

5 June 2013

The Manager
Company Announcements
Australian Securities Exchange Limited
Level 6, 20 Bridge Street
Sydney NSW 2000

By e-lodgement

Continental Coal Limited's Offer for New Listed Options

Continental Coal Limited ("**Continental**" or the "**Company**") is pleased to announce that it has today lodged a prospectus with the Australian Securities and Investments Commission ("**ASIC**") in relation to the offer of 76,278,740 free new options exercisable at \$0.50 each expiring at 5.00pm (WST) on 30 June 2015 ("**New Options**"). This follows the previous announcement of the proposed offer of the New Options made on 4 February 2013 and the receipt of shareholder approval for the issue of the New Options at a general meeting on 28 March 2013 ("**GM**").

As set out in the previous announcement and the notice of the GM, the New Options are being offered to previous holders of listed options in the Company that expired on 13 February 2013 ("**Expired Options**"). It is noted that the New Options are being offered to all previous holders of the Expired Options as at 13 February 2013 on a one for one basis other than Scooby Holdings Limited, a company controlled by Jason Brewer, a director of the Company, who held 575,000 Expired Options but has elected not to accept the offer of 575,000 New Options. All the New Options being offered are therefore being offered to parties unrelated to the Company. The New Options will expire on 30 June 2015. Application will be made for the New Options to be listed for trading on the ASX, but not on the AIM market. Further details on the issue of New Options, including their full terms and conditions, is set out in the prospectus, a copy of which is available on the Company's website at www.conticoal.com.

For and on behalf of the Board.

Regards



Jason Brewer
Executive Director

South Africa	Australia
T +27 11 881 1420 F +27 11 881 1423 W www.conticoal.com	T +61 8 9389 2111 F +61 8 9389 2199 W www.conticoal.com
9th Floor Fredman Towers, 13 Fredman Drive, Sandton 2196	Ground Floor, 20 Kings Park Road, West Perth, WA 6005
PO Box 787646, Sandton 2146	PO Box 1153, West Perth, WA 6872

Independent Non-Executive Chairman Mike Kilbride Chief Executive Officer Don Turvey Executive Director Jason Brewer
Non-Executive Directors: Johan Bloemsma James Leahy Connie Molusi Bernard Swanepoel

For further information please contact:

Investors/ shareholders

Jason Brewer
Executive Director
T: +61 8 9488 5220

Don Turvey
Chief Executive Officer
T: +27 11 881 1420

E: admin@conticoal.com
W: www.conticoal.com

Media (Australia)

David Tasker
Professional Public Relations
T: +61 8 9388 0944

Media (UK)

Mike Bartlett / Jessica Fontaine / Jos Simson
Tavistock Communications
T: +44 20 7920 3150

Nominated Advisor

Stuart Laing
RFC Corporate Finance
T: +61 8 9480 2500

Broker

Mark Wellesley-Wood / Chris Sim Investec
Bank plc
T: +44 20 7597 4000



Continental Coal

ABN 13 009 125 651

— 000001 000 CCC
MR SAM SAMPLE
UNIT 123
SAMPLE STREET
SAMPLETOWN NSW 2001



5 June 2013

Dear previous Optionholder,

Continental Coal Limited's Offer for New Listed Options

Continental Coal Limited (**Company**) has recently lodged the enclosed Prospectus with ASX Limited (**ASX**) for the issue of new listed Options (**Offer**).

On 13 February 2013, the Company had one class of Options on issue being 76,853,740 listed Options exercisable at \$0.50 each expiring at 5.00pm (WST) on 13 February 2013 (**Expired Options**). These Expired Options expired without being exercised.

The Company held a general meeting of Shareholders on 28 March 2013 where Shareholders resolved to issue 76,853,740 listed Options exercisable at \$0.50 each expiring at 5.00pm (WST) on 30 June 2015 (**New Listed Options**) pursuant to ASX Listing Rule 7.1 to holders of the Expired Options.

Scooby Holdings Limited, a company controlled by Jason Brewer, a Director of the Company, held 575,000 Expired Options on 13 February 2013 but has elected not to accept the offer of 575,000 New Listed Options pursuant to the shareholder approval obtained at the general meeting of Shareholders held in March. As such, the enclosed Prospectus is for an offer of a maximum of 76,278,740 New Listed Options. The New Listed Options will be offered to previous holders of the Expired Options on the same terms and conditions as the Expired Options with the exception of the expiry date which is now 30 June 2015. For full details on the terms and conditions relating to the New Listed Options please refer to section 6.1 of the Prospectus.

As the New Listed Options will be issued for free, no funds will be raised from the Offer. The Offer will not constitute an offer in any place in which, or to any person to whom, it would be unlawful to make such an offer. Accordingly, it is the responsibility of non-resident applicants to obtain all necessary approvals for the allotment and issue to them of options pursuant to the Offer.

Please refer to the enclosed Prospectus for full details of the Offer. The Prospectus is also available in electronic form on the ASX website at www.asx.com.au or the Company's website at www.conticoal.com.

The current proposed timetable for the Offer is set out on the following page. The dates are indicative only and the Company reserves the right to vary the dates subject to satisfying the requirements of the ASX listing rules and any other applicable law.

