors may in their discretion allow the transfer of Options to an Associate or Related Body Corporate of a Participant.

9. QUOTATION OF PLAN SHARES

The Company will apply to the ASX for official quotation of Plan Shares issued on the Exercise of Options, if the Company is, at the time of issue of those Plan Shares, admitted to the official list of the ASX.

10. PARTICIPATION IN FUTURE ISSUES

10.1 New Issues

Participants may only participate in new issues of securities to holders of Shares if an Option has been exercised and Plan Shares allotted in respect of the Option before the record date for determining entitlements to the issue. The Company must give at least nine Business Days' notice (or such greater period of notice (if any) as may be required by the Listing Rules) to Participants of any new issue before the record date for determining entitlements to the issue in accordance with the Listing Rules.

10.2 Bonus Issues

If there is a bonus share issue (**Bonus Issue**) to the holder of Shares, the number of Plan Shares over which an Option is exercisable will be increased by the number of Shares which the Participant would have received if the Option had been exercised before the record date for the Bonus Issue (**Bonus Shares**). Upon issue the bonus Shares will rank pari passu in all respects with the other shares of the Company on issue at the date of issue of the bonus Shares.

10.3 **Pro Rata Issue**

If there is a pro rata issue (other than a Bonus Issue) to the holders of Shares, the Exercise Price of an Option will be reduced according to the following formula:

$$A = O - \frac{E\,[P - (S+D)]}{N + 1}$$

A = the new exercise price of the Option.

O = the old exercise price of the Option.

E = the number of Plan Shares into which one Option is exercisable.

P = the value of a Share at the time the pro rata rights issue is made as determined by an accountant independent of the Company, but if the Shares are quoted on the ASX, the average closing sale price per Share (weighted by reference to volume) recorded on the stock market of ASX during the 5 trading days ending on the day immediately before the ex rights date or ex entitlements date (excluding special crossings, overnight sales and exchange traded option exercises).

S = the subscription price for a Share under the pro rata issue.

D = the dividend due but not yet paid on existing Shares which will not be payable in respect of new Shares issued under the pro rata issue.

N = the number of Shares with rights or entitlements that must be held to receive a right to 1 new Share.

10.4 **Reorganisation of Capital**

If, prior to the expiry or lapse of any Options, there is a reorganisation of the issued capital of the Company, those Options will be reorganised to the extent necessary to comply with the Listing Rules.

10.5 **Aggregation**

If Options are Exercised simultaneously then the Participant may aggregate the number of Plan Shares or fractions of Plan Shares to which the Participant is entitled to subscribe for under those Options. Fractions in the aggregate number only will be disregarded in determining the total entitlement to subscribe.

10.6 **Advice**

In accordance with the Listing Rules, the Company must give notice to each Participant of any adjustment to the number of Shares for which the Participant is entitled to subscribe or to the Exercise Price pursuant to the provisions of clauses 10.2, 10.3 or 10.4.

11. MAXIMUM NUMBER

11.1 The Company shall not offer or issue Options to any Eligible Person in accordance with this Plan if the total number of shares the subject of Options, when aggregated with:

(a) the number of shares in the same class which would be issued were each outstanding offer or invitation or option to acquire unissued shares in the Company, being an offer or invitation made or option acquired pursuant to this Plan or any other employee share scheme extended only to employees (including salaried executive directors) of the Company and its Related Bodies Corporate, to be accepted or exercised (as the case may be); and

(b) the number of shares in the same class issued during the previous five years pursuant to the Plan or any other employee share scheme extended only to employees (including salaried executive directors) of the Company and its Related Bodies Corporate,

(disregarding any offer or invitation made, or option acquired or share issued following the making of an offer or invitation, to a person situated at the time of receipt of the offer or invitation outside Australia or any offer or invitation which, pursuant to Chapter 6D of the Corporations Act, does not need disclosure to investors), would exceed 5% of the total number of issued shares in that class of the Company as at the time of the proposed offer or issue.

12. ELIGIBLE PERSONS

12.1 **Eligible Employee** means:

(a) a person who is engaged in the full time or part time employment of the Company or a Related Body Corporate of the Company and includes any Director holding a salaried employment or office in the Company or a Related Body Corporate of the Company; and

(b) any person acquiring and holding any Plan Share or Options for the benefit of any such employee (other than any employee who is a Director), provided that the Plan Share and Options are acquired and held on such terms and conditions as have been previously approved by the Directors, including, without limitation, any trustee of a trust established by the Company to hold Plan Shares or Options for the benefit of such employees.

12.2 **Eligible Associate** means:

(a) any Director, including non-executive Director or officer, of the Company; and

(b) any person or entity acquiring and holding any Plan Share for the benefit of any Eligible Employee who is a Director or officer of the Company at the time of such acquisition or any person referred to in clause 12.2(a), and provided that the Plan Share is acquired and held on such terms and conditions as have been previously approved by the Directors.

12.3 An Eligible Employee may also be an Eligible Associate.

12.4 **Eligible Persons** means Eligible Employees and Eligible Associates.

13. LOANS

13.1 Subject to the terms of the Plan, the Directors may from time to time determine that the Company makes loans to Eligible Employees in connection with Plan Shares to be issued pursuant to the Exercise of Options under the Plan.

13.2 No Loans shall be made to persons other than Eligible Employees.

13.3 Loans may be made for the Exercise Price payable upon Exercise of Options issued under the Plan and on such terms and conditions as the Directors see fit.

13.4 A Participant who accepts a Loan in respect of some or all of the Plan Shares pursuant to clause 13.1, will upon and by such acceptance, irrevocably authorise the Company to apply the Loan on behalf of the Participant by way of payment of the Exercise Price of the Plan Shares in respect of which the Loan was accepted and the payment of any duties payable by the Participant in respect of the Loan.

13.5 The Loan Period is the period commencing when the Loan is made and ending on the first to occur of the following dates:

(a) the Participant ceasing to be employed by the Company or a Related Body Corporate of the Company;

(b) the Company agreeing to sell the Loan Shares as requested by an Eligible Employee in accordance with clause 15.2; or

(c) the Loan being repaid in full.

13.6 A Participant may repay all or part of a Loan at any time before the expiration of the Loan Period.

13.7 Unless otherwise determined by the Directors and subject to clause 13.8, the Company will apply and each Participant will, by virtue of their acceptance of the Loan, be deemed to have irrevocably directed the Company to so apply all dividends paid in cash on the Plan Shares towards repayment of the Loan.

13.8 The amount of the dividend applied pursuant to clause 13.7 shall not exceed the after tax value of the dividends computed on the assumption that the Participant is assessable to tax at the highest personal marginal rate of income tax in Australia applicable to Australian residents (including for this purpose the Medicare Levy but not the Medicare Surcharge) on the whole of the dividend and after allowing for any franking rebate to which the Participant is entitled in relation to the dividend.

13.9 Without restricting the discretion of the Directors, Loans may be made on terms and conditions which provide that:

(a) no interest or a less than commercial rate of interest be payable in respect of the Loan;

(b) the interest payable on the Loan may be variable and may vary in accordance with the length of employment of the Eligible Employee either before or during the term of the Loan;

(c) where the Exercise Price paid pursuant to the Exercise of Options has been financed in whole or in part by the provision of a Loan by the Company to a Participant, that Participant will encumber in favour of, and lodge with, the Company or its nominee as security for repayment of the Loans all its right title and interest in the Plan Shares that have been issued to the Participant as a result of such Exercise; or

(d) the total amount of principal and interest repayable under the Loan be limited to the proceeds of the sale of Plan Shares acquired with the Loan less any costs of sales.

14. RIGHTS ATTACHING TO LOAN SHARES

14.1 Subject to clauses 13.7 and 13.8, a Participant is entitled to all dividends declared or paid on the Loan Shares held by the Participant.

14.2 A Participant is entitled to any bonus Shares which accrue to Loan Shares held by the Participant in accordance with clause 10.2.

14.3 Upon allotment of the bonus Shares to the Participant, any bonus Shares which accrue to Loan Shares are deemed, for the purposes of the Plan, to be Loan Shares until such time as the Loans in respect of the Loan Shares to which the bonus Shares accrued had been repaid in full.

15. RESTRICTION ON TRANSFER OF LOAN SHARES

15.1 Other than as provided by these Terms:

(a) a Participant must not sell, encumber or otherwise deal with a Loan Share prior to the repayment of the Loan used to acquire that Loan Share; and

(b) the Company must not register or permit the Share Registry to register a transfer of a Loan Share until the Loan used to acquire that Loan Share has been repaid and for that purpose the Company may do such things and enter into such arrangements with the Share Registry or otherwise as it considers necessary to enforce such restrictions on the transfer of a Loan Share and Participants will be bound by such arrangements.

15.2 A Participant who holds a Loan Share may request the Company in writing to sell that Loan Share on behalf of the Participant and apply the proceeds in accordance with clause 15.5.

15.3 For the purpose of the sale of the Loan Shares pursuant to clause 15.2, the Participant will be deemed to have irrevocably appointed, as a result of that Participant's request pursuant to clause 15.2, the Company Secretary as that Participant's agent and attorney to sign all documents and do all acts necessary to sell the Loan Shares and account for the proceeds in accordance with clause 15.5 and shall indemnify the Company Secretary and the

Company in respect of all costs, damages or losses arising from the sale of the Loan Shares.

15.4 The Company and the Company Secretary will have complete discretion in respect of the sale of the Loan Shares under this clause 15 and will not be liable to the Participant in respect of the timing of or price obtained on or any other circumstances relating to such sale.

15.5 Upon the Company selling the Loan Shares in accordance with a request made by a Participant in accordance with clause 15.2:

(a) the proceeds of the sale will be applied in the following order:

(b) in payment of any costs and expenses of the sale incurred by the Company;

(c) in reduction of the outstanding amount of the Loan;

(d) the balance (if any) in payment to the Participant; and

(e) subject to the terms of a Loan as determined in accordance with the provisions of clause 13.9(d) if applicable, the Participant shall be liable to the Company for any shortfall between the proceeds of such sale and the outstanding amount of the Loan.

16. LOAN NOT REPAID

16.1 If the Participant has not repaid the outstanding amount of a Loan at the end of the Loan Period, the Company may, at its discretion, on behalf of the Participant, sell the Loan Shares and apply the proceeds in accordance with clause 16.4.

16.2 For the purpose of the sale of the Loan Shares pursuant to clause 16.1, the Participant will be deemed to have irrevocably appointed, as a result of that Participant's acceptance of the issue of the Loan Shares, the Company Secretary as that Participant's agent and attorney to sign all documents and do all acts necessary to sell the Loan Shares and account for the proceeds in accordance with clause 16.4 and shall indemnify the Company Secretary and the Company in respect of all costs, damages or losses arising from the sale of the Loan Shares.

16.3 The Company and the Company Secretary will have complete discretion in respect of the sale of the Loan Shares under clause 16.1 and will not be liable to the Participant in respect of the timing of or price obtained on or any other circumstances relating to such sale.

16.4 If the Company sells the Loan Shares in accordance with clause 16.1:

(a) the proceeds of the sale will be applied in the following order:

(b) in payment of any costs and expenses of the sale incurred by the Company; and

(c) in reduction of the outstanding amount of the Loan; and

(d) the balance (if any) in payment to the Participant; and

(e) subject to the terms of a Loan as determined in accordance with the provisions of clause 13.9(d) if applicable, the Participant shall be liable to the Company for any shortfall between the proceeds of such sale and the outstanding amount of the Loan.

