# C@ LIMITED
# (to be renamed Draig Resources Limited)
# ACN 110 439 686

## SUPPLEMENTARY PROSPECTUS

### IMPORTANT INFORMATION

This is a supplementary prospectus (**Supplementary Prospectus**) intended to be read with the prospectus dated 9 November 2011 (**Prospectus**), issued by C@ Limited (ACN 110 439 686) (**Company**).

This Supplementary Prospectus is dated 29 November 2011 and was lodged with ASIC on that date. The ASIC and its officers take no responsibility for the contents of this Supplementary Prospectus.

Other than as set out below, all details in relation to the Prospectus remain unchanged. Terms and abbreviations defined in the Prospectus have the same meaning in this Supplementary Prospectus. If there is a conflict between the Prospectus and this Supplementary Prospectus, this Supplementary Prospectus will prevail.

This Supplementary Prospectus will be issued with the Prospectus as an electronic prospectus and may be accessed on the Company's website at www.cnow.com.au and the Company will send a copy of this Supplementary Prospectus to all Applicants who have applied for Shares under the Prospectus to the date of this Supplementary Prospectus.

This is an important document and should be read in its entirety. If you do not understand it you should consult your professional advisers without delay.

## 1. CHANGE IN OFFER PRICE

As set out in the Prospectus, the Company offered for subscription up to 28,000,000 Shares at an issue price of $1.00 per Share to raise up to $28,000,000.

The terms of the Offer are, by this Supplementary Prospectus, varied by:

(a) reducing the Offer Price to $0.50 per Share (as opposed to $1.00 per Share);

(b) increasing the maximum number of Shares being offered to 34,000,000 (from 28,000,000); and

(c) reducing the minimum subscription under the Offer to $14,000,000 (from $20,000,000).

Accordingly, the Offer is to raise up to $17,000,000 before costs via the issue of up to 34,000,000 Shares at the Offer Price of $0.50 per Share.

Other than as set out in this Supplementary Prospectus, the terms of the Offer remain unchanged.

## 2. CLOSING DATE

Given the change to the Offer, the Company has extended the Priority Offer Closing Date.

Accordingly, references to the Priority Offer Closing Date in the Prospectus are amended and the Indicative Timetable set out in Section 3.4 of the Prospectus is deleted and replaced with the following table:

**Indicative timetable***

| | |
|---|---|
| Lodgement of Prospectus with the ASIC | 9 November 2011 |
| Priority Offer Record Date | 10 November 2011 |
| Priority Offer and General Offer Opening Date | 10 November 2011 |
| Closing Date for General Offer | 5:00pm WST on 1 December 2011 |
| Last date to register transfers on a pre-Consolidation basis | 8 December 2011 |
| Closing Date for Priority Offer | 5:00pm WST on 8 December 2011 |
| Allotment of Shares under the Prospectus on a post-Consolidation basis | 12 December 2011 |
| Settlement of Acquisition | 12 December 2011 |
| Anticipated date the suspension is lifted and the Company's Securities re-commence trading on ASX (subject to satisfaction of Chapters 1 and 2 of the ASX Listing Rules). | 19 December 2011 |

** The above dates are indicative only and may change without notice. The Company reserves the right to extend the Closing Date or close the Offer early without notice.*

## 3. PURPOSE OF OFFER AND USE OF PROCEEDS

As a result of the change to the Offer, Section 3.5 of the Prospectus is deleted entirely and replaced with the following:

The purpose of the Offer is to meet the requirements of ASX and re-comply with Chapters 1 and 2 of the ASX Listing Rules and to provide additional funds for:

(a) the cost of the Acquisition, as detailed in Section 11.1 of the Prospectus;

(b) an exploration program for the purpose of defining a JORC compliant resource on the Project, as described in more detail in Section 4 of the Independent Geologist's Report in Section 7 of the Prospectus and internal exploration costs to support the exploration program;

(c) additional project evaluation;

(d) future coal acquisitions, as described in more detail in Section 5.7 of the Prospectus;

(e) pay expenses of the offer, as described in more detail in Section 5 of this Supplementary Prospectus; and

(f) working capital.

On completion of the Offer, the Board believes the Company will have sufficient working capital to achieve these objectives.

It is intended to apply funds raised from the Offer in the two years after re-listing on ASX as follows:

| Item | Total Assuming minimum subscription under the Offer[1] ($) | Total Assuming Offer Fully Subscribed ($) |
|---|---|---|
| Funds raised from the Offer | 14,000,000 | 17,000,000 |
| Proceeds from the exercise of Options expiring 30 April 2012 | 1,244,248 | 1,244,248 |
| **Total available funds** | **15,244,248** | **18,244,248** |
| Cost of Acquisition [2] | 7,670,000 | 7,670,000 |
| Phase II exploration program (resource confirmation budget)[3] | 1,848,000 | 1,848,000 |
| Phase II exploration program (scoping study)[3] | 2,585,000 | 2,585,000 |
| Exploration administration & project evaluation | 1,107,557 | 2,107,557 |
| Corporate administration | 1,037,004 | 1,037,004 |
| Future opportunities [4] | - | 1,820,000 |
| Expenses of the offer [5] | 996,687 | 1,176,687 |
| **Total expenditure** | **15,244,248** | **18,244,248** |

**Notes**:

1 The minimum subscription under the Offer is $14,000,000.

2 Refer to Section 11.1 of the Prospectus for further details of the Share Sale Agreement, including the cost of the Acquisition. It is noted that the Company has received legal advice that VAT is not attributable to the sale of shares in Mongolia and that the payment of VAT on the purchase of shares under the Share Sale Agreement would be highly unlikely.

3 Refer to Section 4 the Independent Geologist's Report in Section 7 of the Prospectus for further details.

4 Refer to Section 5.7 of the Prospectus for further details.

5 Refer to Section 5 of this Supplementary Prospectus for further details.

In the event that more than $14,000,000 but less than $17,000,000 is raised, the additional funds will be allocated firstly to the additional expenses of the Offer, and secondly to exploration and future opportunities.

The above table is a statement of current intentions as of the date of lodgement of this Supplementary Prospectus with the ASIC. As with any budget, intervening events (including exploration success or failure) and new circumstances have the potential to affect the ultimate way funds will be applied. The Board reserves the right to alter the way funds are applied on this basis.

