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ASX Announcement

C @ EXECUTES AGREEMENT TO ACQUIRE MONGOLIAN COAL LICENCES

HIGHLIGHTS

- **C @ signs a Share Sale Agreement to acquire eight highly prospective Mongolian coal licences for US\$7.8million, located in the Ovorhangay and South Gobi provinces**
- **Region characterised by a number of recent major black coal discoveries on the doorstep of the expanding Chinese steel and energy markets**
- **“Teeg” licence located in the Ovorhangay province of significant interest after C @ intersected two massive black coal seams containing coking properties**
- **Phase II of the exploration program which will include geophysics and further drilling, to commence immediately following the completion of acquisition**
- **Company to raise majority of funds via institutional placement, in conjunction with a priority share issue being offered to existing eligible shareholders**
- **Proposal to re-name company to Draig Resources Limited**
- **Shareholders to vote on proposals at Annual General Meeting to be held on 30 November 2011**

C @ Limited (ASX: CEO, “C @” or “Company”) is pleased to announce it has signed a conditional Share Sale Agreement (“**Agreement**”) whereby C @ will acquire all of the issued capital of BDBL LLC (“**BDBL**”), a subsidiary of Peabody-Winsway Resources LLC (“**Peabody-Winsway**”).

BDBL was established to identify, acquire and develop coal projects in Southern Mongolia and at completion of the Agreement, will own eight coal licences in Mongolia (“**Project**”).

Recent test work has identified high quality coal with coking properties both near surface and at moderate depth, following C @’s due diligence drilling campaign midyear on some of the Ovorhangay province licences.

Four of the licences are located in the Ongi River Basin in the Ovorhangay province and four are located in the South Gobi Basin, South Gobi province. The licences cover a total area of approximately 625km².

All of the licences have had limited exploration but offer considerable potential.

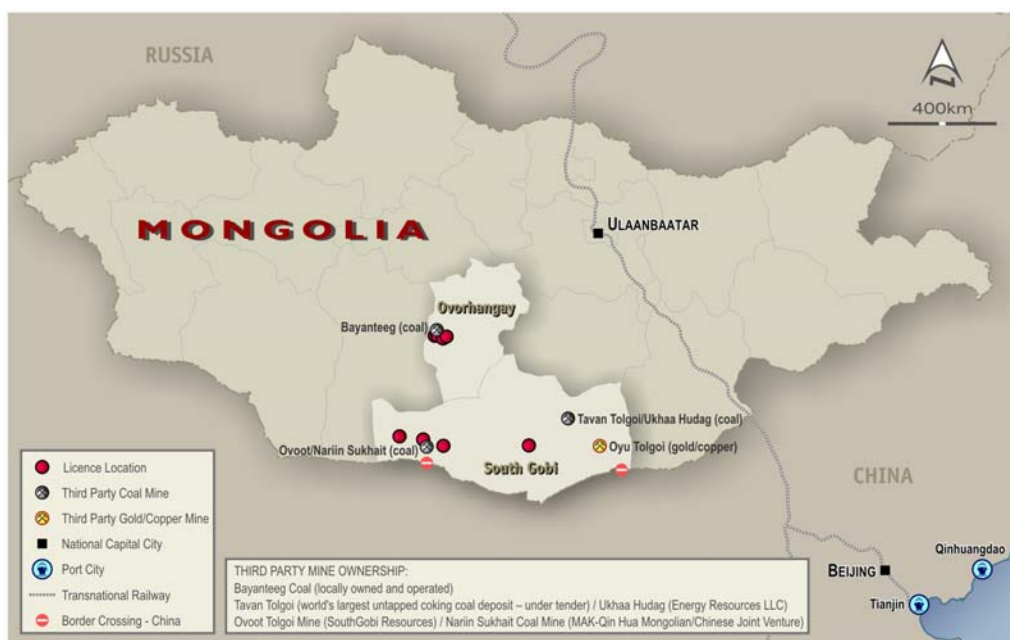


Figure 1 – Location of the Ovorhangay and South Gobi province licences, Mongolia

In consideration for the acquisition of 100% of BDBL, the Company shall pay Peabody-Winsway US\$7,870,000, less US\$100,000 which was paid on 20 April 2011 to secure exclusive rights in relation to the Project and the US\$100,000 deposit paid on signing the Agreement, plus any assessable value added tax that may be attributable to the sale of shares.