17. ATTORNEY

For the avoidance of doubt the Participant, in consideration of the grant of the Loan and by virtue of that Participant's acceptance of any or all Loan Shares, will be deemed to have irrevocably appointed the person who from time to time occupies the position of Company Secretary, that Participant's attorney to complete and execute any documents including share transfers and to do all acts or things in his or her name on his or her behalf which may be convenient or necessary for the purpose of giving effect to the provisions of clauses 15 and 16 of this Plan and the Participant covenants that the Participant shall ratify and confirm any act or thing done pursuant to this power and shall indemnify the attorney (or their delegate) and the Company in respect thereof.

18. NOTICES

Notices must be given by the Company to the Participant in the manner prescribed by the constitution of the Company for the giving of notices to members of the Company and the relevant provisions of the constitution of the Company apply with all necessary modifications to notices to any Participant.

19. RIGHT TO ACCOUNTS

Participants will be sent all reports and accounts required to be laid before members of the Company in general meeting and all notices of general meetings of members but, unless otherwise entitled, will not have any right to attend or vote at those meetings.

20. OVERRIDING RESTRICTIONS ON GRANT AND EXERCISE

20.1 Notwithstanding any other provision of these Terms, all rights and entitlements attaching to an Option or of a Participant under this Plan will be changed or amended to the extent necessary to comply with the Listing Rules that apply to a reorganisation of the capital of the Company, at the time that that reorganisation becomes effective.

20.2 No Option may be Exercised if to do so would contravene the Applicable Law.

20.3 Without limitation to the provisions of this clause 20:

(a) the Option terms and conditions must allow the rights of a Participant to comply with the Listing Rules applying to a reorganisation of capital of the Company at the time of the reorganisation; and

(b) subject to the provisions of clause 20.3(a), any reorganisation of capital of the Company must not be done in a manner or with the effect that will prejudice the rights or interests, or the value of the rights or interests, of Participants in the Options they hold, immediately prior to the time of any such reorganisation.

21. RIGHT OF PARTICIPANTS

21.1 Nothing in these Terms:

(a) confers on a Participant the right to receive any Shares;

(b) confers on a Participant who is a Director the right to continue as a Director;

(c) confers on a Participant the right to continue as an employee of the Company or a Related Body Corporate of the Company;

(d) affects any rights which the Company, or a Related Body Corporate of the Company, may have to terminate the appointment of a Participant who is a Director or terminate the employment of an employee; or

(e) may be used to increase damages in any action brought against the Company or a Related Body Corporate in respect of any such termination.

22. TERMINATION AND SUSPENSION OF THE PLAN

The Directors may resolve at any time to terminate or suspend the operation of the Plan.

23. GOVERNING LAW

The Plan is governed by and shall be construed and take effect in accordance with the laws of South Australia.

24. SHAREHOLDER APPROVAL

Clauses 13 to 17 only come into effect on the passing of an appropriate shareholders' resolution to authorise the granting of financial assistance to a Participant.

ANNEXURE F

INDEPENDENT EXPERT'S REPORT

DMR
CORPORATE

DMR Corporate Pty Ltd A.C.N. 063 564 045
470 Collins Street
Melbourne Telephone (03) 9629 4277
Victoria 3000 Facsimile (03) 9629 4598
Australia Web www.dmrcorporate.com.au

19 September 2014

The Independent Directors
Black Fire Minerals Limited
C/o HLB Mann Judd (SA) Pty Ltd
169 Fullarton Road,
Dulwich SA 5065

Dear Sirs,

Re: Independent Expert's Report

1. Introduction

The directors of Black Fire Minerals Limited ("BFE" or "the Company") have requested DMR Corporate Pty Ltd ("DMR Corporate") to prepare an independent expert's report pursuant to Rule 10.1 of the Listing Rules of the Australian Securities Exchange ("ASX") in respect of the proposed sale of its wholly owned subsidiary Black Fire Industrial Minerals Pty Ltd ("BFIM") to Thor Mining PLC ("Thor"). The major assets held by BFIM are shares in wholly owned subsidiaries, which hold the Pilot Mountain Tungsten Project located in Nevada, USA.

Thor is a public company registered in the United Kingdom. Thor's shares are listed on the Alternative Investment Market of the London Stock Exchange ("AIM"). Chess Depository Interests ("CDI's") over issued Thor shares are traded on the ASX.

Mr. Mick Billing, the Chairman of BFE is also the Chairman of Thor. As such the sale of BFIM is deemed to be a related party transaction, as defined by ASX Listing Rule 10.1. The transaction, as set out in Section 2 below, is permitted by the ASX Listing Rules, provided it is agreed to by shareholders, other than those involved in the proposed transaction or persons associated with such persons (i.e. the Non-Associated Shareholders).

Since first announcing the proposal to sell BFIM on 10 June 2014, BFE has announced that it proposes to dispose of its other mineral exploration properties, raise additional capital and acquire Animoca Brands Corporation ("Animoca"), a Hong Kong based developer of mobile games. Whilst shareholders need to be aware of these proposals, these further proposals are not within the scope of this report and we do not comment as to their merits.

2. The Proposed Transaction

2.1 The Proposed Resolution

The Company is seeking shareholder approval for the following resolution (Resolution 2):

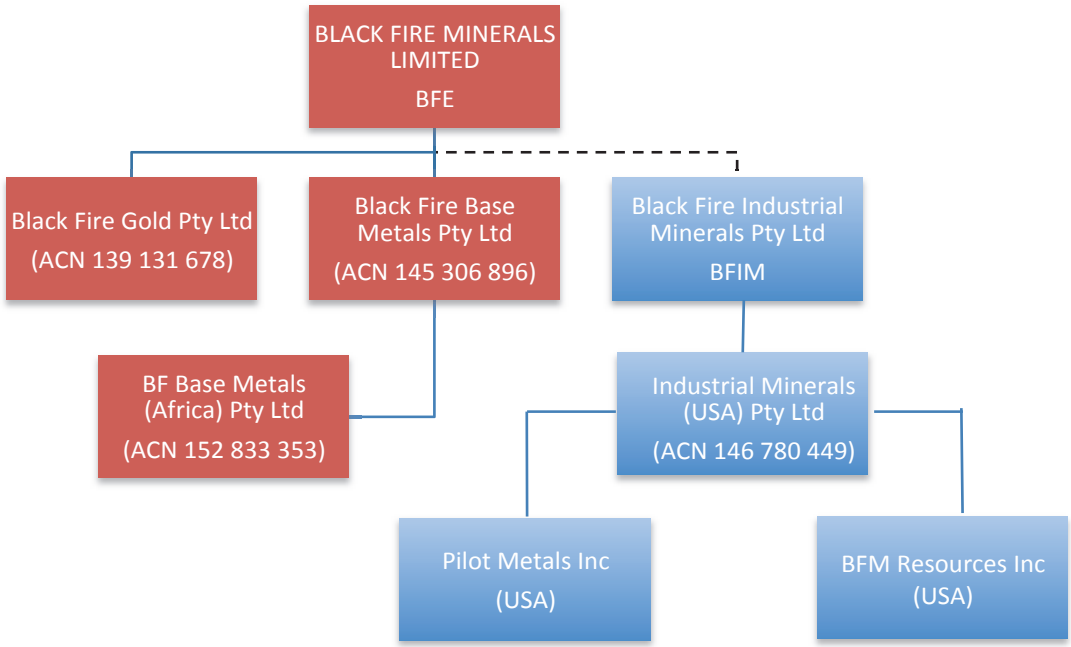
> *'That, for the purposes of ASX Listing Rules 10.1 and 11.2 and for all other purposes, approval is given for the sale by the Company of all of its shareholding in its subsidiary Black Fire Industrial Minerals Pty Ltd (being 100% of the issued shares in Black Fire Industrial Minerals Pty Ltd) to Thor Mining Plc (which has the effect of disposing of the Company's Pilot Mountain Project) on the terms and conditions set out in the Explanatory Statement.'*

If approved by shareholders, the resolution will result in a sale of BFIM to Thor in exchange for 418,750,000 Thor CDI's. The Thor CDI's are to be escrowed for a period of 12 months from their date of issue. In the balance of the report we refer to the proposed sale of BFIM to Thor as "the Proposed Transaction".

The independent directors of BFE have requested DMR Corporate to independently assess whether the Proposed Transaction is fair and reasonable. The independent expert's report is to be prepared in accordance with the Australian Securities and Investments Commission ("ASIC") Regulatory Guide 111 – Content of expert reports.

2.2 Impact of the Proposed Transaction

Set out below is a chart showing the current corporate structure of BFE:



If shareholders approve the Proposed Transaction, BFIM together with its three subsidiaries (Industrial Minerals (USA) Pty Ltd, BFM Resources Inc and Pilot Metals Inc) will be sold to Thor.

Whilst the Proposed Transaction involves the disposal of four companies, BFIM and its subsidiaries only hold one substantial asset, the Pilot Mountain Tungsten Project. As such the substance of the Proposed Transaction is the sale of the Pilot Mountain Tungsten Project to Thor.

Shareholders are also being asked to approve a pro-rata, in-specie distribution to them of the Thor CDI's that will be received by BFE as consideration for the sale of BFIM to Thor. Approval of the proposed pro-rata, in-specie distribution is contained in Resolution 3. Resolution 3 does not form part of the Proposed Transaction and is not the subject of this report.

3. Summary Opinions

3.1 Fairness Opinion

In our opinion, the Proposed Transaction set out in Section 2 above is **not fair**.

Our principal reasons for reaching the above opinion are:

- in Section 7.8 we concluded that BFIM has a value in a range of $1,480,000 to $3,600,000 with a mid point of $2,540,000;
- in Section 10 we assessed the value of the Thor CDI's, after allowing a discount for the one year escrow, to be in a range of $1,100,000 to $1,500,000, a mid point of $1,300,000.; and
- As the bottom end of our valuation range of BFIM of $1,480,000 is below the upper end of our assessed value of the Thor CDI's of $1,500,000, we could technically conclude that the Proposed Transaction is fair. Nevertheless, given that the mid point of our valuation range of BFIM of $2,540,000 is well above the mid point of $1,300,000 of our valuation of the Thor CDI's, we have concluded that **the Proposed Transaction is not fair.**

We have also reviewed the 'other considerations' referred to in Section 11 of the report and we consider that **the Proposed Transaction is reasonable.**

Our principal reasons for reaching the above opinion are:

- If shareholders do not approve the Proposed Transaction but approve the acquisition of Animoca and all related transactions, the interests of the existing shareholders of BFE may be diluted to less than 20% of the shares on issue. The proceeds of any alternate subsequent disposal of the Pilot Mountain Project will be shared with the incoming shareholders. We do not envisage that any alternate disposal of the Pilot Mountain Project would be on sufficiently better terms to offset the impact of the dilution caused by the issue of shares to the vendors of Animoca and the proposed capital raising.
- At the time of announcing the Animoca acquisition, BFE announced that after completing this acquisition it would be raising at least $3 million in additional capital. However on 13 August 2014 BFE announced that it had raised $810,000 by way of a placement to provide it with sufficient working capital to complete the acquisition of Animoca and the disposal of BFIM. The placement was completed at $0.015 per share. As can be seen from Section 7.3, prior to the announcement of the acquisition of Animoca, the BFE shares had a value of approximately $0.005 per share. If shareholders do not approve the Proposed Transaction and also do not approve the acquisition of Animoca, we would expect the value of BFE shares to return to their level prior to the announcement of the disposal of BFIM and the acquisition of Animoca.