South Africa	Australia
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PO Box 787646, Sandton 2146	PO Box 1153, West Perth, WA 6872

Independent Non-Executive Chairman Mike Kilbride **Chief Executive Officer** Don Turvey **Executive Director** Jason Brewer
Non-Executive Directors: Johan Bloemsma James Leahy Connie Molusi Bernard Swanepoel

If you wish to subscribe for the New Listed Options pursuant to the enclosed Prospectus, you should complete and return the Application Form accompanying the Prospectus to the Share Registry in accordance with the instructions set out in the Application Form.

Yours faithfully

Jason Brewer
Finance Director

Company announces proposed Offer	4 February 2013
Shareholders approve proposed Offer	28 March 2013
Lodgement of Prospectus with the ASIC and ASX	5 June 2013
Opening Date	6 June 2013
Closing Date*	17 June 2013
Despatch of holding statements	20 June 2013
Quotation of New Listed Options issued under the Offer*	24 June 2013

* 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.

CONTINENTAL COAL LIMITED

ACN 009 125 651

PROSPECTUS

For the issue of up to 76,278,740 free New Listed Options to subscribe for Shares in the Company on the terms and conditions set out in this Prospectus.

IMPORTANT NOTICE

This document is important and should be read in its entirety. If after reading this Prospectus you have any questions about the securities being offered under this Prospectus or any other matter, then you should consult your stockbroker, accountant or other professional adviser.

The New Listed Options offered by this Prospectus should be considered as speculative.

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1. CORPORATE DIRECTORY

Directors

Mike Kilbride (Non Executive Chairman)
Don Turvey (Chief Executive Officer)
Johan Bloemsmma (Non Executive Director)
James Leahy (Non Executive Director)
Connie Molusi (Non Executive Director)
Bernard Swanepoel (Non Executive Director)
Jason Brewer (Finance Director)

Joint Company Secretaries

Dennis Wilkins
John Ribbons

Share Registry*

Computershare Investor Services Pty Ltd
Level 2, Reserve Bank Building
45 St Georges Terrace
Perth WA 6000

Telephone: 1300 787 272

Auditor*

BDO Audit (WA) Pty Ltd
38 Station Street
Subiaco WA 6008

Registered Office

Ground Floor, 20 Kings Park Road
West Perth WA 6005

Telephone: + 61 8 9389 2111
Facsimile: +61 8 9389 2199

Email: admin@conticoal.com
Website: www.conticoal.com

Solicitors

Steinepreis Paganin
Lawyers and Consultants
Level 4, The Read Buildings
16 Milligan Street
Perth WA 6000

*This entity is included for information purposes only. It has not been involved in the preparation of this Prospectus and has not consented to being named in this Prospectus.

2. TIMETABLE

Company announces proposed Offer	4 February 2013
Shareholders approve proposed Offer	28 March 2013
Lodgement of Prospectus with the ASIC and ASX	5 June 2013
Opening Date	6 June 2013
Closing Date*	17 June 2013
Despatch of holding statements	20 June 2013
Quotation of New Listed Options issued under the Offer*	24 June 2013

** 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. IMPORTANT NOTES

This Prospectus is dated 5 June 2013 and was lodged with the ASIC on that date. The ASIC and its officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

The New Listed Options issued pursuant to this Prospectus will be issued on the terms and conditions set out in this Prospectus. No New Listed Options may be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

No person is authorised to give any information or to make any representation in connection with this Prospectus, which is not contained in the Prospectus. Any information or representation not so contained in this Prospectus may not be relied on as having been authorised by the Company in connection with this Prospectus.

The Offer is only available to those who are personally invited to accept the Offer.

It is important that investors read this Prospectus in its entirety and seek professional advice where necessary. The New Listed Options the subject of this Prospectus should be considered highly speculative.

Applications for New Listed Options offered pursuant to this Prospectus can only be submitted on an original Application Form.

This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus. In making representations in this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and that certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.

3.1 Risk factors

Potential investors should be aware that subscribing for New Listed Options in the Company involves a number of risks. The key risk factors of which investors should be aware are set out in section 7 of this Prospectus. These risks together with other general risks applicable to all investments in listed securities not specifically referred to, may affect the value of the New Listed Options in the future. Accordingly, an investment in the Company should be considered highly speculative. Investors should consider consulting their professional advisers before deciding whether to apply for New Listed Options pursuant to this Prospectus.

3.2 Forward-looking statements

This Prospectus may contain forward-looking statements that have been based on current circumstances. Any forward-looking statements are subject to risks, uncertainties and assumptions that could cause those acts, events and circumstances to differ materially from the expectations described in such forward-looking statements.

4. DETAILS OF THE OFFER

4.1 Background

On 28 February 2013, the Company dispatched to Shareholders a notice of general meeting dated 26 February 2013 relating to an extraordinary general meeting of the Company to be held on 28 March 2013 (**March EGM**).

On 13 February 2013, the Company had one class of Options on issue being 76,853,740 listed Options exercisable at \$0.50 each expiring at 5.00pm (WST) on 13 February 2013 (**Expired Options**).

These Expired Options expired without being exercised.