## 4. CAPITAL STRUCTURE

As a result of the change to the Offer, Section 3.6 of the Prospectus is deleted entirely and replaced with the following:

The capital structure of the Company following completion of the Offer is summarised below[1]:

| Shares | Number Assuming Minimum Subscription under the Offer [2] | Number Assuming Offer Fully Subscribed |
|---|---|---|
| Shares on issue at date of Prospectus (pre Consolidation) | 503,342,723 | 503,342,723 |
| Shares on issue after Consolidation | 25,167,136 | 25,167,136 |
| Shares offered pursuant to the Offer | 28,000,000 | 34,000,000 |
| **Total Shares on issue at completion of the Offer** | **53,167,136** | **59,167,136** |

| Listed Options | Number Assuming Minimum Subscription under the Offer [2] | Number Assuming Offer Fully Subscribed |
|---|---|---|
| Listed Options on issue at date of Prospectus (pre Consolidation) | 127,853,397 | 127,853,397 |
| Listed Options on issue at date of Prospectus | 6,392,670 | 6,392,670 |
| **Total listed Options on issue at completion of the Offer** | **6,392,670** | **6,392,670** |

| Unlisted Options [3] | Number Assuming Minimum Subscription under the Offer [2] | Number Assuming Offer Fully Subscribed |
|---|---|---|
| Unlisted Options on issue at date of Prospectus (pre Consolidation) | 45,900,000 | 45,900,000 |
| Unlisted Options on issue at date of Prospectus | 2,295,000 | 2,295,000 |
| **Total unlisted Options on issue at completion of the Offer** | **2,295,000** | **2,295,000** |

**Notes**:

1 Unless otherwise stated, all figures above are on a post-Consolidation basis.

2 The minimum subscription under the Offer is $14,000,000.

3 Further unlisted options to Directors and Advisors are proposed for consideration at the Annual General Meeting to be held on 30 November 2011, which have not been included above.

## 5. EXPENSES OF THE OFFER

As a result of the change to the Offer, Section 3.6 of the Prospectus is deleted entirely and replaced with the following:

The total cash expenses of the Offer are set out in the table below:

| Item of Expenditure | Total Assuming minimum subscription under the Offer [1] ($) | Total Assuming Offer Fully Subscribed ($) |
|---|---|---|
| ASIC Fees | 2,137 | 2,137 |
| ASX Fees | 22,950 | 26,150 |
| Experts' Fees | 67,000 | 67,000 |
| Legal Fees | 30,000 | 30,000 |
| Capital Raising Fees [2] | 840,000 | 1,020,000 |
| Miscellaneous | 34,600 | 31,400 |
| **TOTAL** | **996,687** | **1,176,687** |

**Notes**:

1 The minimum subscription under the Offer is $14,000,000.

2 In addition to cash fees, the Company has agreed to issue the Joint Lead Managers a total of 10,000,000 Options (on a pre-consolidation basis) pursuant to the Offer Management Agreement. Please refer to Section 11.8 of the Prospectus for further details.

## 6. INDEPENDENT ACCOUNTANT'S REPORT

As a result of the change to the Offer, the Independent Accountant's Report in Section 8 of the Prospectus is deleted entirely and replaced with the Independent Accountant's Report at Annexure 1 to this Supplementary Prospectus.

BDO has given its written consent to the inclusion of the Independent Accountant's Report at Annexure 1 to this Supplementary Prospectus in the form and context in which the report is included. BDO has not withdrawn its consent prior to the lodgement of this Supplementary Prospectus with the ASIC.

## 7. REFUND OF APPLICATION MONIES

In accordance with section 724(2) of the Corporations Act, the Company has decided to refund all Application Monies received prior to the date of this Supplementary Prospectus. If you have lodged an Application Form prior to the date of this Supplementary Prospectus, the Company will refund your Application Moneys as soon as is practicable. New applications should be made on the New Application Form attached to this Supplementary Prospectus as per section 7 below.

## 8. APPLICATION FOR SHARES UNDER THE OFFER

The Offer of Shares is made in the Prospectus (as supplemented by this Supplementary Prospectus).

If you wish to apply for Shares under the Priority Offer, please complete and return the Priority Offer Application Form which is attached to this Supplementary Prospectus (**New Priority Offer Application Form**).

If you wish to apply for Shares under the General Offer, please complete and return the General Offer Application Form which is attached to this Supplementary Prospectus (**New General Offer Application Form**).

Payment for the Shares must be made in full at the issue price of $0.50 per Share. Applications must be for a minimum of 4,000 Shares and thereafter in multiples of 1,000 Shares. Completed Application Forms and accompanying cheques must be mailed or delivered to the Company's Share Registry, as follows:

Security Transfer Registrars
770 Canning Highway
APPLECROSS WA 6153

Cheques should be made payable to **"C @ Limited – Share Offer Account**" and crossed "Not Negotiable".

Completed Application Forms must be at the above address by no later than the relevant Closing Date (as amended by this Supplementary Prospectus).

Electronic payments should be made according to the instructions set out on the Application Form.

**Applicants should ensure they include their reference details, as per their Application Form, if paying funds electronically.**

Electronic payments must be received by the Company by 1:00pm (WST) on the applicable Closing Date. You should be aware that your own financial institution may implement earlier cut-off times with regard to electronic payment, and you should therefore take this into consideration when making payment. It is your responsibility to ensure that funds submitted electronically are received by 1:00pm (WST) on the Priority Offer Closing Date or the General Offer Closing Date (as the context permits).