4. Structure of this Report

This report is divided into the following Sections:

5. Purpose of the Report

This report has been prepared to meet the following regulatory requirement:

- **ASX - Listing Rule 10**

  Listing Rule 10 requires that a company obtain shareholder approval at a general meeting when the sale or acquisition of an asset, which has a value in excess of 5% of the shareholders funds as set out in the latest financial statements given to the ASX under the listing rules, is to be made to or from:

  (i) a related party;

  (ii) a subsidiary;

  (iii) a substantial shareholder who is entitled to at least 10% of the voting securities, or a person who was a substantial shareholder entitled to at least 10% of the voting securities at any time in the 6 months before the transaction;

  (iv) an associate of a person referred to in paragraphs (i), (ii) or (iii) above;

  (v) a person whose relationship to the entity or a person referred to above is such that, in the ASX's opinion, the transaction should be approved by security holders.

  As:

  - Mr Mick Billing is a director of both Thor and BFE; and
  - as the net assets of BFIM and its subsidiaries as at 31 December 2013 exceed 5% of BFE's shareholders funds as at that date,

  Listing Rule 10 will apply to the Proposed Transaction.

  The notice of meeting under Listing Rule 10 must include a report on the transaction from an independent expert. The report must state whether the transaction is fair and reasonable to the holders of the entity's ordinary shares whose votes are not to be disregarded i.e. the Non-Associated Shareholders.

- **ASIC Regulatory Guides**

This report has been prepared in accordance with the ASIC Regulatory Guides and more particularly:

RG 111 – Content of Expert Reports ("RG111")

RG 111.55 Generally, ASIC expects an expert who is asked to analyse a related party transaction to express an opinion on whether the transaction is 'fair and reasonable' from the perspective of non-associated members.

- **General**

The terms "fair" and "reasonable" are not defined in the Corporations Act 2001, however guidance as to the meaning of these terms is provided by ASIC in Regulatory Guide 111. For the purpose of this report, we have defined them as follows:

Fairness - the Proposed Transaction is "fair" if the value of BFIM is equal to or less than the value of the Thor CDI's offered by Thor as consideration for the acquisition of BFIM.

Reasonableness - the Proposed Transaction is "reasonable" if it is fair. It may also be "reasonable" if, despite not being "fair" but after considering other significant factors, we consider that the advantages of proceeding with the Proposed Transaction outweigh the disadvantages of proceeding.

In determining whether the Proposed Transaction is fair, we have:

- assessed the value of BFIM;
- assessed the value of the 418,750,000 Thor CDI's to be issued to BFE (and which are to be subject to a one year escrow); and
- compared the value of BFIM with the value of the 418,750,000 escrowed Thor CDI's.

In determining whether the Proposed Transaction is reasonable, we have analysed other significant factors that the Non-Associated Shareholders should consider prior to accepting or rejecting the Proposed Transaction.

6. BFIM - Key Information

6.1 Corporate Background

BFIM is a wholly owned subsidiary of BFE, which in turn is listed on the ASX.

BFE listed on the ASX in April 2007 as an oil and gas explorer, with a plan to farm-in into three permits in onshore Western Australia.

In 2009 BFE entered into a joint venture over tenements covering the Mystique Gold Project located in Western Australia and also in 2009 BFE acquired the Karibib Lithium project in Namibia.

In February 2011 BFE announced that it had entered into an option agreement with Pacific Gold Corporation, a company incorporated in the USA, to acquire the Pilot Mountain Tungsten Project. To facilitate this transaction BFIM, a wholly owned subsidiary of BFE, incorporated a new subsidiary in the USA, Pilot Metals Inc ("Pilot Metals"), which entered into the option agreement.

Pursuant to the option agreement Pilot Metals agreed to pay Pacific Gold Corporation:

(a) immediately upon execution of the option the sum of US$50,000;

(b) following a 100 day due diligence period the sum of US$450,000 for a two year option;

(c) two years thereafter an additional sum of US$500,000 for a further one year extension of the option;

(d) three years after the payment in (b) above an additional sum of US$500,000 for a further one year extension of the option; and

(e) four years after the payment in (b) above a final sum of US$500,000 to secure title to the tenements.

As such Pilot Metals agreed to pay a total sum of US$2 million to acquire the Pilot Mountain Tungsten Project. In addition Pilot Metals agreed to pay a further US$1 million to Pacific Gold Corporation should it ever commence commercial production at the Pilot Mountain Tungsten Project.

The payments referred to in (a) and (b) above were made in February and September 2011 respectively, with the remaining two option payments of US$500,000 being payable in September 2013 and September 2014, with the final payment of US$500,000 due in September 2015.

Following a drilling programme at the Pilot Mountain Tungsten Project, BFE announced a maiden JORC resource estimate in July 2012. This indicated an inferred resource containing tungsten trioxide, copper and silver.

In July 2013 BFE announced that it had renegotiated the terms of the option whereby it would pay Pacific Gold Corporation US$350,000 immediately and a final payment of US$850,000 by 31 March 2014, a total of US$1.2 million. As US$1.5 million was payable at that time to complete the acquisition of the Pilot Mountain Tungsten Project, the renegotiated arrangement resulted in a reduction of the full price of US$300,000 and a slight deferral in payment terms in exchange for a commitment to complete the acquisition of the Pilot Mountain Project.

Finally in February 2014 BFE announced that it had further renegotiated the agreements with Pacific Gold Corporation whereby Pacific Gold Corporation agreed to accept a final payment of US$600,000 compared to the previously agreed payment of US$850,000, offset by an increase in the amount payable should commercial production commence at the Pilot Mountain Tungsten Project from US$1.0 million to US$1.5 million. The US$600,000 was payable in two instalments, an immediate payment of US$200,000 and the final balance of US$400,000 by 31 March 2014. BFE announced on 1 April 2014 that this payment had been made and the acquisition of 100% of the Pilot Mountain Tungsten Project was completed.

6.2 The Pilot Mountain Tungsten Project Resource

The project covers substantial historically defined tungsten-copper-silver skarn-style mineralisation at three locations, including the Desert Scheelite, Gunmetal and Garnet Deposits, where Union Carbide Corp undertook detailed evaluation and feasibility studies and developed a 70,000 ton trial pit between 1977 and 1983. These deposits were never exploited due to a significant collapse in tungsten prices in the mid 1980's and no significant modern exploration has been undertaken on the project since this time. Consequently, the project represents an advanced opportunity to capitalize on the increasing demand for tungsten. In addition, the project has the potential for significant copper and silver credits.

Union Carbide's historic resources at Desert Scheelite, Gunmetal and Garnet are not JORC compliant and cannot be formally reported. However, in September 2011 BFE's initial Exploration Target for these 3 deposits was 7-9 million tonnes at 0.30 – 0.37% WO3 which compared favourably with many existing tungsten mines and resource projects worldwide.

Since acquiring the rights to the project the Company has undertaken extensive compilations of the historical data and drilled over 3,000m of diamond drill core at the Desert Scheelite Deposit resulting in the definition of a maiden JORC resource estimate for this deposit of 6.79 million tonnes at 0.31% WO3, 22.8g/t Ag and 0.17% Cu using a 0.2% WO3 cut-off. In addition, the Company has upgraded the Exploration Target for the 3 key deposits to 10.8 – 12.5Mt @ 0.32 – 0.35% WO3.

The Pilot Mountain Project comprises 176 unpatented Mineral Claims located on the eastern flank of Pilot Mountain, 250km southeast of the city of Reno and 20km east of the town of Mina, in Nevada USA. This ground package is the result of a consolidation program undertaken by BFE who staked 131 Claims to secure additional nearby prospects prior to acquiring the rights to Pacific Gold Corporation's 45 claims over the historic deposits.

The project is located on open rangelands with excellent infrastructure including grid power and intrastate highway less than 20km to the west. Nevada is the "mining capital" of the USA with a favourable regulatory environment and availability of equipment and a skilled workforce.

BFE has released the following JORC resource estimate for the Pilot Mountain Project:

WO_3 (%) Cut-Off	Category	Tonnes (Mt)	WO_3 (%)	Ag (g/t)	Cu (%)
0.1	Indicated	10.94	0.24	18.7	0.12
	Inferred	2.05	0.20	8.6	0.13
	Total	12.99	0.23	17.2	0.12
0.2	Indicated	6.09	0.31	24.2	0.16
	Inferred	0.7	0.30	9.7	0.24
	Total	6.79	0.31	22.8	0.17
0.3	Indicated	4.04	0.35	28.1	0.19
	Inferred	0.44	0.35	10.9	0.33
	Total	4.48	0.35	26.5	0.21

6.3 Statements of Financial Position

As BFIM is a wholly owned subsidiary of BFE, there are no separate audited financial statements for BFIM and its subsidiaries. Set out below is a statement of net assets as at 31 December 2013 covering BFIM and its subsidiaries, which has been extracted from the consolidation grid used to prepare the financial statements of BFE. The statement of net assets also includes a column headed pro-forma, which shows the net assets as at 31 December 2013, adjusted for the final payment to the Pacific Gold Corporation as well as other adjustments to reflect the terms of the agreement with Thor:

Black Fire Industrial Minerals Pty Ltd	31/12/2013 $	Notes to Pro Forma	Pro Forma $
CURRENT ASSETS			
Cash	3,904		3,904
Receivables	1,602		1,602
Prepayments	28,687		28,687
TOTAL CURRENT ASSETS	34,193		34,193
NON CURRENT ASSETS			
Capitalised exploration expenditure	5,059,081	**1**	5,697,379
Impairment of exploration expenditure	(1,751,006)		(1,751,006)
Intercompany Loans	156,020	**2**	-
TOTAL NON-CURRENT ASSETS	3,464,095		3,946,373
TOTAL ASSETS	3,464,095		3,946,373
CURRENT LIABILITIES			
Trade and Other payables	-		-
TOTAL CURRENT LIABILITIES	-		-
NON-CURRENT LIABILITIES			
Intercompany Loans	6,164,080	**2**	-
Borrowings	-	**3**	625,000
TOTAL NON-CURRENT LIABILITIES	6,164,080		625,000
TOTAL LIABILITIES	6,164,080		625,000
NET ASSETS	(2,699,985)		3,321,373

Note 1 increase in capitalised exploration reflects the final payment of US$600,000 to the vendor of the Pilot Mountain Project, converted at A$1: US$0.94.

Note 2 the net amount payable to or receivable from BFE and its remaining subsidiaries is to be capitalised prior to the sale to Thor.

Note 3 BFE borrowed $500,000 in order to meet the final payment to the vendor of the Pilot Mountain Project. This debt, together with interest of $125,000 is to be assigned to BFIM and will be assumed by Thor.

7. Valuation of BFIM

7.1 Value Definition

DMR Corporate's valuation of BFIM has been made on the basis of fair market value, defined as the price that could be realized in an open market over a reasonable period of time given the current market conditions and currently available information, assuming that potential buyers have full information in a transaction between a willing but not anxious seller and a willing but not anxious buyer acting at arm's length.

7.2 Valuation Methodologies

In selecting appropriate valuation methodologies to determine fair market value, we considered the applicability of a range of generally accepted valuation methodologies. These included:

- share price history;
- asset based methods;
- alternate acquirer;
- capitalisation of future maintainable earnings;
- net present value of future cash flows; and
- comparable market transactions.