At the March EGM, Shareholders resolved to issue 76,853,740 listed Options exercisable at \$0.50 each expiring at 5.00pm (WST) on 30 June 2015 (**New Listed Options**) pursuant to ASX Listing Rule 7.1 to replace the Expired Options. Scooby Holdings Limited, a company controlled by Jason Brewer, a Director, held 575,000 Expired Options on 13 February 2013 but has elected not to accept the offer of 575,000 New Listed Options pursuant to the shareholder approval obtained at the March EGM. As such, this Prospectus is for an offer of a maximum of 76,278,740 New Listed Options.

The Expired Options only differ from the New Listed Options in that the expiry date of the New Listed Options has been extended to 30 June 2015.

In all other respects, the number and terms of the New Listed Options remain identical to the number and terms of the Expired Options. All of the New Listed Options offered under this Prospectus will be issued on the terms and conditions set out in section 6.1 of this Prospectus.

All the New Listed Options offered under this Prospectus are offered to parties unrelated to the Company pursuant to the ASX Listing Rule 7.1 approval obtained at the March AGM. The New Listed Options must be issued within three months of the Company obtaining that approval (i.e. by 27 June 2013).

4.2 Terms of the Offer

The Offer is being made to Offerees to subscribe for the New Listed Options they are entitled to subscribe for as set out in the Application Form. The New Listed Options will be issued to the Offerees on the basis of one New Listed Option for each one Expired Option held on 13 February 2013.

4.3 Purpose of the Offer

The primary purpose of this Prospectus is to replace the Expired Options with the New Listed Options. As the New Listed Options will be issued for free, no funds will be raised from the Offer. Please refer to section 8.7 of this Prospectus for details relating to the estimated expenses of the Offer.

4.4 Minimum Subscription

There is no minimum subscription under the Offer and there is no provision for oversubscriptions.

4.5 Opening and Closing Dates

The Offer will be open on 6 June 2013 and close at 5.00pm (WST) on 17 June 2013 or such later date as the Directors, in their absolute discretion and subject to compliance with the ASX Listing Rules and the Corporations Act, may determine.

4.6 Application Forms

If you wish to subscribe for the New Listed Options pursuant to this Prospectus, you should complete and return the Application Form accompanying this Prospectus to the Share Registry in accordance with the instructions set out in the Application Form.

4.7 Brokerage and Commissions

No brokerage or commission will be payable by Offerees pursuant to the Offer.

4.8 Tax Implications

The Company makes no representation and provides no advice in relation to the tax consequences for any Offeree relating to acceptance of the Offer. Offerees should seek professional taxation advice regarding the tax consequences of accepting the Offer.

4.9 ASX listing

The Company will make application to ASX within 7 days following the date of this Prospectus for Official Quotation of the New Listed Options offered pursuant to this Prospectus.

The fact that ASX may grant Official Quotation to the New Listed Options is not to be taken in any way as an indication of the merits of the Company or the New Listed Options now offered for subscription.

4.10 Underwriting

The Offer is not underwritten.

4.11 Allotment

New Listed Options issued pursuant to the Offer will be allotted in accordance with the ASX Listing Rules and timetable set out at the commencement of this Prospectus.

Holding statements for the New Listed Options issued under the Offer will be mailed in accordance with the ASX Listing Rules and timetable set out at the commencement of this Prospectus.

4.12 Overseas applicants

This Offer does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

No action has been taken to permit the offer of New Listed Options under this Prospectus in any jurisdiction other than Australia.

Persons resident in Australia who held Expired Options on behalf of persons who are resident overseas are responsible for ensuring that subscribing for New Listed Options under the Offer does not breach regulations in the relevant overseas jurisdiction. Return of a duly completed Application Form will be taken by the Company to constitute a representation that there has been no breach of those regulations.

4.13 Enquiries

Any questions concerning the Offer should be directed to Dennis Wilkins or John Ribbons, Joint Company Secretaries, on 9389 2111.

5. CAPITAL STRUCTURE AND EFFECT OF THE OFFER

5.1 Effect of the Offer

The principal effect of the Offer, assuming all New Listed Options offered under the Prospectus are issued, will be to increase the number of Options on issue from 83,078,442 as at the date of this Prospectus to 159,357,182 Options.

All of the Shares issued upon the future exercise of the New Listed Options offered under this Prospectus will rank equally with the Shares on issue at the date of this Prospectus. Please refer to section 6.2 for further information regarding the rights and liabilities attaching to the Shares.

The purpose of the Offer is set out in section 4.3 of this Prospectus.

5.2 Financial Effect

As the New Listed Options will be issued for free, no funds will be raised from the Offer. The expenses of the Offer of approximately \$59,241 will be met from the Company's existing cash reserves. As such, the Offer will have an effect on the Company's financial position, being the incurring of the costs of preparing the Prospectus noted above. Please refer to section 8.7 of this Prospectus for details relating to the estimated expenses of the Offer.

5.3 Effect on capital structure

The effect of the Offer on the capital structure of the Company, assuming all New Listed Options offered under the Prospectus are issued, is set out below.