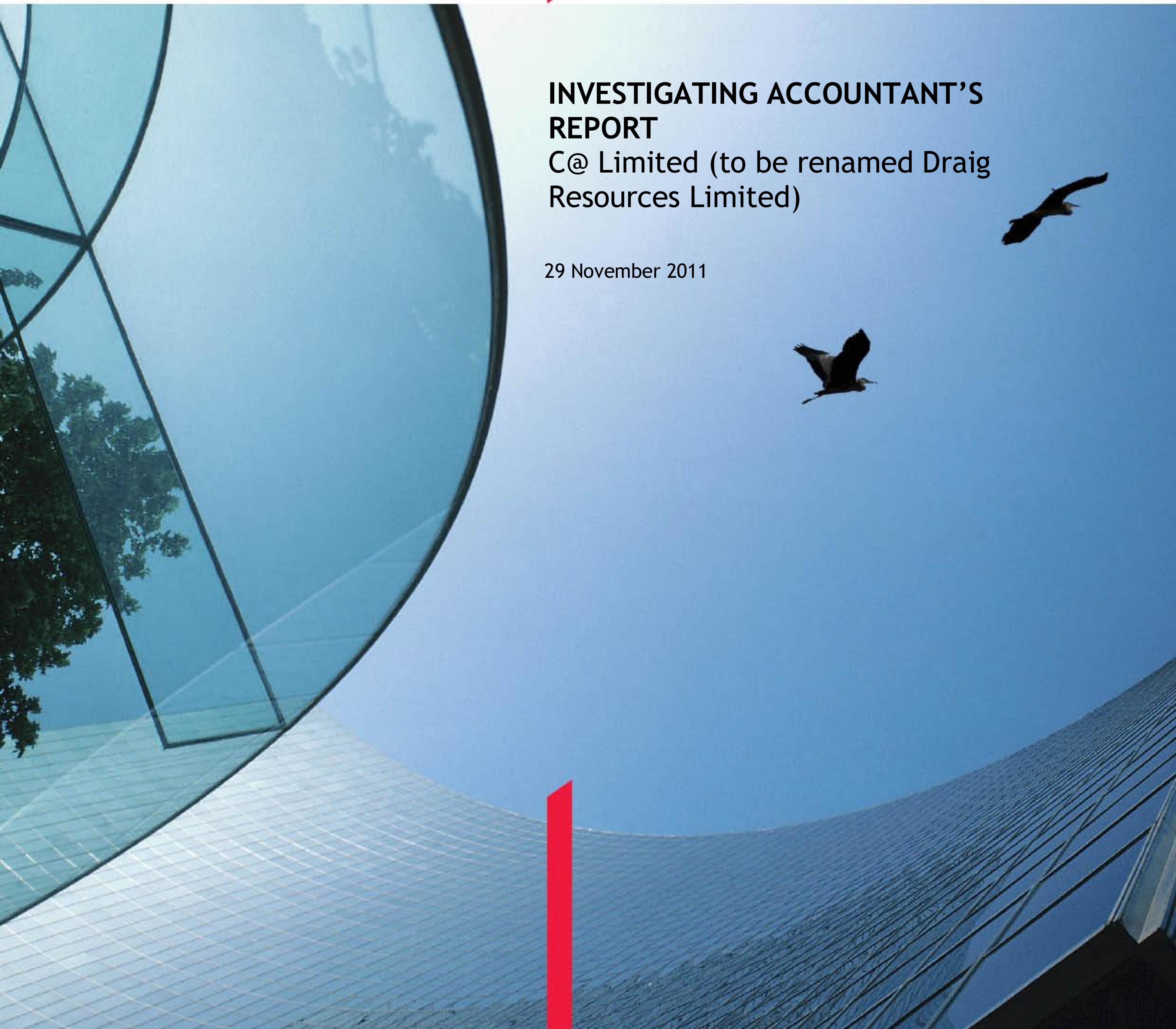
The Priority Offer and the General Offer may each be closed at an earlier date, and time, at the discretion of the Directors, without prior notice. Applicants are therefore encouraged to submit their Application Forms as early as possible. However, the Company reserves the right to extend the Priority Offer and the General Offer or accept late applications.

## 9. DIRECTORS' AUTHORISATION

This Supplementary Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with Section 720 of the Corporations Act, each Director has consented to the lodgement of this Supplementary Prospectus with the ASIC.

**Jade Styants**
**For and on behalf of**
**C@ Limited**



# INVESTIGATING ACCOUNTANT'S REPORT

C@ Limited (to be renamed Draig Resources Limited)

29 November 2011

BDO

Tel: +61 8 6382 4600
Fax: +61 8 6382 4601
www.bdo.com.au

38 Station Street
Subiaco, WA 6008
PO Box 700 West Perth WA 6872
Australia

29 November 2011

The Directors
C@ Limited
Suite 1, 64 Thomas Street
WEST PERTH WA 6005

Dear Sirs

# INVESTIGATING ACCOUNTANT'S REPORT

## 1. Introduction

We have prepared this Investigating Accountant's Report ("**Report**") on historical financial information of C@ Limited (to be renamed Draig Resources Limited) ("**C@**" or "**the Company**") for inclusion in the Supplementary Prospectus to be lodged on or around 29 November 2011. Broadly, the Supplementary Prospectus will offer up to 34 million shares at an issue price of $0.50 each to raise up to $17 million before costs ("**the Offer**"). The minimum subscription under the Offer is $14 million before costs.

Expressions defined in the Supplementary Prospectus have the same meaning in this Report.

## 2. Basis of Preparation

This Report has been prepared to provide investors with information on the Statement of Comprehensive Income, Statement of Changes in Equity and the Statement of Financial Position and the pro-forma Statement of Financial Position as noted in Appendices 1, 2 and 3.

This Report does not address the rights attaching to the shares to be issued in accordance with the Supplementary Prospectus, nor the risk associated with the investment, and has been prepared based on the complete Offer being achieved. Neither BDO Corporate Finance (WA) Pty Ltd nor its related entities ("**BDO**") has been requested to consider the prospects for the Company, the shares on offer and related pricing issues, nor the merits and risks associated with becoming a shareholder and accordingly has not done so, and does not purport to do so. BDO accordingly takes no responsibility for these matters or for any matter or omission in the Supplementary Prospectus, other than responsibility for this Report. Risk factors are set out in the Supplementary Prospectus.

# 3. Background

C@ Limited is a listed public company which was incorporated in October 2004. It listed on the Australian Securities Exchange (**"ASX"**) on 20 December 2005. C@'s Board of Directors is made up of Terrence Mark Earley as Managing Director and Andrew Harrison and Jade Styants both as Non Executive Directors.

The Company was originally engaged in supplying wholesale optical frames and lenses to opticians but announced to the market during 2010 that it intended to search for opportunities in the coal resources sector. In April 2011 the Company announced that it had entered into a binding and exclusive agreement (**"Option Agreement"**) which provides C@ with an option to acquire 8 coal licences located in the South Gobi Province and the adjoining Ovorhangay Province in southern Mongolia which cover an area of approximately 625 $km^2$ (**"Coal Project"**). A non-refundable payment of US$100,000 was made by C@ for the exclusive right to conduct due diligence and to exercise the Option Agreement.