Each of the above methodologies is described and where possible applied in the balance of this Section 7.

7.3 Share Price History

The share price history valuation methodology values a company based on the past trading in its shares. We normally analyze the share prices up to a date immediately prior to the date when a takeover, merger or other significant transaction is announced to remove any price speculation or price escalations that may have occurred subsequent to the announcement of the proposed transaction.

Whilst BFIM is an unlisted wholly owned subsidiary of BFE, the share price history can be used to value BFE and by subtracting the value of other assets of BFE, a market value can be determined for BFIM.

BFE announced the proposal to sell the Pilot Mountain Project on 10 June 2014, however it was not until 23 June 2014 that BFE announced the proposed acquisition of Animoca.

A table of the volume and value of the BFE shares traded in the period from 1 July 2013 to 22 June 2014 is as follows:

Month	Share Price High $	Low $	Average $	Volume	Value $
2013					
July	0.006	0.005	0.006	381,249	2,215
August	0.007	0.006	0.006	456,701	2,957
September	0.005	0.005	0.005	94,339	472
October	0.008	0.005	0.007	2,753,300	18,703
November	0.009	0.006	0.008	3,765,065	29,259
December	0.008	0.007	0.007	164,520	1,198
2014					
January	0.006	0.005	0.005	698,707	3,694
February	0.006	0.005	0.005	2,513,500	13,034
March	0.005	0.004	0.005	509,009	2,445
April	0.005	0.004	0.005	284,375	1,338
May	0.006	0.005	0.006	633,334	3,600
June 1-22	0.005	0.004	0.005	2,607,389	12,864
				14,861,488	91,778

As can be seen from the above table, 14,861,488 shares were traded during the period and the shares traded from a low of $0.004 per share to a high of $0.009 per share. The value of shares traded, based on the daily closing prices, was $91,778.

BFE has 363,344,536 shares on issue and the number of shares traded represents approximately 4.1% of the issued shares. As the above table covers a period of almost one year, the market in BFE shares is illiquid. Nevertheless the 30-day, 60-day and 90-day volume weighted average price ("VWAP") was steady at $0.005 per share and the VWAP for the whole period depicted in the above table was $0.006 per share.

Based on the above analysis, prior to the announcement of the acquisition of Animoca, the BFE shares had a value of approximately $0.005 per share.

As BFE has 363,344,536 shares on issue, based on a market value of $0.005 per share, the market value of BFE is $1,816,723 (363,344,536 x $0.005), say $1.8 million[1].

The above value is a minority value however the BFE shareholders control BFE and its assets. A control premium represents the difference between the price that would have to be paid for a share to which a controlling interest attaches and the price at which a share which does not carry with it control of the company could be acquired. Control premiums in metals and mining according to a recent survey[2] were in a range of 31.7% and 35.5% above the value of a minority share. The actual control premium paid is transaction specific and depends on a range of factors, such the level of synergies available to the purchaser, the level of competition for the assets and the strategic importance of the assets.

Using the typical control premiums, the value of BFE on a control basis can be estimated as follows:

[1] BFE announced on 13 August 2014 a placement of 54 million shares at $0.15 per share. At the date of this report the shares have not yet been issued and the subscription monies have not yet been received. We have ignored this placement in our analysis as it occurred after the announcement of the Proposed Transaction.

[2] RSM Bird Cameron Control Premium Study – June 2013.

	Low	High
Minority Value	$1,800,000	$1,800,000
Control Premium	31.7%	35.5%
Control Value	$2,370,600	$2,439,000
Say	$2,370,000	$2,440,000

BFE released a report in respect of its quarterly activities on 24 April 2014. This report provided the following relevant information:

- BFE provided an option to Parmelia Resources Limited to acquire its 60% interest in the Mystique Gold Project, valuing BFE's interest in this project at $180,000;
- no planned activities at the Kangeshi copper/silver project, suggesting that this project has no or minimal value; and
- BFE had a cash balance of $212,000.

Following disposal of the Mystique Gold Project and the Pilot Mountain Project and the repayment of debt, the BFE shareholders would be left with cash and a listed corporate shell, which could be used to acquire a new business (such as the announced proposal to acquire Animoca). In our experience listed shells in the current market have a value between $300,000 to $500,000.

We have reviewed the 31 December 2013 financial statements of BFE and based on this review we are not aware of any other significant assets or liabilities of BFE. This means that a value for BFIM can be derived by adjusting the market value of BFE for the above items identified in the quarterly report and the value of a listed shell, none of which relate to BFIM or its subsidiaries. This assessment is set out below:

	Low $	High $
Control value of BFE	2,370,000	2,440,000
Value of Mystique Gold Project	(180,000)	(180,000)
Cash	(212,000)	(212,000)
Value of listed shell	(500,000)	(300,000)
Implied value of BFIM	1,478,000	1,748,000

As can be seen from the above table, using the share price history methodology, we have estimated that BFIM has a value in a range of $1,478,000 to $1,748,000, say $1,480,000 to $1,750,000.

7.4 Asset Based Methods

These methodologies are based on the realisable value of a company's identifiable net assets. Asset based valuation methodologies include:

(a) Net Assets

The net asset valuation methodology involves deriving the value of a company or business by reference to the value of its assets. This methodology is likely to be appropriate for a business whose value derives mainly from the underlying value of its assets rather than its earnings, such as property holding companies and investment businesses that periodically revalue their assets to market. The net assets on a going concern basis method estimates the market value of the net assets of a company but does not take account of realization costs.

(b) Orderly Realisation of Assets

The orderly realisation of assets method estimates the fair market value by determining the amount that would be distributed to shareholders, after payment of all liabilities including realisation costs and taxation charges that arise, assuming the company is wound up in an orderly manner.

(c) Liquidation of Assets

The liquidation method is similar to the orderly realisation of assets method except the liquidation method assumes that the assets are sold in a short time frame.

Net Assets

BFIM's consolidated statement of financial position at 31 December 2013 shows a deficiency of approximately $2.7 million (refer Section 6.3). The deficiency is due to loans to BFIM and its subsidiaries from BFE. It is a condition precedent to the Proposed Transaction that these loans be discharged.

As can be seen from the pro-forma statement of net assets, the book value of the net assets being sold is approximately $3.3 million, comprising of capitalized exploration expenditure in respect of the Pilot Mountain Project carried at a net value of approximately $3.9 million, offset by the debt of $625,000. The Pilot Mountain Project capitalized costs in turn comprise of the payments to Pacific Gold Corporation as set out in Section 6.1 above (a total of US$1,450,000), plus further exploration costs incurred in respect of the Pilot Mountain Project.

Based on the net assets valuation methodology the value of BFIM is $3.3 million.

7.5 Alternate Acquirer

The value that an alternative bidder may be prepared to pay to acquire BFIM is a relevant valuation methodology to be considered.

As at the date of this report, our enquiries have revealed that no alternative bids have been received for BFIM or the Pilot Mountain Project and we see no reason why an alternative bid would emerge in the foreseeable future.

7.6 Capitalisation of Future Maintainable Earnings

This methodology involves capitalizing the estimated future maintainable earnings of a business at a multiple which reflects the risks of the business and its ability to earn future profits.

There are different definitions of earnings to which a multiple can be applied. The traditional method is to use net profit after tax – Price Earnings or PE. Another common method is to use Earnings Before Interest and Tax, or EBIT. One advantage of using EBIT is that it enables a valuation to be determined which is independent of the financing and tax structure of the business. Different owners of the same business may have different funding strategies and these strategies should not alter the fundamental value of the business.

Other variations to EBIT include 'Earnings Before Interest, Tax, Depreciation and Amortization' – EBITDA and 'Earnings Before Interest, Tax, and Amortization' – EBITA.

As BFIM does not have any revenue generating activities, we have concluded that this methodology is not an applicable valuation methodology.

7.7 Net Present Value of Future Cash Flows

An analysis of the net present value of the projected cash flows of a business (or discounted cash flow technique) is based on the premise that the value of the business is the net present value of its future cash flows. This methodology requires an analysis of future cash flows, the capital structure, the costs of capital and assessment of the residual value of the business remaining at the end of the forecast period.

As BFIM does not generate operating cash flows and there is no assurance that the Pilot Mountain Project will be commercially viable and if so when, we consider that the capitalisation of future cash flows is not an appropriate valuation methodology to use to value BFIM.

7.8 Comparable Market Transactions

Whilst there are no directly comparable market transactions as the Pilot Mountain Project is unique, there are other listed companies with tungsten projects and we have reviewed the available information to determine a valuation benchmark that could be applied to the Pilot Mountain Project.

Set out in the table below is the valuation matrix we have been able to develop:

			Reserves								
Company	**Enterprise Value $**	**WO_3 (%) Cut-Off**	**Measured (Mt)**	**Indicated (Mt)**	**Inferred (Mt)**	**Total (Mt)**	**WO_3 (%)**	**WO_3 (t)**	**Ownership %**	**Ownership WO_3**	**Enterprise Value/WO_3 $**
Tungsten Mining	4,600,000	0.1	-	1.30	3.73	5.03	0.27	13,581	100%	13,581	339
Vital Metals	12,900,000	0.1	4.42	11.51	4.73	20.66	0.25	51,650	70%	36,155	357
King Island Sheelite	14,700,000	0.2	-	10.82	-	10.82	0.81	87,642	100%	87,642	168

Tungsten Mining NL ("TGN") has a tungsten project in Western Australia. It is slightly more developed than the Pilot Mountain Project as an in-house scoping study has been completed and its results released to the market. The company has recently completed a placement that was underwritten to $3 million. As such the company has funding for the next stage of the development of its project.

Vital Metals Limited ("VML") has as its flagship project a tungsten project in Queensland. This project is also more developed as it includes measured resources. In addition this company has other projects including gold projects in Africa and these are included within the enterprise value. We have not been able to separate and eliminate the value of these projects.

King Island Sheelite Limited ("KIS") is seeking to re-open an abandoned tungsten mine on King Island. This company has a definitive feasibility study in place and holds a mining lease.

There is limited comparability between the various companies as the tungsten deposits are of different size, quality, at a different stage of development and the companies holding the deposits have different abilities to advance the development of the projects by obtaining the necessary funding.

After reviewing the available information, we have concluded that the KIS project provides the best guide in valuing the Pilot Mountain Project. Using the King Island Sheelite enterprise value/WO_3 of $168 this places a prima facie value of approximately $5.0 million on the Pilot Mountain Project.

The above value must be reduced by $625,000 on account of the debt to be assumed by BFIM. In addition the purchaser assumes a commitment to pay a further US$1.5 million to Pacific Gold Corporation, should commercial production take place at the Pilot Mountain Tungsten Project.

After allowing for the debt and making an allowance for the net present value of the commitment of US$1.5 million, we have concluded that the value of BFIM may be approximately $3.6 million.

7.9 Conclusion

The valuation methodologies that we have considered to be applicable are summarised as:

Valuation Methodology	Section	Low $	High $
Share price history	7.3	1,480,000	1,750,000
Asset based methods	7.4	3,300,000	3,300,000
Comparable transactions	7.8	3,600,000	3,600,000

As explained in Section 7.3 above, the market for BFE shares is illiquid and as such the share price valuation methodology is based on limited evidence.

On the other hand the asset based method reflects the historical cost of acquiring and exploring the Pilot Mountain Project, reduced by a previous impairment.

Finally, the comparable transactions analysis is also based on imperfect evidence as it relies on comparison with other projects.