Shares

	Number
Shares currently on issue	684,104,446
Shares offered pursuant to the Offer	nil
Total Shares on issue after completion of the Offer	684,104,446

Options

	Number
Options currently on issue:	
(Unquoted exercisable at \$0.75 on or before 31 December 2013)	11,000,000
(Unquoted exercisable at \$0.2216 on or before 15 May 2015)	12,500,000
(Unquoted exercisable at \$0.64 on or before 31 October 2015)	1,627,549
(Unquoted exercisable at \$0.10 on or before 31 March 2016)	25,000,000
(Unquoted exercisable at \$0.368 on or before 23 August 2016)	13,950,893

(Unquoted exercisable at \$0.20 on or before 16 July 2016)	8,000,000
(Unquoted exercisable at \$0.057 on or before 6 December 2017)	6,000,000
(Unquoted exercisable at \$0.05382 on or before 18 December 2017)	5,000,000
Subtotal	83,078,442
New Listed Options offered pursuant to the Offer (Quoted exercisable at \$0.50 on or before 30 June 2015)	76,278,740
Total Options on issue after completion of the Offer	159,357,182

The capital structure on a fully diluted basis as at the date of this Prospectus would be 767,182,888 Shares and on completion of the Offer would be 843,461,628 Shares.

5.4 Pro-forma balance sheet

The audited balance sheet as at 30 June 2012, the auditor reviewed balance sheet as at 31 December 2012 and the unaudited pro-forma balance sheet as at 31 December 2012 shown below have been prepared on the basis of the accounting policies normally adopted by the Company and reflect the changes to its financial position.

The pro-forma balance sheet has been prepared assuming all New Listed Options offered under the Prospectus are issued.

The pro-forma balance sheet has been prepared to provide investors with information on the assets and liabilities of the Company and pro-forma assets and liabilities of the Company as noted below. The historical and pro-forma financial information is presented in an abbreviated form, insofar as it does not include all of the disclosures required by Australian Accounting Standards applicable to annual financial statements.

	AUDITED 30 June 2012 \$'000	UNAUDITED 31 December 2012 \$'000	PROFORMA 31 December 2012 \$'000
CURRENT ASSETS			
Cash	14,595	1,229	1,229
Trade and other receivables	8,829	9,695	9,695
Inventories	4,161	2,784	2,784
Non-current assets held for sale	9,844	8,676	8,676
Other current assets	132	1,129	1,129
TOTAL CURRENT ASSETS	37,561	23,513	23,513

NON-CURRENT ASSETS			
Trade and other receivables	4,184	4,317	4,317
Exploration	86,314	83,150	83,150
Development expenditure	65,843	73,786	73,786
Property, plant and equipment	7,937	13,865	13,865
Deferred tax assets	2,346	1,656	1,656
Other non-current assets	-	307	307
TOTAL NON-CURRENT ASSETS	166,624	177,081	177,081
TOTAL ASSETS	204,185	200,594	200,594
CURRENT LIABILITIES			
Trade and other payables	27,077	22,053	22,053
Deferred revenue	5,552	5,688	5,688
Income tax payable	525	1,399	1,399
Borrowings	6,844	10,960	10,960
Provision for rehabilitation	-	1,405	1,405
Royalty liability	3,454	2,887	2,887
Other current liabilities	1,947	659	659
TOTAL CURRENT LIABILITIES	45,399	45,051	45,051
NON-CURRENT LIABILITIES			
Deferred revenue	9,351	6,704	6,704
Borrowings	39,468	50,312	50,312
Royalty liability	5,207	5,039	5,039
Deferred tax liability	26,838	25,050	25,050
Provision for rehabilitation	12,285	8,699	8,699
Other non-current liabilities	1,115	168	168
TOTAL NON-CURRENT LIABILITIES	94,264	95,972	95,972
TOTAL LIABILITIES	139,663	141,023	141,023
NET ASSETS	64,522	59,571	59,571
EQUITY			

Share capital	220,015	223,910	223,910
Reserves	1,157	544	544
Accumulated losses	(164,739)	(171,151)	(171,151)
Capital and reserves attributable to owners of Continental Coal Ltd	56,433	53,303	53,303
Non-controlling interest	8,089	6,268	6,268
TOTAL EQUITY	64,522	59,571	59,571

6. RIGHTS AND LIABILITIES ATTACHING TO SECURITIES

6.1 New Listed Options

(a) Entitlement

Each New Listed Option entitles the holder to subscribe for one Share upon exercise of the New Listed Option.

(b) Exercise Price

Subject to paragraph (j), the amount payable upon exercise of each New Listed Option will be \$0.50 (**Exercise Price**).

(c) Expiry Date

Each New Listed Option will expire at 5.00pm (WST) on 30 June 2015 (**Expiry Date**). A New Listed Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) Exercise Period

The New Listed Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(e) Notice of Exercise

The New Listed Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the New Listed Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each New Listed Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) Exercise Date

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each New Listed Option being exercised in cleared funds (**Exercise Date**).

(g) Timing of issue of Shares on exercise

Within 15 Business Days after the later of the following:

- (i) the Exercise Date; and
- (ii) when excluded information in respect to the Company (as defined in section 708A(7) of the Corporations Act) (if any) ceases to be excluded information,

but in any case no later than 20 Business Days after the Exercise Date, the Company will:

- (iii) allot and issue the number of Shares required under these terms and conditions in respect of the number of New Listed Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;

- (iv) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (v) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the New Listed Options.