On 26 October 2011 C@ entered into a Share Sale Agreement with Peabody-Winsway Resources LLC (**"Peabody Winsway"**) to purchase all of its shares in BDBL LLC, a company incorporated in Mongolia which owns 100% of the Coal Project (**"Acquisition"**). In consideration for the Acquisition, C@ will pay Peabody Winsway US$7,670,000 in addition to the US$100,000 already paid by C@ under the Option Agreement and the US$100,000 paid by C@ at the time of signing the Share Sale Agreement, plus any value added tax on the acquisition price.

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

Completion of the Acquisition is subject to the following:

- C@ obtaining shareholder approval for the purpose of ASX Listing Rule 11.1.2 for the Acquisition;
- C@ completing a minimum capital raising of $10 million;
- There being no circumstances or state of affairs which, if subsisting at the execution date or the settlement date, would constitute a material breach of any of the title warranties that is not cured prior to the earlier of the satisfaction date and a date that is 10 business days following notice in writing of the relevant circumstances or state of affairs being provided by C@ to the seller; and
- The registration of the transfer of the Coal Project to the Company in accordance with the Mineral laws of Mongolia.

The Company has also entered into a memorandum of understanding with a private Australian company, Trinity Mongolia Pty Ltd, and its wholly owned Mongolian subsidiary, Trinity Development LLC (**"Trinity"**), which will come into effect at the completion of the Acquisition (**"Trinity MOU"**). At the time of acquiring the Project, Trinity will own a 10% free carried participating interest up until the resource defined within the Coal Project is estimated to be 200Mt or greater of JORC compliant indicated or inferred resources. They will also have the right to increase its participating interest by 15% (up to 25% in total) by reimbursement to C@ of all costs paid by C@, up to the time of Trinity's election, that are attributable to the Project on a proportionate basis.

Upon completion of the Acquisition, BDBL LLC will be a 100% owned Mongolian subsidiary of C@. The Company will also own 90% of the Project through BDBL LLC, with a minority interest being owned by Trinity, in accordance with the Trinity MOU.

## 4. Scope

You have requested BDO to prepare an Investigating Accountant's Report covering the following financial information:

- C@'s audited Statement of Comprehensive Income for the year ended 30 June 2011;
- the Statement of Financial Position, Statement of Changes in Equity and the pro-forma Statement of Financial Position as at 30 June 2011 reflecting the actual position as at that date, major transactions between that date and the date of our report and the proposed capital raising under the Supplementary Prospectus; and
- the accounting policies applied by C@ in preparing its financial statements.

The historical financial information set out in the appendices to this Report has been extracted from the financial statements of the Company for year ended 30 June 2011. As the Company has significantly changed the nature and scope of its operations we consider that the provision of three years of historical financial information is not appropriate. Further, we have not included historical pro-forma financial information for three years as the Coal Project has no operating history.

The Directors are responsible for the preparation of the historical financial information including determination of the adjustments.

We have conducted our review of the historical financial information in accordance with the Australian Auditing and Assurance Standard ASRE 2405 "Review of Historical Financial Information Other than a Financial Report". We made such inquiries and performed such procedures as we, in our professional judgment, considered reasonable in the circumstances including:

- a review of work papers, accounting records and other documents pertaining to balances in existence at 30 June 2011;
- a review of the assumptions used to compile the pro-forma Statement of Financial Position;
- a review of the adjustments made to the pro-forma historical financial information;
- a comparison of consistency in application of the recognition and measurement principles in Accounting Standards and other mandatory professional reporting requirements in Australia, and the accounting policies adopted by the Company disclosed in the appendices to this Report; and
- enquiry of Directors and others.

These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance provided is less than given in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Our review was limited primarily to an examination of the historical financial information, the pro-forma financial information, analytical review procedures and discussions with both management and directors. A review of this nature provides less assurance than an audit and, accordingly, this Report does not express an audit opinion on the historical information or pro-forma financial information included in this Report or elsewhere in the Supplementary Prospectus.

In relation to the information presented in this Report:

- support by another person, corporation or an unrelated entity has not been assumed;
- the amounts shown in respect of assets do not purport to be the amounts that would have been realised if the assets were sold at the date of this Report; and
- the going concern basis of accounting has been adopted.

## 5. Conclusion

**Statement on Historical Financial Information**

Based on our review, which was not an audit, nothing has come to our attention which would cause us to believe the historical financial information as set out in the Appendices to this report does not present fairly the financial performance for the year ended 30 June 2011 or the financial position as at 30 June 2011 in accordance with the measurement and recognition requirements (but not all of the disclosure requirements) of applicable Accounting Standards and other mandatory professional reporting requirements in Australia.

**Statement of Pro-forma Financial Information**

Based on our review, which was not an audit, nothing has come to our attention which would cause us to believe the pro-forma financial information does not present fairly the financial position of the Company as at 30 June 2011, in accordance with the measurement and recognition requirements (but not all of the disclosure requirements) of applicable Accounting Standards and other mandatory professional reporting requirements in Australia as if the pro-forma transactions had occurred on that date.

## 6. Subsequent Events

The pro-forma Statement of Financial Position reflects the following events that have occurred subsequent to the period ended 30 June 2011:

- Issue of Shares upon the exercise of listed options at $0.01 to raise $353,684 ; and
- Exploration expenditure totalling approximately $454,320 has been incurred in relation to exploration programs undertaken. This expenditure has been capitalised.

Apart from the matters dealt with in this Report, and having regard to the scope of our Report, to the best of our knowledge and belief, no other material transactions or events outside of the ordinary business of the Company have come to our attention that would require comment on, or adjustment to, the information referred to in our Report or that would cause such information to be misleading or deceptive.

## 7. Assumptions Adopted in Compiling the Pro-forma Statement of Financial Position

The pro-forma Statement of Financial Position post issue is shown in Appendix 2. This has been prepared based on the reviewed financial statements as at 30 June 2011 and the transactions and events relating to the issue of shares under this Supplementary Prospectus:

- The consolidation of C@ share capital on a 20:1 basis;
- The issue of 34 million shares at an issue price of $0.50 per share to raise $17 million (based on the full subscription under the Offer);
- Capital raising costs of the Offer totalling approximately $1,176,687 to be offset against contributed equity;
- The issue of 750,000 Options (post-consolidation) to Azure Capital, BGF Equities and Renaissance Capital as consideration for corporate advisory and lead manager services provided in regard to the Offer. The issue of the options will be contingent on the completion of the capital raising and are exercisable at the capital raising issue price and exercisable within 3 years of the capital raising allotment date. The cost of these options to be offset against contributed equity; and

- The payment of approximately US$7,670,000 (AUD$7,895,008 at an FX rate of A$/US$0.9715 as at 28 November 2011) to Peabody Winsway as consideration for the Acquisition.