Azure Capital Ltd acted as Corporate Adviser and Steinepreis Paganin as Legal Adviser to C @ in respect of the transaction.

In order to acquire the Project and undertake further exploration work on these licences, the Company has mandated Renaissance Capital¹ and BGF Equities as joint lead managers to manage a capital raising of up to A\$28 million (“**Capital Raising**”). The Capital Raising will include an A\$3 million priority issue to eligible shareholders. Further details in respect of the Capital Raising will be set out in the prospectus which the Company expects to lodge on or around 7 November 2011.

C @ Managing Director Mark Earley said the acquisition of eight highly prospective coal exploration licences represented a significant and exciting opportunity for C @ to expand the scale of its activities.

¹ Renaissance Capital (Hong Kong) Limited, part of Renaissance Capital

“The execution of this agreement means we are able to position ourselves in a major emerging coal province. We have already identified coking coal properties in Ovorhangay and will now push ahead to confirm a JORC compliant resource by early next year.

“Recent drilling showed the potential for C @ to produce, at a minimum, a soft coking coal with low ash content.

“Importantly, a number of licences are close to existing producing assets and infrastructure with close proximity to major energy markets like China and Russia make the economics of this project very favourable,” Mr Earley said.

C @ intends to use the funds raised pursuant to the Capital Raising to pay for the acquisition of BDBL (“**Acquisition**”), future drilling, additional project evaluation and working capital.

MONGOLIAN COAL LICENCES

Ovorhangay Licences

The Ovorhangay licences are located approximately 130km from the province capital Arvayheer; and approximately 520km south-west of the Mongolian capital Ulaanbaatar.



Figure 2 – Location of the Ovorhangay province licences, Mongolia

The Ongi River coal basin dominates the architecture of the Ovorhangay province, which is similar in nature to the South Gobi Basin, although approximately only 70% of its size. Coal seams in the Ongi River Basin are hosted in the Upper Permian, Lower-Middle Jurassic and Lower Cretaceous sedimentary sequences.

The Company’s recent due diligence exploration program included a six hole drilling program on the Ovorhangay licences during June and July 2011. Five holes were drilled on the Teeg licence, located directly south of the locally owned Bayanteeg open-cut coal mine, which has been in operation for 50 years extracting an estimated 4.6Mt of coal during this period from shallower coal seams to meet local demand.



Figure 3 - Ovorhangay Province

The first hole (BTE-001) intersected a massive 60m coal seam characterised by vitrinite-rich massive hard black coal in the lower part of the seam. The hole was terminated at 100m depth within a sequence of organic-rich sediments, not representative of the Jurassic Bakhar Formation base, which could suggest further seams down dip.

BTE-002 was drilled 280m to the northwest of BTE-001 to a total depth of 207m. The hole intersected 40m of thick black coal seam from a depth of 89m, of which 30m was logged as consistently hard coal. As per BTE-001, the base of the Bakhar Formation was not encountered in this hole which could suggest additional seams down dip.

The potential extent of the massive seams intersected in BTE-001 (60m coal) and BTE-002 (40m coal) along the southern boundary still remains unknown, but will be the focus of the Phase II exploration program planned to commence once the Acquisition is finalised.



Figure 4 - Drill core taken from BTE-001

South Gobi Licences

The closest town to the majority of South Gobi licences is Gurvantes, located approximately 276km from the province's capital Dalandzadgad. The south western licences are located less than 80km from the Chinese border crossing at Shivee Khuren/Ceke.