After reviewing the results of the applicable valuation methodologies, we have concluded that the value of BFIM lies in a range of $1,480,000 to $3,600,000, with a mid point of $2,540,000.

8. Thor – Key Information

Thor was established as a mineral exploration and development company with its principal project being "Molyhil", a tungsten and molybdenum deposit in the Northern Territory and its shares were listed on AIM on 29 June 2005.

In September 2006 Thor acquired a number of tenements located in the Northern Territory that were prospective for uranium. As part of this acquisition Thor undertook a capital raising in Australia and its CDIs were admitted to the ASX on 25 September 2006.

Thor currently holds three distinct mining projects, two in the Northern Territory and one in Western Australia. These are:

i) The Molyhil tungsten-molybdenum deposit east of Alice Springs. Thor published a Definitive Feasibility Study ("DFS") in June 2012, which confirmed the financial viability of the Molyhil project. The study is currently being reviewed and an updated DFS is expected to be released in the September quarter of 2014.

ii) Thor holds a 51% interest in the Spring Hill project, however it has now completed the necessary expenditure to increase its equity in the project to 80%. The Spring Hill project is located 150 km south of Darwin and hosts an indicated resource of 450,000oz gold within 10.0Mt at 1.4 grams per tonne.

iii) Thor also holds a 60% interest in the Dundas project in Western Australia, however this gold project is currently not being actively explored.

The table below details Thor's Board of Directors.

Directors	Position
M Billing	Executive Chairman
G Durack	Non-Executive Director
M Ashton	Non-Executive Director
D Thomas	Non-Executive Director
T Ireland	Non-Executive Director

As at 8 July 2014 Thor had on issue 1,949,470,327 shares, of these 1,231,582,665 were listed on AIM, with the balance of 717,887,662 shares listed as CDIs on the ASX.

9. Assessment of the Value of Thor's CDI's

9.1 Value Definition and Valuation Methodologies

The value definition described in Section 7.1 is also applicable to the valuation of Thor's CDI's.

In valuing the Thor CDI's we have only applied the share price valuation methodology as the market for Thor's CDI's and shares is liquid. We also considered applying the comparable transactions methodology. Whilst this is an acceptable methodology, application of the methodology requires the making of numerous assumptions, particularly as to the relative prospectivity of other comparable projects. As these assumptions are subjective, we have elected not to apply this methodology and instead we have elected to rely on the share price history methodology.

9.2 Share Price History

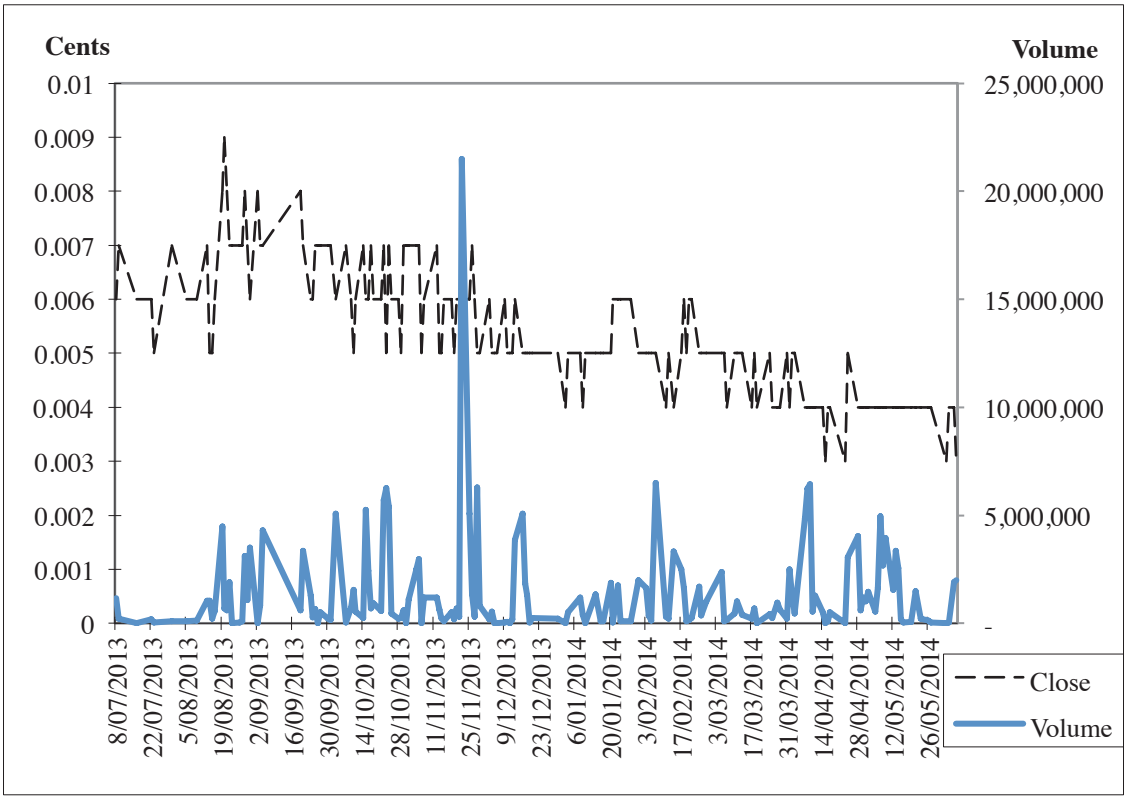
We normally analyze the share prices up to a date immediately prior to the date when a takeover, merger or other significant transaction is announced to remove any price speculation or price escalations that may have occurred subsequent to the announcement of the proposed transaction.

Thor announced the proposal to acquire the Pilot Mountain Project on 10 June 2014.

A table of the volume and value of the Thor shares and CDI's traded in the period from 1 July 2013 to 9 June 2014 is as follows:

	ASX Trading					AIM Trading		
Month	High $	Low $	Average $	Volume	Value $	Average $	Volume	Value $
2013								
July	0.007	0.005	0.006	1,711,982	10,557	0.005	13,767,310	74,024
August	0.009	0.005	0.007	18,591,468	132,951	0.006	223,374,836	1,393,049
September	0.008	0.006	0.007	12,025,736	83,221	0.005	178,918,129	921,519
October	0.007	0.005	0.006	37,117,049	227,476	0.005	319,292,238	1,649,991
November	0.008	0.005	0.006	46,921,582	282,554	0.007	226,959,587	1,517,022
December	0.006	0.004	0.005	13,622,210	72,197	0.005	47,912,595	261,798
2014								
January	0.006	0.004	0.005	9,521,028	49,188	0.006	76,474,460	435,746
February	0.006	0.004	0.005	20,126,373	99,056	0.005	58,367,255	282,874
March	0.006	0.004	0.005	7,842,772	37,013	0.004	88,357,673	382,106
April	0.005	0.003	0.004	25,816,608	103,266	0.004	123,765,399	437,512
May	0.005	0.003	0.004	25,816,608	103,266	0.003	79,871,168	278,743
June 1-9	0.004	0.003	0.003	3,975,093	13,875	0.003	17,731,468	52,858
				223,088,509	1,214,622		1,454,792,118	7,687,242

On a daily basis the ASX closing prices and trading volumes are graphed as follows:



As can be seen from the above table, both the ASX and AIM trading volumes have reduced since the start of the 2014 calendar year, nevertheless the AIM market in Thor shares remains liquid. By way of example the number of shares traded on AIM in May 2014 represents approximately 8% of the Thor shares available to be traded on the AIM exchange at that time.

As can be seen from the above table, the Thor shares and CDI's traded during the period from a low of $0.003 per security to a high of $0.009 per security. The VWAP of the Thor shares and CDI's (based on closing prices) for each of the 30-day, 60-day and 90-day periods prior to the announcement of the Proposed Transaction were unchanged at $0.004 per security.

Thor announced on 26 May 2014 that it has raised $100,000 by way of a placement of 25 million shares at $0.004 per share.

On 4 July 2014 Thor announced that it is to make a placement of 600 million shares at £0.001 per share (approximately $0.002 per share). The placement is in two parts with the initial placement of 245,800,472 shares being completed on 9 July 2014 and the placement of the remaining 354,199,528 shares being subject to prior shareholder approval, scheduled to be obtained on 5 August 2014.

Following the placement referred to above, a further issue of 96,685,082 shares to related parties of Thor and the 418,750,000 shares proposed to be issued to BFE, Thor is expected to have 2,819,104,937 shares on issue and the shares to be issued to BFE will represent approximately 14.9% of the expanded capital of Thor.

After reviewing the prices at which the Thor shares and CDIs have traded over the recent past and the prices at which Thor has recently raised additional capital and after allowing for a usual placement discount, we have concluded that the Thor CDIs have a market value in a range of $0.003 to $0.004 per CDI.

10. Assessment as to Fairness

In Section 9.2 we concluded that the Thor CDIs are valued in a range of $0.003 to $0.004 per CDI. As BFE is to receive 418,750,000 CDIs, the value of the Thor CDI's to be received by BFE can be estimated as follows:

	Low	High
No of CDIs	418,750,000	418,750,000
Value per CDI	$0.003	$0.004
Value of Thor CDI's	$1,256,250	$1,675,000

The Thor CDIs are to be subject to escrow for a period of twelve month. The agreement between BFE and Thor contemplates that BFE may distribute the Thor CDIs in specie to its shareholders, however as per the agreement any CDI's distributed in specie are to be subject to a twelve (12) months holding lock. As such the BFE shareholders will not be able to trade the Thor CDI's on the ASX for one year. In our experience a discount in a range of 10% to 15% is appropriate when valuing a share subject to a one-year escrow compared to a freely tradeable share. As such the value of the consideration offered can be assessed as follows:

	Low	High
Value of Thor CDI's	$1,256,250	$1,675,000
Escrow discount	15%	10%
Value of consideration	$1,067,813	$1,507,500

As can be seen from the above table, we have assessed the value of the Thor CDI's to be in a range of $1,067,813 to $1,507,500, say $1,100,000 to $1,500,000, a mid point of $1,300,000.

In Section 7.8 we concluded that BFIM has a value in a range of $1,480,000 to $3,600,000, with a mid point of $2,540,000.

In Section 5 we defined the measure of fairness and we concluded that the Proposed Transaction is "fair" if the value of BFIM is equal to or less than the value of the Thor CDI's offered by Thor as consideration for the acquisition of BFIM.

As the bottom end of our valuation range of BFIM of $1,480,000 is below the upper end of our assessed value of the Thor CDI's of $1,500,000, we could technically conclude that the Proposed Transaction is fair. Nevertheless, given that the mid point of our valuation range of BFIM of $2,540,000 is well above the mid point of $1,300,000 of our valuation of the Thor CDI's, we have concluded that **the Proposed Transaction is not fair.**

11. Other Considerations

Prior to deciding whether to approve or reject the Proposed Transaction the shareholders should consider the following factors:

- In Section 10 above we concluded that the Proposed Transaction is not fair.
- If shareholders do not approve the Proposed Transaction but approve the acquisition of Animoca and all related transactions, the interests of the existing shareholders of BFE may be diluted to less than 20% of the shares on issue. The proceeds of any alternate subsequent disposal of the Pilot Mountain Project will be shared with the incoming shareholders. We do not envisage that any alternate disposal of the Pilot Mountain Project would be on sufficiently better terms to offset the impact of the dilution caused by the issue of shares to the vendors of Animoca and the proposed capital raising.