## 8. Disclosures

BDO Corporate Finance (WA) Pty Ltd is the corporate advisory arm of BDO in Perth.

Neither BDO Corporate Finance (WA) Pty Ltd nor BDO, nor any director or executive or employee thereof, has any financial interest in the outcome of the proposed transaction except for the normal professional fee due for the preparation of this Report.

Consent to the inclusion of the Investigating Accountant's Report in the Supplementary Prospectus in the form and context in which it appears, has been given. At the date of this Report, this consent has not been withdrawn.

Yours faithfully

**BDO Corporate Finance (WA) Pty Ltd**

**Sherif Andrawes**
Director

**APPENDIX 1**

**C@ LIMITED**

**STATEMENT OF COMPREHENSIVE INCOME**

| | Audited for the year ended to 30-Jun-11 $ |
|---|---|
| Sales revenue | 1,835 |
| Cost of sales | (1,072) |
| **Gross profit** | 763 |
| Other expenses | (987,436) |
| Personnel expenses | (897,446) |
| **Results from operating activities** | (1,884,119) |
| Finance income | 81,785 |
| Finance expense | - |
| **Net financing income** | 81,785 |
| **Loss before income tax expense** | **(1,802,334)** |
| Income tax benefit/(expense) | - |
| **Net Loss for the period** | **(1,802,334)** |

The Statement of Comprehensive Income is to be read in conjunction with the notes to and forming part of the historical financial information set out in Appendix 4.

## APPENDIX 2

## C@ LIMITED

## STATEMENT OF FINANCIAL POSITION

| | Notes | Audited as at 30-Jun-11 $ | Subsequent Events $ | Pro-forma Adjustments $ | Pro-forma After issue $ |
|---|---|---|---|---|---|
| **CURRENT ASSETS** | | | | | |
| Cash and cash equivalents | 2 | 1,125,309 | (100,636) | 7,928,305 | 8,952,978 |
| Trade and other receivables | | 31,046 | - | - | 31,046 |
| **TOTAL CURRENT ASSETS** | | 1,156,355 | (100,636) | 7,928,305 | 8,984,024 |
| | | | | | |
| **NON CURRENT ASSETS** | | | | | |
| Property, plant and equipment | | 2,631 | - | - | 2,631 |
| Exploration expenditure | 3 | - | 454,320 | 7,895,008 | 8,349,328 |
| **TOTAL NON CURRENT ASSETS** | | 2,631 | 454,320 | 7,895,008 | 8,351,959 |
| | | | | | |
| **TOTAL ASSETS** | | 1,158,986 | 353,684 | 15,823,313 | 17,335,983 |
| | | | | | |
| **CURRENT LIABILITIES** | | | | | |
| Trade and other payables | | 48,646 | - | - | 48,646 |
| **TOTAL CURRENT LIABILITES** | | 48,646 | - | - | 48,646 |
| | | | | | |
| **TOTAL LIABILITIES** | | 48,646 | - | - | 48,646 |
| | | | | | |
| **NET ASSETS/(LIABILITES)** | | **1,110,340** | **353,684** | **15,823,313** | **17,287,337** |
| | | | | | |
| **EQUITY** | | | | | |
| Issued capital | 4 | 7,904,310 | 353,684 | 15,615,691 | 23,873,685 |
| Reserves | 5 | 386,153 | - | 207,622 | 593,775 |
| Accumulated losses | | (7,180,123) | - | - | (7,180,123) |
| **TOTAL EQUITY** | | **1,110,340** | **353,684** | **15,823,313** | **17,287,337** |

The pro-forma Statement of Financial Position after Issue is as per the Statement of Financial Position before Issue adjusted for subsequent events and for the transactions relating to the issue of shares pursuant to this Supplementary Prospectus. The Statement of Financial Position is to be read in conjunction with the notes to and forming part of the historical financial information set out in Appendix 4.

## APPENDIX 3

## C@ LIMITED

## STATEMENT OF CHANGES IN EQUITY

| | Notes | Audited for the year ended 30-Jun-11 $ | Subsequent Events $ | Pro-forma Adjustments $ | Pro-forma After issue $ |
|---|---|---|---|---|---|
| Balance as at 1 July 2010 | | (5,377,789) | - | - | (5,377,789) |
| | | | | | |
| *Comprehensive income for the period* | | | | | |
| Profit/(Loss) for the period | | (1,802,334) | - | - | (1,802,334) |
| **Total comprehensive income for the period** | | (1,802,334) | - | - | (1,802,334) |
| | | | | | |
| *Transactions with equity holders in their capacity as equity holders* | | | | | |
| Contributed equity, net of transaction costs | 4 | 7,904,310 | 353,684 | 15,615,691 | 23,873,685 |
| Reserves | 5 | 386,153 | - | 207,622 | 593,775 |
| **Total transactions with equity holders** | | 8,290,463 | 353,684 | 15,823,313 | 24,467,460 |
| | | | | | |
| **Balance** | | **1,110,340** | **353,684** | **15,823,313** | **17,287,337** |

The Statement of Changes in Equity is to be read in conjunction with the notes to and forming part of the historical financial information set out in Appendix 4.

**APPENDIX 4**

**C@ LIMITED**

**NOTES TO AND FORMING PART OF THE HISTORICAL FINANCIAL INFORMATION**

## NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of the historical financial information included in this Report have been set out below.

### (a) Basis of preparation of historical financial information

The historical financial information has been prepared in accordance with the recognition and measurement, but not all the disclosure requirements of the Australian equivalents to International Financial Reporting Standards ("AIFRS"), other authoritative pronouncements of the Australian Accounting Standards Board, Australian Accounting Interpretations and the Corporations Act 2001.

*Functional and presentational currency*

The historical financial information is presented in Australian dollars, which is the functional currency of C@.

*Continued operations*

C@ operates in the provision of optometry related products in Australia and it is also currently focussed on seeking out new investment opportunities. The provision of optometry related products is incidental to the review of investing opportunities.