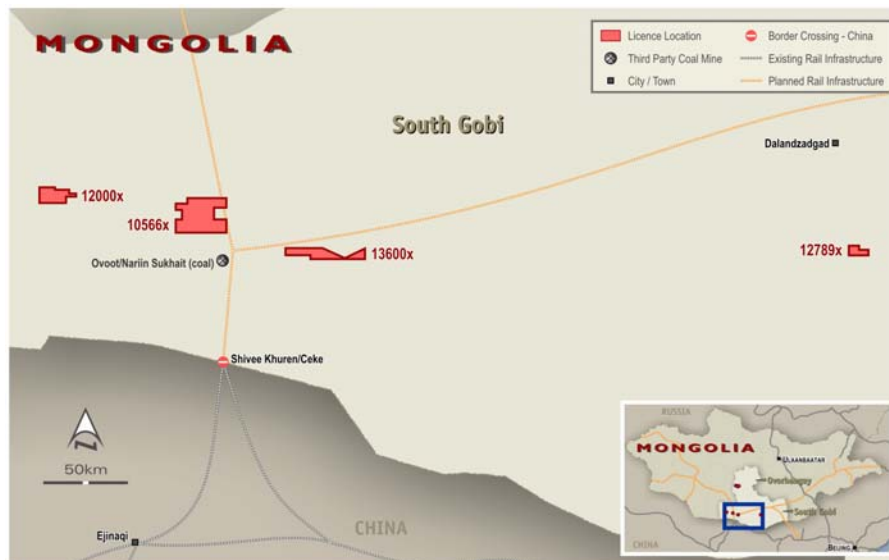


Figure 5 – Location of the South Gobi province licences, Mongolia

The four licence areas located in the South Gobi are located within the South Gobi Basin which is characterised by the largest concentration of major black coal deposits in Mongolia, including the major coal deposit at Tavan Tolgoi (coal resources of > 5 billion tonnes), as well as other substantial deposits including the >200 Mt deposits at Baruun Nuran and Ovoot Tolgoi.

The location of the South Gobi province next to the Chinese border and therefore close to the expanding Chinese energy market, further supports its significant economic importance to Mongolia.

Prior exploration work on the licences has been very limited to date. Drilling work previously undertaken on the South Gobi licences intersected coal seams on two licences.

The Company undertook an exploration program as part of its due diligence on the licences during May and June 2011. A total of eight holes were drilled by C @ within the four licences in the South Gobi Basin. Although the drill results from the program presented only a few modest coal intersections, all four South Gobi licences remain underexplored and potential exists to uncover concealed coal extension, particularly in the Zamt Uul and the Gurvantes licences which will be given priority on the next drilling program conducted by the Company in the South Gobi.

The long term economic potential of the South Gobi Basin is very substantial and provides the potential for the further discovery of significant high rank coal deposits.

Rail infrastructure planned by the Mongolian Government

To support the mining industry, the Mongolian government has approved plans for an approximate 5700km long railway to be built in three stages. The first stage will see 1530km of track built from Nariin Sukhait in the South Gobi through the cities of Sainshand and Choybalsan into Russia connecting to the existing Russian railway line system that extends to the Russian Pacific ports of Zarubino, Vanino and Vladivostok.

Construction on the first stage of the railway is expected to commence in 2012 and work on stage two is expected to start in 2015.



Figure 6 - Existing and planned rail infrastructure in central and southern Mongolia

Proposed Exploration Program

Upon completion of the Acquisition, C @ will immediately undertake Phase II of its exploration program which will include geophysics and a substantial drilling program.

Priority will be given to the Teeg licence located in Ovorhangay, which intersected two significant coal seams during the Company’s Phase I exploration program. The Company intends to undertake a geophysical survey to identify the potential black coal extensions concealed on the licence to support key targets of the drilling program.