If a notice delivered under (g)(iv) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) **Shares issued on exercise**

Shares issued on exercise of the New Listed Options rank equally with the then issued shares of the Company.

(i) **Quotation of Shares issued on exercise**

If admitted to the official list of ASX at the time, application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the New Listed Options.

(j) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(k) **Participation in new issues**

There are no participation rights or entitlements inherent in the New Listed Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the New Listed Options without exercising the New Listed Options.

(l) **Change in exercise price**

A New Listed Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the New Listed Option can be exercised.

(m) **Quotation**

The Company will apply for quotation of the New Listed Options on ASX.

(n) **Transferability**

The New Listed Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

6.2 Shares

The following is a summary of the more significant rights and liabilities attaching to Shares being the underlying securities of the New Listed Options to be issued pursuant to this Prospectus. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights and liabilities attaching to Shares are set out in the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

(a) General meetings

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with section 249D of the Corporations Act and the Constitution of the Company.

(b) Voting rights

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at general meetings of shareholders or classes of shareholders:

- (i) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (ii) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- (iii) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for each Share held, but in respect of partly paid shares shall have such number of votes as bears the same proportion to the total of such Shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

(c) Dividend rights

Subject to the rights of any preference Shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividend, the Directors may from time to time declare a dividend to be paid to the Shareholders entitled to the dividend which shall be payable on all Shares according to the proportion that the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such Shares.

The Directors may from time to time pay to the Shareholders any interim dividends as they may determine. No dividend shall carry interest as against the Company. The Directors may set aside out of the profits of

the Company any amounts that they may determine as reserves, to be applied at the discretion of the Directors, for any purpose for which the profits of the Company may be properly applied.

Subject to the ASX Listing Rules and the Corporations Act, the Company may, by resolution of the Directors, implement a dividend reinvestment plan on such terms and conditions as the Directors think fit and which provides for any dividend which the Directors may declare from time to time payable on Shares which are participating Shares in the dividend reinvestment plan, less any amount which the Company shall either pursuant to the Constitution or any law be entitled or obliged to retain, be applied by the Company to the payment of the subscription price of Shares.

(d) **Winding-up**

If the Company is wound up, the liquidator may, with the authority of a special resolution, divide among the Shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

The liquidator may, with the authority of a special resolution, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any shares or other securities in respect of which there is any liability.

(e) **Shareholder liability**

As the Shares issued will be fully paid shares, they will not be subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

(f) **Transfer of shares**

Generally, shares in the Company are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act and the ASX Listing Rules.

(g) **Future increase in capital**

The allotment and issue of any new Shares is under the control of the Directors of the Company. Subject to restrictions on the issue or grant of Securities contained in the ASX Listing Rules, the Constitution and the Corporations Act (and without affecting any special right previously conferred on the holder of an existing share or class of shares), the Directors may issue Shares as they shall, in their absolute discretion, determine.

(h) **Variation of rights**

Under section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to shares.

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of three quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

(i) **Alteration of constitution**

In accordance with the Corporations Act, the Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

7. RISK FACTORS

7.1 Introduction

The New Listed Options offered under this Prospectus are considered speculative. An investment in the Company is not risk free and the Directors strongly recommend potential investors to consider the risk factors described below, together with information contained elsewhere in this Prospectus and to consult their professional advisers before deciding whether to apply for New Listed pursuant to this Prospectus.

There are specific risks which relate directly to the Company's business. In addition, there are other general risks, many of which are largely beyond the control of the Company and the Directors. The risks identified in this section, or other risk factors, may have a material impact on the financial performance of the Company and the market price of the Shares.

The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed.

7.2 Company specific

(a) 'Going concern' risk

While completing the audit review of the Company's annual financial report for the year ended 30 June 2012, the Company's auditor, BDO Audit (WA) Pty Limited noted the following:

"the consolidated entity incurred a net loss of \$49,862,039 during the year ended 30 June 2012 and, as of that date, the consolidated entity's current liabilities exceeded its total assets by \$7,838,208. These conditions, along with other matters, indicate the existence of a material uncertainty that may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business."

The ability of the Company to continue its normal business activities and continue as a going concern is dependent on the ongoing support of a number of the Company's creditors and the Company raising additional working capital as and when required. It is highly likely that further funding will be required to meet the medium to long term working capital costs of the Company. Please refer to section 7.2(b) below for further details.

(b) Additional requirements for capital

The Company's capital requirements depend on numerous factors. Depending on the Company's ability to generate income from its operations, the Company may require further financing. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its exploration programmes as the case may be. There is however no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company.

(c) **International operations**

The Company's current assets are all located in South Africa. Any potential future South African operations of the Company's are subject to a number of risks, including:

- (i) potential difficulties in enforcing agreements and collecting receivables through foreign local systems;
- (ii) potential difficulties in protecting rights and interest in assets;
- (iii) increases in costs for transportation and shipping; and
- (iv) restrictive governmental actions, such as imposition of trade quotas, tariffs and other taxes.