- If shareholders do not approve the Proposed Transaction and also do not approve the acquisition of Animoca, the existing shareholders will retain control of BFIM and the Pilot Mountain Project.

- At the time of announcing the Animoca acquisition, BFE announced that after completing this acquisition it would be raising at least $3 million in additional capital. However on 13 August 2014 BFE announced that it had raised $810,000 by way of a placement to provide it with sufficient working capital to complete the acquisition of Animoca and the disposal of BFIM. The placement was completed at $0.015 per share. As can be seen from Section 7.3, prior to the announcement of the acquisition of Animoca, the BFE shares had a value of approximately $0.005 per share. If shareholders do not approve the Proposed Transaction and also do not approve the acquisition of Animoca, we would expect the value of BFE shares to return to their level prior to the announcement of the disposal of BFIM and the acquisition of Animoca.

- Shareholders currently hold BFE shares, which whilst freely tradeable are in fact thinly traded as there is limited demand for BFE shares. Assuming the shareholders approve the proposed in specie distribution, the Proposed Transaction will see the shareholders effectively exchanging their BFE shares for Thor CDI's. However whilst the market in Thor CDI's is relatively liquid, the Thor CDI's to be distributed to the BFE shareholders will be subject to a one year escrow period.

- As the Thor CDI's to be issued to BFE will be escrowed, BFE or the BFE shareholders will be exposed to the risk of holding Thor CDI's for a minimum of one year.

- Approval of the Proposed Transaction and the subsequent in specie distribution of Thor CDI's may have tax implications for shareholders. All shareholders should seek independent advice as to the implications of the in specie distribution on their tax position.

After reviewing the above significant factors we consider that **the Proposed Transaction is not fair but is reasonable.**

12. Financial Services Guide

12.1 Financial Services Guide

This Financial Services Guide provides information to assist retail and wholesale investors in making a decision as to their use of the general financial product advice included in the above report.

12.2 DMR Corporate

DMR Corporate holds Australian Financial Services Licence No. 222050, authorizing it to provide general financial product advice in respect of securities to retail and wholesale investors.

12.3 Financial Services Offered by DMR Corporate

DMR Corporate prepares reports commissioned by a company or other entity ("Entity"). The reports prepared by DMR Corporate are provided by the Entity to its members.

All reports prepared by DMR Corporate include a description of the circumstances of the engagement and of DMR Corporate's independence of the Entity commissioning the report and other parties to the transactions.

DMR Corporate does not accept instructions from retail investors. DMR Corporate provides no financial services directly to retail investors and receives no remuneration from retail investors for financial services. DMR Corporate does not provide any personal retail financial product advice directly to retail investors nor does it provide market-related advice to retail investors.

12.4 General Financial Product Advice

In the reports, DMR Corporate provides general financial product advice. This advice does not take into account the personal objectives, financial situation or needs of individual retail investors.

Investors should consider the appropriateness of a report having regard to their own objectives, financial situation and needs before acting on the advice in a report. Where the advice relates to the acquisition or possible acquisition of a financial product, an investor should also obtain a product disclosure statement relating to the financial product and consider that statement before making any decision about whether to acquire the financial product.

12.5 Independence

At the date of this report, none of DMR Corporate, Derek M Ryan nor Paul Lom has any interest in the outcome of the Proposed Transaction, nor any relationship with BFE, Thor, Mr Mick Billing or their associates.

Drafts of this report were provided to and discussed with BFE's professional advisors. There were no alterations to the methodology, valuations or conclusions that have been formed by DMR Corporate.

DMR Corporate had no part in the formulation of the Proposed Transaction. Its only role has been the preparation of this report.

DMR Corporate considers itself to be independent in terms of Regulatory Guide 112 issued by ASIC on 30 March 2011.

12.6 Remuneration

DMR Corporate is entitled to receive a fee of approximately $22,000 plus GST for the preparation of this report. With the exception of the above, DMR Corporate will not receive any other benefits, whether directly or indirectly, for or in connection with the making of this report.

Except for the fees referred to above, neither DMR Corporate, nor any of its directors, employees or associated entities receive any fees or other benefits, directly or indirectly, for or in connection with the provision of any report.

12.7 Complaints Process

As the holder of an Australian Financial Services Licence, DMR Corporate is required to have suitable compensation arrangements in place. In order to satisfy this requirement DMR Corporate holds a professional indemnity insurance policy that is compliant with the requirements of Section 912B of the Act.

DMR Corporate is also required to have a system for handling complaints from persons to whom DMR Corporate provides financial services. All complaints must be in writing and sent to DMR Corporate at the above address.

DMR Corporate will make every effort to resolve a complaint within 30 days of receiving the complaint. If the complaint has not been satisfactorily dealt with, the complaint can be referred to the Financial Ombudsman Service Limited – GPO Box 3, Melbourne Vic 3000.

Yours faithfully

DMR Corporate Pty Ltd

Derek Ryan
Director

Paul Lom
Director

Appendix A

Sources of Information

- a draft of the Notice of General Meeting and the Explanatory Memorandum which this report accompanies;
- draft Share Sale Agreement between BFE and Thor;
- Option and Asset Sale Agreement between Pilot Metals Inc and Pilot Mountain Resources Inc dated 8 February 2011;
- BFE's consolidation grid as at 31 December 2013;
- BFE share price summaries obtained from Commonwealth Securities Limited;
- Thor share price summaries obtained from CapitalIQ;
- information as to other companies exploring for Tungsten sourced from the ASX web site, CapitalIQ and the companies' own websites;
- Thor's web site;
- Thor share price information obtained from Commonwealth Securities Limited and Capital IQ;
- ASX announcements by BFE and Thor since 1 July 2013; and
- discussions with BFE's professional advisors.

Appendix B

Declarations, Qualifications and Consents

1. Declarations

This report has been prepared at the request of the Directors of BFE pursuant to Chapter 10 of ASX listing rules to accompany the notice of meeting of shareholders to approve the Proposed Transaction. It is not intended that this report should serve any purpose other than as an expression of our opinion as to whether or not the Proposed Transaction is fair and reasonable.

This report has also been prepared in accordance with the Accounting Professional and Ethical Standards Board professional standard APES 225 – Valuation Services.

The procedures that we performed and the enquiries that we made in the course of the preparation of this report do not include verification work nor constitute an audit in accordance with Australian Auditing Standards.

2. Qualifications

Mr Derek M Ryan and Mr Paul Lom, directors of DMR Corporate prepared this report. They have been responsible for the preparation of many expert reports and are involved in the provision of advice in respect of valuations, takeovers and capital reconstructions and reporting on all aspects thereof.

Mr Ryan has had over 40 years experience in the accounting profession and he is a Fellow of the Institute of Chartered Accountants in Australia. He has been responsible for the preparation of many expert reports and is involved in the provision of advice in respect of valuations, takeovers and capital reconstructions and reporting on all aspects thereof.

Mr Lom is a Chartered Accountant and a Registered Company Auditor with more than 35 years experience in the accounting profession. He was a partner of KPMG and Touche Ross between 1989 and 1996, specialising in audit. He has extensive experience in business acquisitions, business valuations and privatisations in Australia and Europe.

3. Consent

DMR Corporate consents to the inclusion of this report in the form and context in which it is included in the Explanatory Memorandum.

ANNEXURE G

RIGHTS ATTACHING TO THOR CDIs

Part 1 – Thor CDIs

- The Thor CDIs are units of beneficial ownership of shares in the capital of Thor (**Shares**). Legal title to the Shares is held by CDN.

- With the exception of voting arrangements, holders of CDIs (**CDI Holders**) have the same rights as shareholders.

- Notice of shareholders' meetings must be given to CDI Holders. The notice of meeting must contain a form permitting the CDI Holder to direct CDN to cast proxy votes in accordance with written directions of the CDI Holder. The CDI Holder can also instruct CDN to appoint the CDI Holder, or a nominated proxy, as CDN's proxy to vote the Shares underlying the CDI Holder's CDIs at the meeting. CDI Holders can attend shareholders' meetings but will only be able to vote personally at a meeting of shareholders if they instruct CDN to appoint them as CDN's proxy in respect of the Shares underlying the CDIs.

- Holders of CDIs in CHESS can convert their CDIs to Shares at any time by instructing their sponsoring participant. The sponsoring participant will then transmit a CHESS message to Thor's share registry instructing the registry to transfer the Shares from CDN to the name of the holder. The registry will then issue a share certificate for those Shares to the holder.

- Holders of CDIs that are issuer sponsored can convert their CDIs to Shares by instructing the Share registry. The registry will transfer the Shares from the name of CDN to the holder and issue a certificate to the holder for those Shares.

Part 2 – Memorandum and Articles of Association (Articles)

A summary of the more significant rights and liabilities attaching to the shares in Thor is included in the summary of the Articles below. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of holders of shares and/or CDIs in Thor (**Security Holders**). To obtain such a statement, persons should seek independent legal advice.

The Articles, a copy of which is available for inspection, free of charge, at the registered office of Thor, during normal business hours, contain, *inter alia*, provisions to the following effect:

Votes of members

(a) Subject to the provisions of the Companies Act 2006 of the UK (as amended or replaced from time to time) (**Act**) and to any special rights or restrictions as to voting attached to any shares or class of shares or otherwise provided by the Articles, upon a show of hands every member who (being an individual) is present in person or (being a corporation) is present by a duly authorised representative and in each case is entitled to vote shall have one vote and every proxy present who has been duly appointed by a member shall have one vote and upon a poll every member present in person or by proxy and entitled to vote shall have one vote for every share held by that member.

(b) If two or more persons are jointly entitled to shares for the time being conferring a right to vote, any one of such persons may vote at any meeting, either personally or by proxy, in respect thereof as if that person were solely entitled thereto, and if more than one of such joint holders be present at any meeting, either personally or by proxy, the member whose name stands first on the Register as one of the holders of such shares, and no other, shall be entitled to vote in respect of the same.

Transfer of shares

Title to any securities of Thor may be evidenced and title to and interests in securities may be transferred without a written instrument in accordance with statutory regulations from time to time made under the Act, and the Thor Directors shall have power to implement any arrangements it may think fit for such evidencing and transfer which accord with those regulations.

Subject to the above, all transfers of certificated shares may be effected by transfer in writing in any usual or common form or in such other form as shall be approved by the Thor Directors. The instrument of transfer shall be signed by or on behalf of the transferor (and in the case of a transfer of a partly paid share, by the transferee) and the transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the Register in respect of it.

When registered the instrument of transfer shall be retained by Thor.

The Thor Directors may in their absolute discretion and without giving any reason refuse to register any instrument of transfer:

(a) unless it is in respect of a fully paid share;

(b) unless it is in respect of a share on which Thor does not have a lien;

(c) unless it is in respect of any one class of shares;

(d) if it is in favour of more than four joint holders as transferees;

(e) to an entity which is not a natural or legal person;

(f) to a minor, to a person in respect of whom a receiving order or adjudication order in bankruptcy has been made which remains undischarged or to a person who is then suffering from mental disorder; and

(g) unless the instrument of transfer has been left at the registered office of Thor (duly stamped if necessary), or at such other place as the Thor Directors may from time to time determine, accompanied by the certificate for the shares to which it relates and such evidence as the Thor Directors may reasonably require to prove the title of the transferor and the due execution by the transferor of the transfer,

provided always that the Thor Directors shall at all times when considering an instrument of transfer in respect of partly paid shares have regard to the requirements of the Stock Exchange so as to ensure that Thor does not prevent dealings in its shares on an open and proper basis.