### (b) Critical Accounting Estimates and Judgements

The directors evaluate estimates and judgments incorporated into the historical financial information based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within C@. Actual results may differ from these estimates.

### (c) Financial instruments

*Non-derivative financial instruments*

Non-derivative financial instruments comprise trade and other receivables, cash and cash equivalents and trade and other payables. Non-derivative financial instruments are recognised initially at fair value plus, for instruments not at fair value through profit or loss, any directly attributable transaction costs, except as described below. Subsequent to initial recognition non-derivative financial instruments are measured as described below in the specific policy notes.

*Share capital*

Ordinary shares are classified as equity. Incremental costs directly attributable to issue of ordinary shares and share options are recognised as a deduction from equity, net of any related income tax benefit.

**(d) Trade and other receivables**

Trade and other receivables, which generally have 30 day terms, are recognised initially at fair value and subsequently carried at amortised cost using the effective interest method, less an allowance for any estimated shortfall in receipt. An estimate of any shortfall in receipt is made when there is objective evidence a loss has been incurred. Bad Debts are written off when identified.

**(e) Property, plant and equipment**

*Recognition and measurement*

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Costs include expenditures that are directly attributable to the acquisition of the asset.

*Subsequent costs*

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to C@ and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

*Depreciation*

Depreciation is recognised in profit or loss on a straight line basis over the estimated useful lives of each part of an item of property, plant and equipment.

The expected useful lives in the current and comparative period are as follows:

- Plant and equipment 5 years
- Computer equipment 2 - 3 years

Depreciation methods, useful lives and residual values are reassessed at the reporting date.

**(f) Inventories**

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the first-in-first-out principle and includes expenditure incurred in acquiring the inventories and bringing it to their existing location and condition. Net realisable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and selling expenses.

**(g) Impairment**

*Financial assets*

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate. An impairment loss in respect of an available-for- sale financial asset is calculated by reference to its current fair value.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

All impairment losses are recognised in profit or loss. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised.

*Calculation of recoverable amount*

The recoverable amount of C@'s receivables carried at amortised cost is calculated as the present value of estimated future cash flows, discounted at the original effective interest rate (i.e. the effective interest rate computed at initial recognition of these financial assets). Receivables with a short duration are not discounted. Impairment of receivables is not recognised until objective evidence is available that a loss event has occurred. Significant receivables are individually assessed for impairment.

The recoverable amount of other assets is the greater of their fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

*Non-financial assets*

The carrying amounts of C@'s non-financial assets, other than inventories, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite lives or that are not yet available for sale, recoverable amount is estimated at each reporting date.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. Impairment losses are recognised in the income statement. Impairment losses recognised in respect of cash generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

**(h) Employee benefits**

*Wages and salaries, annual leave and sick leave*

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave and sick leave when it is probable that settlement will be required and are capable of being measured reliably.

Provisions made in respect of wages and salaries, annual leave and sick leave expected to be settled within 12 months are measured at their nominal values based on expected rates of pay. The provision for long service leave is measured as the present value of the estimated future cash flows.

*Share-based payments*

Share-based remuneration benefits are provided to employees via the Company's incentive scheme, known as the C@ Employee Option Scheme ("Scheme"). No options issued have been issued under this Scheme, however options were granted during the year to Mr Terence Mark Early as an incentive for signing on with the Company.

The cost of these share-based payment transactions is measured by reference to the fair value at the date at which they are granted. The fair value is determined using a Black-Scholes model.

In valuing share-based payment transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of C@ ('market conditions').

The cost of share-based payment transactions is recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees before fully entitled to the award ('vesting date').

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects:

- the extent to which the vesting period has expired; and
- the number of awards that, in the opinion of the Directors of the Consolidated Entity, will ultimately vest.

This opinion is formed based on the best available information at balance date. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any increase in the value of the transaction as a result of the modification, as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share.

**(i) Revenue**

Revenues are recognised and measured at the fair value of the consideration received net of the amount of discounts and goods and services tax (GST) payable to the taxation authority.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involved with the goods, and the amount of revenue can be measured reliably.

*Interest income*

Interest income is recognised as it accrues.

**(j) Income tax**

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the temporary differences in the: initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent that they probably will not reverse in the foreseeable future.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Additional income taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend is recognised.

*Tax consolidation*

The Company and its wholly-owned Australian resident entities have formed a tax-consolidated group with effect from 1 July 2005 and are therefore taxed as a single entity from that date. The head entity within the tax-consolidated group is C@ Limited.

Current tax expense/income, deferred tax liabilities and deferred tax assets arising from temporary differences of the members of the tax-consolidated group are recognised in the separate financial statements of the members of the tax-consolidated group using the ‘separate taxpayer within group’ approach by reference to the carrying amounts of assets and liabilities in the separate financial statements of each entity and the tax values applying under tax consolidation.

Any current tax liabilities (or assets) and deferred tax assets arising from unused tax losses of the subsidiaries is assumed by the head entity in the tax-consolidated group and are recognised by the Company as amounts payable (receivable) to/(from) other entities in the tax-consolidated group in conjunction with any tax funding arrangement amounts (refer below). Any difference between these amounts is recognised by the Company as an equity contribution or distribution. The Company recognises deferred tax assets arising from unused tax losses of the tax consolidated group to the extent that it is probable that future taxable profits of the tax consolidated group will be available against which the asset can be utilised. Any subsequent period adjustments to deferred tax assets arising from unused tax losses as a result of revised assessments of the probability of recoverability is recognised by the head entity only.

**(k) Goods and services tax**

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Tax Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the balance sheet.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

**(l) Trade and other payables**

These amounts represent liabilities for goods or services provided by C@ prior to the end of the financial year which are unpaid. These amounts are unsecured and are usually paid within 60 days of recognition.

**(m) Cash and cash equivalents**

Cash and cash equivalents comprise cash balances, short term bills and call deposits. Bank overdrafts that are repayable on demand and form an integral part of C@'s cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

**(n) Exploration and evaluation**

Exploration and evaluation assets are only recognised if the rights to the area of interest are current and either: the expenditures are expected to be recouped through successful development and exploitation of the area of interest; or activities in the area of interest have not at the reporting date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves and active and significant operations in, or in relation to, the area of interest are continuing.