The drilling program will be designed to define an initial JORC compliant resource. If the drilling program and initial JORC resource meet Company expectations, scoping study work will be undertaken immediately.

Share Sale Agreement

On 26 October 2011, the Company entered into a Share Sale Agreement with Peabody-Winsway, being the sole shareholder of BDBL, to acquire 100% of the shares in BDBL. The Company also remitted a non refundable US\$100,000 deposit, pursuant to the Agreement.

In consideration for the Acquisition of BDBL, the Company shall pay Peabody-Winsway US\$7,870,000, less US\$100,000 which was paid on 20 April 2011 to secure exclusive rights in relation to the Project and the US\$100,000 deposit paid on signing of the Share Sale Agreement, plus any assessable value added tax that may be attributable to the sale of shares.

On and from completion of the Acquisition, BDBL must assume the obligation to pay a royalty of 1% of the free on board (FOB) mine site price (exclusive of any value added tax) per tonne of coal mined within the licence areas, to Polo Resources Limited.

The Share Sale Agreement will not become effective unless each of the following conditions precedent is satisfied by 10 December 2011:

- C @ obtaining shareholder approval for the purpose of ASX Listing Rule 11.1.2 for the Acquisition;
- C @ completing a minimum capital raising of A\$10,000,000;
- there being no material breach of any of the warranties provided by Peabody-Winsway in respect of the title to the licences; and
- the licence transfer to BDBL LLC has been registered correctly in accordance with the Minerals Law of Mongolia.

Trinity Interest

On 10 November 2010, the Company entered into a memorandum of understanding (“MOU”) with a private Australian company, Trinity Mongolia Pty Ltd, and its wholly owned Mongolian subsidiary, Trinity Development LLC (together, “Trinity”). The purpose of the MOU is to outline the terms upon which the parties propose to identify and develop exploration and mining projects (and in particular, coking coal deposits), in Mongolia.

As previously advised Mr Mark Earley, a Director of C @, currently has an interest in approximately 10% of Trinity Mongolia Pty Ltd.

In accordance with the terms of the MOU, C @ will hold the eight Mongolian coal licences for the benefit of an unincorporated joint venture in which Trinity will own a 10% interest. Trinity shall not be required to contribute to joint venture expenditure in respect of its 10% interest until a resource is defined within the joint venture area that is estimated to contain 200Mt or greater of JORC compliant indicated or inferred resource, from which time Trinity will contribute to its pro-rata share.

Trinity shall have the right to acquire an additional 15% participating interest in the joint venture by paying to C @ an amount equal to 15% of all expenditure incurred by C @ that is attributable to the identification, evaluation and acquisition of the interest in the licences. Trinity must make this payment within 60 business days following the formation of the joint venture. Trinity shall, at all times, be obliged to contribute its pro-rata share of Joint Venture expenditure in respect of this 15% participating interest.

The Company anticipates that it will enter into a formal joint venture agreement to formalise the terms in respect of the Project with Trinity during November 2011.

At the time of completing the Acquisition, BDBL LLC will be a 100% owned Mongolian subsidiary of C @. The Company will own 90% of the Project through BDBL LLC, with a 10% minority interest being owned by Trinity, as per the Joint Venture Agreement.

General Meeting of C @ Shareholders

C @ will convene a general meeting of shareholders to approve, inter alia:

1. A change in activities via the acquisition of BDBL.
2. Consolidation of capital to comply with ASX Listing Rules.
3. The placement of new shares to raise funds to acquire the Project and support C @'s drilling program and development strategy.
4. A change of name.
5. Any other necessary resolutions to give effect to the BDBL acquisition.

Shareholders will be able to vote on the various resolutions at the Annual General Meeting on 30 November 2011. A Notice of Meeting will be issued to shareholders shortly.

Change of Activities

The proposed acquisition of BDBL constitutes a significant change in the nature and scale of the Company's activities of the nature contemplated by Chapter 11 of the ASX Listing Rules.