Any of these factors could materially and adversely affect the Company's business, results of operations and financial condition.

South Africa experiences economic, social and political volatility. As a result, the Company's future operations may be impacted by currency fluctuations, political reforms, changes in South African government policies and procedures, civil unrest, social and religious conflict and deteriorating economic conditions. The likelihood of any of these changes, and their possible effects, if any, cannot be determined by the Company with any clarity at the present time, but they may include disruption, increased costs and, in some cases, total inability to establish or to continue to operate mining exploration or development activities.

(d) **Title**

The acquisition and retention of title to mineral rights in South Africa is a detailed and time-consuming process. Title to, and the area of, mineral resource claims may be disputed or challenged. Although the Company believes it has taken and is taking reasonable measures to secure title to its projects, there is no guarantee that title to its projects will be granted, that prospecting rights will be converted into mining rights or that title will not be challenged or impaired.

Any successful challenges to the title of the Company's projects could stop, materially delay or restrict the Company from proceeding with exploration activities, any development, or future mining operations.

Certain of the Company's mining rights and prospecting rights may from time to time have technical defects, errors or breaches, have not been registered with the applicable authority or may have consents or approvals outstanding. These include, for instance, outstanding consents (**Section 11 Consents**) in terms of section 11 of the Mineral and Petroleum Resources Development Act, 2002 (**MPRDA**) and/or outstanding registration of Section 11 Consents at the Mining and Petroleum Titles Registration Office established in terms of the Mining Titles Registration Act 1967, and/or discrepancies in related documentation.

7.3 Industry specific

(a) Exploration

The mineral tenements of the Company are at various stages of exploration, and potential investors should understand that mineral exploration and development are high-risk undertakings.

There can be no assurance that exploration of these tenements, or any other tenements that may be acquired in the future, will result in the discovery of an economic ore deposit. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited.

The exploration costs of the Company are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions. Accordingly, no assurance can be given that these cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely affect the Company's viability.

(b) Operating

The operations of the Company may be affected by various factors, including failure to locate or identify mineral deposits, failure to achieve predicted grades in exploration and mining, operational and technical difficulties encountered in mining, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated metallurgical problems which may affect extraction costs, adverse weather conditions, industrial and environmental accidents, industrial disputes and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment.

No assurances can be given that the Company will achieve commercial viability through the successful exploration or mining of its tenement interests. Until the Company is able to realise value from its projects, it is likely to incur ongoing operating losses.

(c) Resource estimates

Resource estimates are expressions of judgement based on knowledge, experience and industry practice. Estimates which were valid when originally calculated may alter significantly when new information or techniques become available. In addition, by their very nature, resource estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. As further information becomes available through additional fieldwork and analysis, the estimates are likely to change. This may result in alterations to development and mining plans which may, in turn, either benefit or adversely affect the Company's operations.

(d) Commodity price volatility and exchange rates

If the Company achieves success leading to mineral production, the revenue it will derive through the sale of commodities exposes the

potential income of the Company to commodity price and exchange rate risks. Commodity prices fluctuate and are affected by many factors beyond the control of the Company. Such factors include supply and demand fluctuations for precious and base metals, technological advancements, forward selling activities and other macro-economic factors.

Furthermore, international prices of various commodities are denominated in United States dollars, whereas the income and expenditure of the Company are and will be taken into account in Australian currency, exposing the Company to the fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar as determined in international markets.

(e) **Environment**

The operations and proposed activities of the Company are subject to laws and regulation concerning the environment applicable in the jurisdiction of those activities. As with most exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. It is the Company's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws.

(f) **Litigation**

All industries, including the mining industry, are subject to legal claims in the ordinary course of their corporate and operational activities. Such claims are both with and without merit. Defence and settlement costs can be substantial, even with respect to claims that have no merit. Due to the inherent uncertainty of the litigation and dispute resolution process, there can be no assurance that the resolution of any particular legal proceeding or dispute will not have an adverse effect on the Company's future cash flow, results of operations or financial condition.

7.4 General risks

(a) **Economic**

General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities.

(b) **Market conditions**

Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- general economic outlook;
- introduction of tax reform or other new legislation;
- interest rates and inflation rates;
- changes in investor sentiment toward particular market sectors;

- the demand for, and supply of, capital; and
- terrorism or other hostilities.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

(c) **Dividends**

Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend on the financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.

(d) **Taxation**

The acquisition and disposal of Shares and Options will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares and/or Options from a taxation viewpoint and generally.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences of subscribing for New Listed Options under this Prospectus.

(e) **Reliance on key personnel**

The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment.

7.5 **Speculative investment**

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the New Listed Options offered under this Prospectus

Therefore, the New Listed Options to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those New Listed Options.

Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for New Listed Options pursuant to this Prospectus.

8. ADDITIONAL INFORMATION

8.1 Litigation

As at the date of this Prospectus, the Company is not involved in any legal proceedings of a material nature.

8.2 Continuous disclosure obligations

The Company is a "disclosing entity" (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company's securities.