Notwithstanding anything in the Articles to the contrary, if:

(a) a disclosure notice (**Disclosure Notice**) has been sent or supplied to a member or any other person appearing to be interested in the shares specified in the Disclosure Notice; and

(b) Thor has not received (in accordance with the terms of such Disclosure Notice) the information required in the notice in respect of any of the specified shares within 14 days after such Disclosure Notice was sent or supplied,

then the Thor Directors may determine that the member holding the specified shares shall, upon the issue of a restriction notice referring to those specified shares in respect of which information has not been received, be subject to the Restrictions referred to in such restriction notice, and upon the issue of such restriction notice such member shall be so subject. As soon as practicable after the issue of a restriction notice Thor shall serve a copy of the notice on the member holding the specified shares but the accidental omission to do so, or the non-receipt by the member of the copy, shall not invalidate or otherwise affect the application of this article.

The Restrictions on shares shall cease to apply:

(a) either in whole or in part at any time the Thor Directors may determine;

(b) upon Thor receiving in accordance with the terms of the relevant Disclosure Notice the information required in that Disclosure Notice in respect of those shares; or

(c) if Thor receives an executed instrument of transfer (or a transfer of uncertificated shares is effected under the relevant system) in respect of those shares, which would otherwise be given effect to, pursuant to a party not connected (within the meaning given in section 839 of the Income and Corporation Taxes Act 1988 of the UK) with the member holding such shares or with any other person appearing to be interested in such shares where such sale is:

(i) on a recognised investment exchange (within the meaning given in section 285 of the Financial Services and Markets Act 2000 of the UK);

(ii) on any stock exchange outside the United Kingdom on which Thor's shares are normally dealt; or

(iii) on acceptance of an offer made to all holders (or all the holders other than the person making the offer or that person's nominees) of the shares of the class of which the shares subject to the Restrictions form part to acquire those shares or a specified portion of them.

Subject to the requirements of the London Stock Exchange, notwithstanding sub-paragraph (c) above the Restrictions on shares shall continue to apply if within ten days of receipt of the instrument of transfer the Thor Directors decide that they have reasonable cause to believe that the change in the registered holder of those shares would not be as a result of an arm's length sale resulting in a material change in the beneficial interests in those shares. Where the Thor Directors make such a decision, Thor shall notify the purported transferee of the decision as soon as practicable and any person may make representations in writing to the Thor Directors concerning the decision. Thor shall not be liable to any person as a result of having imposed Restrictions or deciding that such Restrictions shall continue to apply if the Thor Directors acted in good faith.

Where dividends or other moneys are not paid as a result of Restrictions having been imposed on shares, such dividends or other moneys shall accrue and, upon the relevant restriction ceasing to apply, shall be payable (without interest) to the person who would have been entitled had the restriction not been imposed.

Shares which Thor offers or procures to be offered pro rata (or pro rata ignoring fractional entitlements and ignoring shares not offered to certain members by reason of legal or practical

problems associated with offering shares outside the United Kingdom) to holders of shares which are subject to Restrictions shall on issue become subject to the same Restrictions.

The Thor Directors shall at all times have the right, at their discretion, to suspend, in whole or in part, any Restriction Notice either permanently or for any given period and to pay to a trustee any dividend payable in respect of any shares subject to Restrictions or in respect of any shares issued in right of shares subject to Restrictions. Notice of any suspension, specifying the sanctions suspended and the period of suspension, shall be given to the relevant holder in writing within seven days after any decision to implement such a suspension.

The limitations on the powers of the Thor Directors to impose and retain Restrictions are without prejudice to Thor's power to apply to the court pursuant to the Act to apply the Restrictions or any other restrictions on any conditions.

For the purpose of this Section 'Restrictions' means one or more, as determined by the Thor Directors, of the following:

(a) that the member holding the shares specified in a Disclosure Notice shall be entitled, in respect of those shares, to attend or be counted in the quorum or vote either personally or by proxy at any general meeting or at any separate meeting of the holders of any class of shares or upon any poll or to exercise any other right or privilege in relation to any general meeting or any meeting of the holders of any class of shares;

(b) that, unless effected pursuant to article (c) above, no transfer of the specified shares in certificated form shall be effective or shall be registered by Thor;

(c) that no dividend or other money payable shall be paid in respect of the specified shares and that, in circumstances where an offer of the right to elect to receive shares instead of cash in respect of any dividend is or has been made, any election made under that offer in respect of such specified shares shall not be effective,

provided that only the restriction referred to in sub-paragraph (a) may be determined by the Thor Directors to apply if the specified shares represent less than 0.25% of the relevant class at the time of issue of the Disclosure Notice.

Subject to the above, the Articles contain no restrictions on the free transferability of fully paid ordinary shares provided that the transfer is accompanied by the certificate for the shares to which it relates and such evidence as the Thor Directors may reasonably require to prove the title of the transfer and the due execution of the transfer and that the provisions of the Articles relating to the deposit of instruments of transfer are complied with.

Dividends

Thor in general meeting may declare a dividend to be paid to the members according to their respective rights and interests, but no such dividend shall exceed the amount recommended by the Thor Directors. The Thor Directors may from time to time declare and pay an interim dividend to the members and may also pay the fixed dividends payable on any shares of Thor half yearly or otherwise on fixed dates.

All dividends unclaimed for a period of 12 years after the date the dividend became due for payment shall be forfeited and shall revert to Thor.

Redemption of Shares and Variation of Rights

Subject to any rights attached to any existing shares or class of shares, shares may be issued which are to be redeemed or are liable to be redeemed at the option of Thor or the shareholder on such terms and conditions and in such manner as shall be provided by the Board prior to the date on which such shares were allotted.

If at any time the capital is divided into different classes of shares all or any of the rights or privileges attached to any class may, subject to the provisions of the Act, be varied or abrogated either (a) in such manner (if any) as may be provided by such rights, or (b) in the absence of any such provision either with the consent in writing of the holders of at least three-fourths of the nominal amount of the issued shares of that class or with the sanction of a special resolution passed at a separate meeting of the holders of the issued shares of that class, but not otherwise. The creation or issue of shares ranking pari passu with or subsequent to the shares of any class shall not (unless otherwise expressly provided by these Articles or the rights attached to such last mentioned shares as a class) be deemed to be a variation of the rights of such shares.

Warrants or Options

Thor may, subject to the provisions of the Act and of the Articles, issue warrants or grant options to subscribe for shares in Thor. Such warrants or options shall be issued on such terms and subject to such conditions as may be resolved upon by the Thor Directors including, without prejudice to the generality of the foregoing, terms and conditions which provide that, on a winding up of Thor, a holder of warrants or grantee of options may be entitled to receive, out of the assets of Thor available in the liquidation pari passu with the holders of shares of the same class as the shares in respect of which the subscription rights conferred by the warrants or the options can be exercised, such sum as they would have received had they exercised the subscription rights conferred by their warrants or options prior to the winding up but after deduction of the price (if any) payable on exercise of such subscription rights.

ANNEXURE H

THOR RISK FACTORS

If any of the following risks actually materialise, the business of Thor and its subsidiaries (**Group**), its financial condition and prospects could be materially and adversely affected to the detriment of Thor and the holders of CDIs and/or shares in Thor as the case may require (**Security Holders**). In that case, the market price and liquidity of shares and/or CDI's (**Securities**) could decline and all or part of an investment in the Securities could be lost.

The risks listed below do not necessarily comprise all those associated with an investment in Thor and the Securities. There may be additional risks of which the Thor Directors are not currently aware or do not currently consider to be material, and no inference ought to be drawn as to the relative importance, or the likelihood of the occurrence, of any of the following risks by reference to the order in which they appear.

RISKS SPECIFIC TO THOR

Exploration and development risk

Mineral exploration and mining are high-risk enterprises, only occasionally providing high rewards. In addition to the normal competition for prospective ground, and the high average costs of discovery of an economic deposit, factors such as demand for commodities, stock market fluctuations affecting access to new capital, sovereign risk, environmental issues, labour disruption, project financing difficulties, foreign currency fluctuations and technical problems all affect the ability of a company to profit from any discovery.

There is no assurance that exploration and development mineral interests owned by Thor, or any other projects that may be acquired in the future, can be profitably exploited.

Operational risks

The operations of Thor may be disrupted by a variety of risks and hazards which are beyond the control of Thor, including environmental hazards, industrial accidents, technical failures, labour disputes, unusual or unexpected rock formations, flooding and extended interruptions due to inclement or hazardous weather conditions, fire, explosions and other incidents beyond the control of Thor.

These risks and hazards could also result in damage to, or destruction of, production facilities, personal injury, environmental damage, business interruption, monetary losses and possible legal liability. While Thor currently intends to maintain insurance within ranges of coverage consistent with industry practice, no assurance can be given that Thor will be able to obtain such insurance coverage at reasonable rates (or at all), or that any coverage it obtains will be adequate and available to cover any such claims.

Metallurgy

Metal and/or mineral recoveries are dependent upon the metallurgical process, and by its nature contain elements of significant risk such as:

i. identifying a metallurgical process through test work to produce a saleable metal and/or concentrate;

ii. developing an economic process route to produce a metal and/or concentrate; and

iii. changes in mineralogy in the ore deposit can result in inconsistent metal recovery, affecting the economic viability of the project.

Reserve and resource estimates

Resource estimates are expressions of judgment based on knowledge, experience and industry practice. Estimates that were valid when made may change significantly when new information becomes available.

In addition, resource estimates are necessarily imprecise and depend to some extent on interpretations, which may prove to be inaccurate. Should Thor encounter mineralisation or formations different from those predicted by past drilling, sampling and similar examinations, resource estimates may have to be adjusted and mining plans may have to be altered in a way which could adversely affect Thor's operations.

Payment obligations

Under the mining and exploration tenements and licences and certain other contractual agreements to which Thor is or may in the future become a party, Thor is or may become subject to payment and other obligations in respect of its tenements and licences. In particular, Thor has an obligation to meet the agreed expenditure budgets for each of its interests. In addition where Thor is not the manager it is reliant on the manager to maintain the exploration tenements and licences in 'good standing' and meet the relevant Mines Departments expenditures commitments. Failure to meet these work commitments will render the tenement or licence liable to be cancelled.

In April 2013, Thor drew down 100% of the loan funds available to it (in the sum of A$1.0 million) in accordance with the Debt Facility Agreement entered into by Thor, TM Gold Pty Ltd, Molyhil Mining Pty Ltd and Lindsay Carthew as trustee for the Lindsay Carthew Family Trust on 15 March 2013 (**Debt Facility Agreement**). The terms of the Debt Facility Agreement provide for immediate repayment of any debt incurred under the debt facility in certain circumstances. Thor's ability to repay such debt will depend on its access to funds and its cash balance at the time of repayment. Further, under the terms of the Debt Facility Agreement, Thor has granted security over its interest in tenements comprising the Molyhil project and the Spring Hill project. If Thor is unable to repay its debts under the Debt Facility Agreement when they fall due, the lender may have recourse to that security.

Commodity risk

It is anticipated that any revenues derived are likely to be closely related to the price of the commodities which are prospective on Thor's tenements and the terms of any off-take agreements that Thor enters into.

Commodity risk is the risk that the price earned for minerals will fall to a point where it becomes uneconomic to extract them from the ground. Future commodity prices may go down as well as up.