Costs incurred before C@ has obtained the legal rights to explore an area are recognised in the income statement.

| NOTE 2. CASH AND CASH EQUIVALENTS | Audited<br>30-Jun-11<br>$ | Pro-forma<br>After issue<br>$ |
|---|---|---|
| Cash and cash equivalents | 1,125,309 | 8,952,978 |
| | | |
| *Adjustments to arise at the pro-forma balance:* | | |
| Audited balance of C@ at 30 June 2011 | | 1,125,309 |
| | | |
| *Subsequent event adjustments:* | | |
| Issue of Shares upon the exercise of listed options at $0.01 | | 353,684 |
| Expenditure incurred relating to exploration programs undertaken | | (454,320) |
| | | (100,636) |
| | | |
| *Pro-forma adjustments:* | | |
| Proceeds from shares issued under this Prospectus | | 17,000,000 |
| Capital raising costs | | (1,176,687) |
| Consideration payable to Peabody Winsway for Acquisition | | (7,895,008) |
| | | 7,928,305 |
| | | |
| Pro-forma Balance | | 8,952,978 |

| NOTE 3. EXPLORATION EXPENDITURE | Audited<br>30-Jun-11<br>$ | Pro-forma<br>After issue<br>$ |
|---|---|---|
| Exploration expenditure | - | 8,349,328 |
| | | |
| *Adjustments to arise at the pro-forma balance:* | | |
| Audited balance of C@ at 30 June 2011 | | - |
| | | |
| *Subsequent event adjustments:* | | |
| Expenditure incurred relating to exploration programs undertaken | | 454,320 |
| | | 454,320 |
| | | |
| *Pro-forma adjustments:* | | |
| Consideration payable to Peabody Winsway for Acquisition | | 7,895,008 |
| | | 7,895,008 |
| | | |
| Pro-forma Balance | | 8,349,328 |

| NOTE 4. ISSUED CAPITAL | Audited 30-Jun-11 $ | Pro-forma After issue $ |
|---|---|---|
| Issued capital | 7,904,310 | 23,873,685 |
| | **Number of shares** | **$** |
| *Adjustments to arise at the pro-forma balance:* | | |
| Audited balance of C@ at 30 June 2011 | 471,392,945 | 7,904,310 |
| *Subsequent event adjustments:* | | |
| Issue of Shares upon the exercise of listed options at $0.01 | 35,368,381 | 353,684 |
| Fully paid ordinary share capital pre consolidation | 506,761,326 | 8,257,994 |
| Fully paid ordinary share capital post consolidation | 25,338,066 | 8,257,994 |
| *Pro-forma adjustments:* | | |
| Proceeds from shares issued under this Prospectus | 34,000,000 | 17,000,000 |
| Capital raising costs | - | (1,176,687) |
| The issue of 750,000 Options to Advisors and Lead Managers | - | (207,622) |
| | 34,000,000 | 15,615,691 |
| Pro-forma Balance | 59,338,066 | 23,873,685 |

| NOTE 5. RESERVES | Audited 30-Jun-11 $ | Pro-forma After issue $ |
|---|---|---|
| Reserves | 386,153 | 593,775 |
| *Adjustments to arise at the pro-forma balance:* | | |
| Audited balance of C@ at 30 June 2011 | | 386,153 |
| *Pro-forma adjustments:* | | |
| The issue of 750,000 Options to Advisors and Lead Managers | | 207,622 |
| | | 207,622 |
| Pro-forma Balance | | 593,775 |

| Options and Performance Rights on issue (post consolidation) | Number |
|---|---|
| **Options:** | |
| Options on issue expiring 15 September 2013 | 2,295,000 |
| Options on issue expiring 30 April 2012 | 6,221,740 |
| Options to be issued to Advisors and Lead Managers after Offer completed (1) | 750,000 |
| Options to be issued to Directors upon Shareholder approval (2) | 2,200,000 |
| **Total options on issue at completion of Offer** | **11,466,740** |
| **Performance Rights:** | |
| Performance Rights to be issued upon shareholder approval (3) | 500,000 |
| | **500,000** |

(1) A total of 750,000 options (post-Consolidation) are to be issued to Azure Capital, BGF Equities and Renaissance Capital as consideration for corporate advisory and lead manager services provided. These options will be issued for nil consideration, be exercisable at the capital raising issue price and exercisable within 3 years of the capital raising allotment date. Using the Black-Scholes option valuation methodology, the fair value of these options has been calculated. The following inputs were used for the options to be issued:

| Input | | |
|---|---|---|
| Issue price | $ | 0.50 |
| Exercise price | $ | 0.50 |
| Expected volatility | | 83% |
| Expiry date | | 28-Nov-14 |
| Expected dividends | | Nil |
| Risk free interest rate | | 3.65% |
| Value per option | $ | 0.277 |

(2) A total of 2,200,000 options (post-Consolidation) are to be issued to Terrence Mark Earley, Andrew Harrison and Jade Styants (Directors) upon shareholder approval at a general meeting to be held on 30 November 2011. These options will be issued for nil consideration in three equal tranches with exercise prices of $0.50, $0.60 and $0.75 respectively. All options will expire 3 years from the capital raising allotment date. As these options are yet to be issued we have not accounted for them in the pro-forma statement of financial position.

(3) A total of 500,000 Performance Rights (post-consolidation) are to be issued to Andrew Harrison and Jade Styants (Directors) upon shareholder approval at a general meeting to be held on 30 November 2011. All Performance Rights will be issued for nil consideration, expire 3 years from the date of issue and will vest at the time the Company's share price exceeds 120% of the capital raising share price. As these Performance Rights are yet to be issued we have not accounted them in the pro-forma statement of financial position.

**NOTE 6: RELATED PARTY DISCLOSURES**

Transactions with Related Parties and Directors Interests are disclosed in the Supplementary Prospectus.

**NOTE 7: COMMITMENTS AND CONTINGENCIES**

In relation to the Acquisition, C@ will be required to pay Peabody-Winsway:

- any assessable value added tax as a result of the Acquisition; and
- A royalty of 1% of the free on board mine site price (exclusive of any value added tax) per tonne of coal mined within the licence area.

At the date of the report no other material commitments or contingent liabilities exist that we are aware of, other than those disclosed in the Supplementary Prospectus.