This Prospectus is a "transaction specific prospectus". In general terms a "transaction specific prospectus" is only required to contain information in relation to the effect of the issue of securities on a company and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the 3 months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
 - (i) the annual financial report most recently lodged by the Company with the ASIC;

- (ii) any half-year financial report lodged by the Company with the ASIC after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC; and
- (iii) any continuous disclosure documents given by the Company to ASX in accordance with the ASX Listing Rules as referred to in section 674(1) of the Corporations Act after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC.

Copies of all documents lodged with the ASIC in relation to the Company can be inspected at the registered office of the Company during normal office hours.

Details of documents lodged by the Company with ASX since the date of lodgement of the Company's latest annual financial report and before the lodgement of this Prospectus with the ASIC are set out in the table below.

Date	Description of Announcement
17/05/2013	Boardroom Radio Interview
17/05/2013	Change of Director's Interest Notice
14/05/2013	Change of Registered Office
14/05/2013	Resignation and Appointment of Company Secretary
14/05/2013	Appointment of Non-executive Director and Appendix 3X and 3Y
09/05/2013	Becoming a substantial holder
08/05/2013	Settlement of Village Main Reef Transaction
03/05/2013	Village Main Reef Transaction Receives Final Approval
01/05/2013	Quarterly Activities Report
26/04/2013	Change of Directors Interest Notices and Appendix 3B
18/04/2013	Mashala Resources Acquisition Completed
04/04/2013	Company Presentation
28/03/2013	Village Main Reef Transaction Approved
28/03/2013	Results of General Meeting
28/03/2013	Boardroom Radio Interview
26/03/2013	Boardroom Radio Interview
21/03/2013	Penumbra Coal Mine Ramp Up In Production Continues
18/03/2013	Agreement with VMR to Acquire Small Shareholdings
18/03/2013	Continental Agrees Strategic Transaction with Village Main
15/03/2013	Trading Halt
08/03/2013	Acquisition of Mashala Interests and Settlement of Vanmag
06/03/2013	Trading Halt
01/03/2013	Amended Notice of Meeting
01/03/2013	Updated Half Yearly Presentation

Date	Description of Announcement
01/03/2013	Notice of General Meeting
28/02/2013	Half Yearly Results Presentation
28/02/2013	Interim Financial Report and Appendix 4D for 31 Dec 2012
19/02/2013	Penumbra Ramp Up and Mine Operations Update
19/02/2013	Corporate Update and Appendix 3B
11/02/2013	Updated Corporate Brochure for Investor Presentations
04/02/2013	Option Expiry and New Options
01/02/2013	Quarterly Activities Report
23/01/2013	Ferreira Production Update
10/01/2013	Response to ASX Price & Volume Query
12/12/2012	First Coal Sales from Penumbra Coal Mine
11/12/2012	Boardroom Radio Interview
06/12/2012	Boardroom Radio Interview
06/12/2012	VanMag Settlement Proceeds
03/12/2012	Final Director's Interest Notice
28/11/2012	Results of Annual General Meeting and Company Presentation
26/11/2012	First Production from Penumbra Coal Mine
22/11/2012	Renewal of Botswana Prospecting Licenses
21/11/2012	Positive Optimisation Study on De Wittekrans Coal Project
16/11/2012	Change of Director's Interest Notice - Appendix 3Y
01/11/2012	Appendix 3B
01/11/2012	Appendix 3Z Final Directors Interest Notice
01/11/2012	Quarterly Report

ASX maintains files containing publicly available information for all listed companies. The Company's file is available for inspection at ASX during normal office hours.

The announcements are also available through the Company's website www.conticoal.com.

8.3 Market price of shares

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX.

The highest, lowest and last market sale prices of the Shares on ASX during the three months immediately preceding the date of lodgement of this Prospectus with the ASIC and the respective dates of those sales were:

Highest	\$0.061	18 March 2013
Lowest	\$0.039	23 and 24 April 2013
Last	\$0.043	4 June 2013

8.4 Interests of Directors

Other than as set out in this Prospectus, no Director or proposed Director holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offer; or
- (c) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to a Director or proposed Director:

- (a) as an inducement to become, or to qualify as, a Director; or
- (b) for services provided in connection with:
 - (i) the formation or promotion of the Company; or
 - (ii) the Offer.

Security holdings

The relevant interest of each of the Directors in the securities of the Company as at the date of this Prospectus is set out in the table below.

Director	Shares	Options
Jason Brewer	3,800,000 ¹	5,000,000 (unlisted, exercisable at \$0.75 on or before 31 December 2013) ¹
James Leahy	1,144,006	1,000,000 (unlisted, exercisable at \$0.75 on or before 31 December 2013)
Don Turvey	1,743,275	nil
Mike Kilbride	613,000	nil
Johan Bloemsmma	nil	nil
Bernard Swanepoel	nil	nil
Connie Molusi	nil	nil

¹ Held by Scooby Holdings Pty Ltd, a company of which Mr Brewer is a director.

Remuneration

The remuneration of an executive Director is decided by the Board, without the affected executive Director participating in that decision-making process. The total maximum remuneration of non-executive Directors is initially set by the Constitution and subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director. The current amount has been set at an amount not to exceed \$500,000 per annum.