Project Finance

The development of a mining operation will require that further capital be raised, but there is no assurance that additional funding will be available on acceptable terms, or at all. Any inability to raise adequate project finance when required will have an adverse effect on the business activities proposed from the project development.

Competition

Thor competes with other companies, including major mineral exploration and production companies. Some of these companies have greater financial and other resources than Thor and, as a result, may be in a better position to compete for future business opportunities. Many of Thor's competitors not only explore for and produce minerals, but also carry out refining operations and other products on a worldwide basis. There can be no assurance that Thor can compete effectively with these companies.

Title

While Thor has undertaken all the customary due diligence in the verification of title to its mineral properties, this should not be construed as a guarantee of title. The properties may be subject to prior unregistered agreements or transfers and title may be affected by undetected defects.

All of the tenements in which Thor has or may earn an interest in will be subject to applications for renewal or grant (as the case may be). The renewal or grant of the term of each tenement is usually at the discretion of the relevant government authority. Failure by Thor to have tenements granted or renewed may have a serious impact on the value of Thor's assets.

Native title

The *Native Title Act 1993* (Cth) (**Native Title Act**) recognises and protects the rights and interests in Australia of Aboriginal and Torres Strait Islander people in land and waters, according to their traditional laws and customs. There is significant uncertainty associated with Native Title in Australia and this may impact on Thor's operations and future plans.

Native Title can be extinguished by valid grants of land (such as freehold title) or waters to people other than the Native Title holders or by valid use of land or waters. It can also be extinguished if the indigenous group has lost its connection with the relevant land or waters. Native Title is not necessarily extinguished by the grant of mining leases, although a valid mining lease prevails over Native Title to the extent of any inconsistency for the duration of the title.

Tenements granted before 1 January 1994 are deemed to be valid or validated by the Native Title Act.

For tenements to be validly granted (or renewed) after 1 January 1994, the future act regime established by the Native Title Act must be complied with, unless an Australian State or Territory has an alternate regime.

The existence of a Native Title claim is not an indication that Native Title in fact exists on the land covered by the claim, as this is a matter ultimately determined by the Federal Court.

In Western Australia the Native Title Act is administered by the State government which uses the expedited procedure (in respect of exploration and prospecting licences) and the right to negotiate (in respect of mining leases) under the Native Title Act where a mining tenement cannot be granted to an applicant unless they have satisfied the future act requirements of the Native Title Act.

The government of Western Australia enforces a policy where native title issues are settled by agreement. The government will progress exploration and prospecting licence applications through the expedited procedure only after it is satisfied that the applicant has formally

entered into an Aboriginal heritage agreement with or prove they have an existing Aboriginal heritage agreement. If an applicant refuses to enter into an agreement, it must seek a future act determination from the National Native Title Tribunal. Under the right to negotiate provisions of the Native Title Act, for the grant of a mining lease, either an agreement must be negotiated between the Minister, the native title group and the mining company or the intention to grant the lease must be referred to the National Native Title Tribunal for negotiation.

In the Northern Territory, the grant of a tenement on land subject to a native title claim or determination will also be subject to the expedited procedure or the right to negotiate procedure.

Thor must also comply with Aboriginal heritage legislation requirements which require heritage survey work to be undertaken ahead of the commencement of mining operations.

The *Aboriginal Land Rights (Northern Territory) Act 1976* (**ALRA**) also provides that an exploration licence may not be granted to a person in respect of Aboriginal land in the Northern Territory unless:

(a) both the relevant Minister and the Aboriginal Land Council for the area have given written consent to the grant of the licence or the Governor General has, by proclamation, declared that the national interest requires that the licence be granted; and

(b) the Aboriginal Land Council and the person have entered into an agreement as to the terms and conditions on which the grant of the licence will be subject.

The ALRA also provides that a mining interest may not be granted to an intending miner in respect of Aboriginal land in the Northern Territory unless:

(a) the relevant Aboriginal Land Council and the intending miner have entered into an agreement as to the terms and conditions to which a grant of the mining interest will be subject; and

(b) the relevant Minister has consented in writing to the grant of that mining interest.

These factors may impact on Thor's future applications for exploration licences or mining leases in Western Australia and the Northern Territory.

Thor must also comply with State, Territory and Commonwealth Aboriginal heritage legislation requirements which seek to protect Aboriginal sites and objects from being destroyed, excavated or disturbed. Heritage survey works are usually undertaken ahead of the commencement of activities which would cause a disturbance to the land surface. It is possible that one or more sites of significance will exist in an area which Thor considers to be prospective.

Environmental

Thor's current projects are subject to Australian regulations regarding environmental matters and the discharge of hazardous wastes and materials, and following the acquisition of the Pilot Mountain Project, Thor will be subject to corresponding regulations in the United States of America also. As with all mining projects, the projects of Thor have a variety of environmental impacts. Thor intends to conduct its activities in an environmentally responsible manner and in accordance with applicable laws.

The cost and complexity of complying with the applicable environmental laws and regulations may prevent Thor from being able to develop potentially economically viable mineral deposits.

Although Thor believes that it is in compliance in all material respects with all applicable environmental laws and regulations, there are certain risks inherent to its activities, such as accidental spills, leakages or other unforeseen circumstances, which could subject Thor to extensive liability.

Further, Thor may require approval from the relevant authorities before it can undertake activities that are likely to impact the environment. Failure to obtain such approvals will prevent Thor from undertaking its desired activities. Thor is unable to predict the effect of additional environmental laws and regulations, which may be adopted in the future, including whether any such laws or regulations would materially increase Thor's cost of doing business or affect its operations in any area.

There can be no assurances that new environmental laws, regulations or stricter enforcement policies, once implemented, will not oblige Thor to incur significant expenses and undertake significant investments in such respect which could have a material adverse effect on Thor's business, financial condition and results of operations.

Liquidity

Liquidity risk is the risk of running out of working and investment capital. Thor's goal is to finance its exploration activities with cashflow from operations, but in the absence of such cashflow, Thor relies on the issue of equity share capital, joint venture and option agreements to finance its activities. There can be no assurance that adequate funding will be available when required to finance the Group's activities.

Currency risk

Fluctuations in currency exchange risks can significantly impact cashflows. Thor finances its operations by transferring sterling from the UK to meet local operating costs in its Australian subsidiaries.

Investors are reminded that changes in exchange rates may also have an adverse effect on the value, price or income of the ordinary shares.

Changes in legislation

Exploration activities are subject to local laws and regulations governing prospecting, development, production, export, taxes, labour standards, occupational health and safety, mine safety and other matters. Such laws and regulations are subject to change and can become more stringent, and compliance can therefore become more costly. Thor applies the expertise of its management, its advisors, is employees and contractors to ensure compliance with current laws.

RISKS RELATING TO THOR'S SECURITIES

Value of Securities and liquidity

It is likely that Thor's Securities prices will fluctuate and may not always accurately reflect the underlying value of Thor's business and assets. The price of the ordinary shares may go down as well as up and investors may realise less than the original sum invested. The price that investors may realise for their holdings of Securities, if and when they are able to do so,

may be influenced by a large number of factors, some of which are specific to Thor and others of which are extraneous. Such factors may include the possibility that the market for the Securities is less liquid than for other equity securities and that the price of the Securities is relatively volatile.

The Thor Directors are unable to predict when and if substantial numbers of Securities will be sold in the open market. Any such sales, or the perception that such sales might occur, could result in a material adverse effect on the market price of the Securities.

Dividends

There can be no assurance as to the level of future dividends. The declaration, payment and amount of any future dividends of Thor are subject to the discretion of the shareholders or, in the case of interim dividends, to the discretion of the Thor Directors, and will depend upon, among other things, the Group's earnings, financial position, cash requirements, availability of profits, as well as provisions for relevant laws or generally accepted accounting principles from time to time. For the time being Thor does not pay dividends and this is unlikely to change in the near future.

Suitability

An investment in Thor involves a high degree of risk and may not be suitable for all investors. Investors are reminded that the price at which they may realise their Securities and the timing of any disposal of them may be influenced by a large number of factors, some specific to Thor and its proposed operations, some of which may affect the sector in which Thor operates and some which relate to the operation of financial markets generally. These factors could include the performance of Thor's operations, large purchases or sales of shares in Thor, liquidity or absence of liquidity in the Securities, legislative or regulatory changes relating to the business of Thor and general economic conditions.

GENERAL RISKS

Policies and legislation

Any material adverse changes in Federal or State government policies or legislation of Australia or any other country in which Thor has economic interests may affect the viability and profitability of Thor.

Financial markets and global economic outlook

The performance of Thor will be influenced by global economic conditions and, in particular the conditions prevailing in the United Kingdom and Australia and, following the acquisition of the Pilot Mountain Project, the United States of America. The global economy has been experiencing difficulties since 2008, with the natural resource industry, in particular, being affected from the northern autumn of 2008 onwards. The financial markets have deteriorated dramatically in this period. This has led to unprecedented levels of illiquidity, resulting in the development of significant problems at a number of the world's largest commercial banks, investment banks and insurance companies and considerable downward pressure and volatility in share prices. In addition, recessionary conditions are present in the United Kingdom, as well as in other countries around the world. If these levels of market disruption and volatility continue, worsen or abate and then recur, Thor is likely to experience difficulty in securing debt finance, if required, to fund its long term development strategy. Thor may be exposed to increased counterparty risk as a result of business failures in the countries in which it operates and will continue to be exposed if counterparties fail or are unable to meet their obligations to Thor. The precise nature of all the risks and uncertainties Thor faces as a result

of the current global financial crisis and global economic outlook cannot be predicted and many of these risks are outside of Thor's control.

Changes in tax and other legislation

Any changes in legislation or in the levels and basis of, and reliefs from, taxation may affect the value of an investment in Thor. There can be no certainty that the current taxation regime in the United Kingdom and in Australia where Thor operates, or in the United States of America, where Thor will operate following completion of the Thor Transaction, will remain in force or that the current levels of corporation taxation will remain unchanged. There can be no assurance that there will be no amendment to the existing taxation laws applicable to Thor's operations, which may have a material adverse effect on the financial position of Thor. Individual tax circumstances may differ from investor to investor and investors are advised to seek tax advice based upon their own circumstances.

Additional capital requirements

Thor will require additional capital in the future, which may not be available to it. Future financings to provide this capital may dilute shareholders' proportionate ownership in Thor. Thor may raise capital in the future through public or private equity financings or by raising debt securities convertible into ordinary shares, or rights to acquire these securities. Any such issues may exclude the pre-emption rights pertaining to the then outstanding shares. If Thor raises significant amounts of capital by these or other means, it could cause dilution for Thor's existing shareholders. Moreover, the further issue of ordinary shares could have a negative impact on the trading price and increase the volatility of the market price of the ordinary shares. Thor may also issue further ordinary shares, or create further options over ordinary shares, as part of its employee remuneration policy, which could in aggregate create a substantial dilution in the value of the ordinary shares and the proportion of Thor's share capital in which investors are interested.

Trading on ASX

The ordinary shares in Thor are quoted on AIM, a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. An investment in AIM quoted shares may carry a higher risk than an investment in shares quoted on the Official List of the Exchange.

The CDIs are quoted on the ASX, and an application for quotation will be made in respect of the Thor CDIs.

The fact that ASX may grant official quotation to CDIs is not to be taken in any way as an indication of the merits of Thor or its securities.

Enforcement of judgements in the United Kingdom

As a company incorporated in the United Kingdom, the rights of shareholders will be governed by English Law.