## SUPPLEMENTARY PRIORITY OFFER APPLICATION FORM

THIS DOCUMENT IS IMPORTANT. IF YOU ARE IN DOUBT AS TO HOW TO DEAL WITH IT, PLEASE CONTACT YOUR STOCK-BROKER OR LICENSED PROFESSIONAL ADVISOR.

BROKER/DEALER STAMP

**REGISTERED OFFICE:**
SUITE 1
64 THOMAS STREET
WEST PERTH WA 6005
AUSTRALIA

# C @ LIMITED

ABN: 99 110 439 686

**SHARE REGISTRY:**
Security Transfer Registrars Pty Ltd
**All Correspondence to:**
**PO BOX 535, APPLECROSS WA 6953 AUSTRALIA**
770 Canning Highway, APPLECROSS WA 6153
AUSTRALIA
T: +61 8 9315 2333 F: +61 8 9315 2233
E: registrar@securitytransfer.com.au
W: www.securitytransfer.com.au

**HOLDING NAME:**______________________________

**REGISTERED ADDRESS:** ______________________________

| | |
|---|---|
| Code: | CEO |
| Holder Number: | |
| Minimum Security Entitlement: | 4,000 |
| Minimum Amount Payable: | $2,000.00 |

## NON-RENOUNCEABLE PRIORITY SHARE OFFER CLOSING AT 5.00PM WST ON 8 DECEMBER 2011

(1) I/We the above named being registered at 5.00pm WST on 10 November 2011 as the holder(s) of ordinary shares in C @ Limited hereby apply for the following number of fully paid ordinary shares (Shares) in C @ Limited (the Company) issued in accordance with the terms of the Prospectus issued by C @ Limited dated 9 November 2011, and the Supplementary Prospectus dated 29 November 2011 issued by C @ Limited accompanying this Priority Application Form (Prospectus).

| NUMBER OF NEW SHARES ACCEPTED/APPLIED FOR* | AMOUNT ENCLOSED @ $0.50 PER SHARE* |
|---|---|
| __,___,___ | $ __,___,___.__ |

***Minimum Application 4,000 Securities** ***Minimum Amount Payable $2,000**

**Additional Securites to be applied for in mutiples of 1,000 - equivalent to $500**

(2) I/We have enclosed/made payment for amount shown above (following the payment instructions as detailed overleaf).
(3) I/We hereby authorise you to place my/our name(s) on the register of members in respect of the number of Shares allotted to me/us.
(4) I/We agree to be bound by the Constitution of the Company.
(5) If any information on this form is not completed correctly, or if the accompanying payment is for the wrong amount, it may still be accepted. Any decision of the directors as to whether to accept this form, and how to construe, amend or complete it shall be final.
(6) I/We authorise the Company to send me/us a substituted Priority Offer Application Form (if this Priority Offer Application Form ceases to be current) to my/our email address set out in this Application Form.
(7) I/We declare that the I/we has/have received a full and unaltered version of the Prospectus and Supplementary Prospectus either in an electronic or paper format.
(8) I/We acknowledge that sufficient cleared funds must be held in my/our account as my/our Application may be rejected if my/our cheque is dishonoured.
(9) My/Our contact details in case of enquiries are:

**NAME**

**TELEPHONE NUMBER** ( )

**EMAIL ADDRESS**

@

**BPAY PAYMENT OR THE RETURN OF THIS DOCUMENT WITH THE REQUIRED REMITTANCE WILL CONSTITUTE YOUR ACCEPTANCE OF THE OFFER.**

**PAYMENT INFORMATION - Please also refer to payment instructions overleaf.**
**Please contact Security Transfer Registrars for your BPAY reference number.**

Biller Code: 159483

Ref:

**BPAY®** this payment via internet or phone banking.
Your **BPAY®** reference number is unique to this offer and is not to be used for any other offer.

**CHEQUE/MONEY ORDER**

All cheques (expressed in Australian currency) are to be made payable to **C @ Limited - Share Offer Account** and crossed "Not Negotiable".

**REGISTRY DATE STAMP**

E & O.E.

0633582489

## LODGEMENT INSTRUCTIONS

### PAYMENT INSTRUCTIONS

BPAY

Biller Code: 159483

BPAY® this payment via internet or phone banking.
Please contact Security Transfer Registrars for your BPAY reference number. It is unique to this offer and is not be used for any other offer.

Multiple acceptances must be paid separately.

Applicants should be aware of their financial institution's cut-off time (the time payment must be made to be processed overnight) and ensure payment is processed by their financial institution on or before the day prior to the closing date of the offer. BPAY applications will only be regarded as accepted if payment is received by the registry from your financial institution on or prior to the closing date. It is the Applicant's responsibility to ensure funds are submitted correctly by the closing date and time.

**You do not need to return this form if you have made payment via BPAY.**

**Your BPAY reference number will process your payment to your entitlement electronically and you will be deemed to have applied for such Shares for which you have paid.**

### CHEQUE/MONEY ORDER

All cheques should be drawn on an Australian bank and expressed in Australian currency and crossed "Not Negotiable".

Sufficient cleared funds should be held in your account as your acceptance may be rejected if your cheque is dishonoured.

Cheques or bank drafts drawn on overseas banks in Australian or any foreign currency will NOT be accepted. Any such cheques will be returned and the acceptance deemed to be invalid.

Do not forward cash as receipts will not be issued.

When completed, this form together with the appropriate payment should be forwarded to the share registry:

Security Transfer Registrars Pty Ltd
PO Box 535, APPLECROSS WA 6953.

**Applications must be received by Security Transfer Registrars Pty Ltd no later than 5.00pm WST on 8 December 2011.**

### EXPLANATION OF PRIORITY OFFER

1. In order to participate in the Priority Offer, you must be an **eligible shareholder** (as defined in the Prospectus).
2. You must also apply for a minimum parcel of 4,000 Shares, representing a minimum investment of $2,000.
3. Applications from eligible shareholders are not limited to this amount and Applications for larger investment amounts may be lodged. All applications for additional Shares must be made in multiples of 1,000 Shares (equivalent to $500).

### ENQUIRIES

All enquiries should be directed to the Company's share registry:

**Security Transfer Registrars Pty Ltd**

**PO Box 535, Applecross WA 6953 AUSTRALIA**

**770 Canning Highway, Applecross WA 6153 AUSTRALIA**

**Telephone +61 8 9315 2333**

**Facsimile +61 8 9315 2233**

**Email registrar@securitytransfer.com.au**