The Board believes this is a unique opportunity to participate in a coal project which has the potential to generate significant organic growth and widespread market support for the Company.

As indicated above, to proceed with the acquisition of BDBL various aspects of the transaction will need to be approved by Shareholders and the requirements of Chapters 1 and 2 of the Listing Rules will need to be complied with.

The Company intends to convene a meeting of shareholders to approve the necessary aspects of the transaction. C @ will also issue a prospectus for the Capital Raising to enable the Company to acquire BDBL and support its intended drilling program and development strategy. C @ shareholders will have an opportunity to participate in the Capital Raising.

The securities of the Company will be suspended from trading approximately two weeks prior to day of the Annual General Meeting, and will remain in suspension until the Company satisfies the requirements of Chapters 1 and 2 of the ASX Listing Rules. It is anticipated that this will occur in mid December 2011.

Capital Consolidation and Capital Raising

The Company is seeking approval to consolidate its securities on a 20 for 1 basis and raise up to A\$28 million via an institutional placement, in conjunction with a priority share issue being offered to eligible shareholders.

The Company has mandated Renaissance Capital and BGF Equities as joint lead managers to undertake a Capital Raising of up to A\$28 million on a best endeavors basis. Further details in

respect of the Capital Raising will be set out in the prospectus which the Company expects to lodge on or around 7 November 2011.

The Company intends to use the proceeds raised pursuant to the Capital Raising to fund the Acquisition, a drilling program to define a JORC compliant resource on the Project; additional project evaluation; the costs of the Capital Raising; and additional working capital.

Name Change

C @ is proposing that the name of the Company be changed to “Draig Resources Limited”. The new logo for the company has been provided below.



The Directors believe that this new name and its “dragon” mascot more accurately reflects the proposed future operations and market focus of the Company.

Indicative Timetable*

| Event | Date |
|--|------------------|
| Execution of Share Sale Agreement | 26 October 2011 |
| Lodgement and Dispatch Notice of Annual General Meeting | 31 October 2011 |
| Lodgement of Prospectus with ASIC | 7 November 2011 |
| Suspension of the Company’s securities from trading on the ASX (at the opening of trade) | 17 November 2011 |
| Annual General Meeting | 30 November 2011 |
| Closing Date for Offer under Prospectus | 1 December 2011 |
| Despatch of holding statements - Consolidation | 12 December 2011 |
| Despatch of holding statements - Capital Raising | 12 December 2011 |
| Settlement of Acquisition | 12 December 2011 |
| Expected date for re-quotation of the Company’s securities on ASX | 19 December 2011 |

* This timetable is indicative only and subject to change. The directors of C @ Limited reserve the right to amend the timetable.

--Ends--

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About C @ Limited

C @ Limited is an ASX-listed company currently engaged in supplying wholesale optical frames and lenses to opticians. During 2010 it announced that it would search for opportunities in the coal resources sector and attempt to build shareholder value by changing sectors. In September 2010, C @ appointed international coal veteran Mark Earley as Managing Director. Mark has over 30 years experience in the coal industry in the key areas of operations, project development, mine management and senior advisory roles. He has also been involved in green field mine developments in both Australia and Indonesia, has advised on several successful start-up projects and holds a masters degree in mining engineering. Most recently Mark held the position of Executive Director of Barlow Jonker Pty Ltd, one of the world's leading coal advisory and research firms.

Competent Persons Statement

The information provided in this report that relates to exploration results is based on information provided by Mr Wade Robinson, who is a member of the American Institute of Professional Geologists (8018) and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activities which are being undertaken to qualify as a Competent Person as defined in the 2004 edition of the "Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Robinson is an independent Consulting Coal Geologist and consents to the inclusion of the matters based on his information in the form and context in which it appears. Mr Robinson has over 30 years' experience in exploration and mining of coal and industrial mineral deposits.