A Director may be paid fees or other amounts (ie non-cash performance incentives such as Options, subject to any necessary Shareholder approval) as the other Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. In addition, Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors.

The following table shows the total (and proposed) annual remuneration paid to both executive and non-executive directors.

Director	2012	2013
Jason Brewer	\$150,000	\$150,000
James Leahy	\$240,521	\$72,000
Don Turvey	\$756,486	\$500,000
Mike Kilbride	\$54,672	\$135,750
Johan Bloemsmma	\$41,103	\$71,250
Bernard Swanepoel	nil ¹	\$67,500
Connie Molusi	\$22,978	\$67,500

¹ Appointed 14 May 2013.

8.5 Interests of experts and advisers

Other than as set out below or elsewhere in this Prospectus, no:

- (a) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- (b) promoter of the Company; or
- (c) underwriter (but not a sub-underwriter) to the issue or a financial services licensee named in this Prospectus as a financial services licensee involved in the issue,

holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;

- (b) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offer; or
- (c) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

- (d) the formation or promotion of the Company; or
- (e) the Offer.

Steinepreis Paganin has acted as the solicitors to the Company in relation to the Offer. The Company estimates it will pay Steinepreis Paganin \$15,000 (excluding GST and disbursements) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Steinepreis Paganin has been paid fees totalling \$144,476 (excluding GST and disbursements) for legal services provided to the Company.

8.6 Consents

Each of the parties referred to in this section:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this section;
- (b) to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this section; and
- (c) Steinepreis Paganin has given its written consent to being named as the solicitors to the Company in this Prospectus. Steinepreis Paganin has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

8.7 Expenses of the offer

The total expenses of the Offer are estimated to be approximately \$59,421 (excluding GST) and are expected to be applied towards the items set out in the table below:

	\$
ASIC fees	2,171
ASX fees	37,250
Legal fees	15,000
Printing and distribution	5,000
Total	59,421

8.8 Electronic prospectus

Pursuant to Class Order 00/44, the ASIC has exempted compliance with certain provisions of the Corporations Act to allow distribution of an electronic

prospectus and electronic application form on the basis of a paper prospectus lodged with the ASIC, and the publication of notices referring to an electronic prospectus or electronic application form, subject to compliance with certain conditions.

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Form. If you have not, please phone the Company on +61 9488 5220 and the Company will send you, for free, either a hard copy or a further electronic copy of the Prospectus, or both. Alternatively, you may obtain a copy of this Prospectus from the Company's website at www.conficoal.com.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

8.9 Financial forecasts

The Directors have considered the matters set out in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings on the basis that the operations of the Company are inherently uncertain. Accordingly, any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

8.10 Clearing House Electronic Sub-Register System (CHES) and Issuer Sponsorship

The Company will not be issuing option certificates. The Company is a participant in CHES, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHES will be issuer sponsored by the Company. Because the sub-registers are electronic, ownership of securities can be transferred without having to rely upon paper documentation.

Electronic registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with a statement (similar to a bank account statement) that sets out the number of New Listed Options allotted to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHES and issuer sponsorship.

Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

8.11 Privacy Act

If you complete an Application Form for New Listed Options, you will be providing personal information to the Company (directly or by the Company's share registry). The Company collects, holds and will use that information to assess your application, service your needs as a holder of equity securities in the Company, facilitate distribution payments and corporate communications to you as a Shareholder and carry out administration.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers,

regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Company's share registry.

You can access, correct and update the personal information that we hold about you. Please contact the Company or its share registry if you wish to do so at the relevant contact numbers set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the *Privacy Act 1988* (Cth) (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the application for New Listed Options, the Company may not be able to accept or process your application.

9. DIRECTORS' AUTHORISATION

This 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 Prospectus with the ASIC.

Mike Kilbride
Chairman
For and on behalf of
CONTINENTAL COAL LIMITED

10. GLOSSARY

\$ means the lawful currency of the Commonwealth of Australia.

Application Form means the Application Form either attached to or accompanying this Prospectus under which Offerees will accept the Offer made to that Offeree under this Prospectus.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by it as the context requires.

ASX Listing Rules means the listing rules of the ASX.

ASX Settlement Operating Rules means the settlement rules of the securities clearing house which operates CHESS.

Board means the board of Directors unless the context indicates otherwise.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day and any other day that ASX declares is not a business day.

Closing Date means the date specified in the timetable set out at the commencement of this Prospectus (unless extended).

Company means Continental Coal Limited (ACN 009 125 651).

Constitution means the constitution of the Company as at the date of this Prospectus.

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

Directors means the directors of the Company as at the date of this Prospectus.

Expired Options has the meaning given to it in section 4.1 of this Prospectus.

New Listed Option means an Option issued under this Prospectus on the terms and conditions set out in section 6.1 of this Prospectus.

Offer means the offer made under this Prospectus of up to 76,278,740 New Listed Options.

Offerees means the previous holders of Expired Options to whom the Offer is made.

Official Quotation means official quotation on ASX.

Option means an option to subscribe for a Share.

Prospectus means this prospectus.

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

Shareholder means a holder of a Share.

WST means Western Standard Time as observed in Perth, Western Australia.