



FRONTIER CAPITAL GROUP LIMITED
ACN 145 105 148

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ASX Release

7 January 2016

Prospectus lodged with ASIC

The Prospectus for Frontier Capital Group Limited (ASX: FCG) (**Company or Frontier Capital or FCG**) has been lodged with the Australian Securities and Investments Commission (**ASIC**). A copy is attached.

The Company is seeking shareholder to approve the acquisition of Stotsenberg Leisure Park & Hotel Corporation (**Stotsenberg**).

The Prospectus is issued for the purpose of re-complying with the admission requirements under Chapters 1 and 2 of the Australian Securities Exchange (**ASX**) Listing Rules with respect to the proposed change to the nature and scale of the Company's activities.

The acquisition is conditional on satisfaction of certain conditions and resolutions that are being put forward to shareholders, at the General Meeting scheduled to be held on 21 January 2016, including shareholder approval for a change in nature and scale of activities.

For further information please contact:

Henry Kinstlinger

Frontier Capital Group Limited

Telephone: +61 2 9251 7177



Frontier Capital Group Limited
to be renamed

Fortune Crown Group Limited

ACN 145 105 148

Prospectus

This Prospectus is a re-compliance prospectus for the purposes of satisfying Chapters 1 and 2 of the ASX Listing Rules and to satisfy ASX requirements for re-listing following a change to the nature and scale of the Company's activities.

No securities will be issued or sold under this Prospectus.

IMPORTANT INFORMATION

This is an important document that should be read in its entirety.

If you do not understand it, you should consult your professional advisers.

Directory

Company Frontier Capital Group Limited to be renamed Fortune Crown Group Limited ACN 145 105 148 Level 2 131 Macquarie Street Sydney NSW 2000 p: +61 2 9251 7177 f: +61 2 9251 7500 e: corporate@fcgl.com.au w: www.fcgl.com.au ASX Code FCG	Directors Madam Zhang Li Ramakrishnan S Navaratnam William (Bill) Wilkinson Proposed Directors at Completion Wong Ken Hong Leung Foo Meng Law Hun Seang Dawn Suzanne Feliciano Rodrigo C. Ramos Janet Rita B. Lazatin Joint Company Secretaries Henry Kinstlinger Julian Rockett Chief Financial Officer Francis Choy
Australian Legal Advisers Piper Alderman Level 23, Governor Macquarie Tower 1 Farrer Place Sydney NSW 2000	Auditors* K.S. Black & Co Level 6, 350 Kent Street Sydney NSW 2000
Share Registry* The Registrar Computershare Investor Services Pty Limited Yarra Falls, 452 Johnston Street Abbotsford VIC 3067 (Melbourne) p: +61 (3) 9415 4000 and 1300 855 080	Investigating Accountant RSM Financial Services Australia Pty Ltd Level 21, 55 Collins Street Melbourne VIC 3000

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

Any questions concerning the Prospectus or the Acquisition should be directed to the Company Secretary on +61 2 9251 7177.

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Important Information

Important Information

Key dates	
Lodgment of Prospectus with ASIC	7 January 2016
Application for re-listing with ASX	7 January 2016
General Meeting	21 January 2016
Suspension of the Company's securities from trading on the ASX	21 January 2016
Receipt of ASX confirmation that Chapters 1 and 2 requirements satisfied	3 February 2016
Completion of Acquisition	5 February 2016
Expected date for dispatch of shareholding statements	10 February 2016
Expected date for reinstatement of the Company to the Official List of the ASX	10 February 2016

These dates are indicative only and subject to change. The Board at its own discretion and subject to its statutory obligations reserves the right to alter this timetable at any time.

Prospectus

This Prospectus is dated 7 January 2016.

This Prospectus is prepared by Frontier Capital Group Limited (to be renamed Fortune Crown Group Limited) (Company) and was lodged with Australian Securities & Investments Commission (ASIC) on the date of this Prospectus.

Neither ASIC nor the ASX take any responsibility for the contents of this Prospectus.

The Company has issued this Prospectus in Australia.

No Exposure Period

No exposure period applies to this Prospectus.

Purpose of Prospectus

This Prospectus is being issued for the purposes of compliance with Listing Rule 1.1, Condition 3 and assisting the Company to meet the requirements of ASX for re-admission to the Official List following a change to the nature and scale of the Company's activities.

No Securities will be issued or sold pursuant to this Prospectus.

No person named in this Prospectus, nor any other person, guarantees the performance of the Company, the repayment of capital or the payment of a return on the Shares.

Change in the nature and scale of activities and re-compliance with Chapters 1 and 2 of the ASX Listing Rules

At the Extraordinary General Meeting scheduled to be held on 21 January 2016, the Company is seeking Shareholder approval for a change in nature and scale of its activities.

ASX requires the Company to re-comply with Chapters 1 and 2 of the ASX Listing Rules. This Prospectus is issued to assist the Company to re-comply with these

requirements.

The Company's Securities will remain suspended from trading on ASX from the date of the Extraordinary General Meeting and will not be reinstated until satisfaction of the Conditions of the Share Purchase Agreement and ASX approving the Company's re-compliance with the admission requirements of Chapters 1 and 2 of the ASX Listing Rules.

Representation

No person is authorised by the Company to give any information or make any representation that is not contained in the Prospectus. Any information or representation not contained in this Prospectus may not be relied on as having been authorised by the Company, its Directors or any other person. The Company's business, financial condition, results of operations and prospects may have changed since the date of this Prospectus.

Forward-looking statements

This Prospectus contains forward-looking statements concerning the Company's business, operations, financial performance and condition as well as the Company's plans, objectives and expectations for its business, operations and financial performance and condition. Any statements contained in this Prospectus that are not of historical facts may be deemed to be forward-looking statements. You can identify these statements by words such as "aim", "anticipate", "assume", "believe", "could", "due", "estimate", "expect", "goal", "intend", "may", "objective", "plan", "predict", "potential", "positioned", "should", "target", "will", "would" and other similar expressions that are predictions of or indicate future events and future trends.

These forward-looking statements are based on current expectations, estimates and projections about the Company's business and the industry in which the Company operates and management's beliefs and assumptions. These forward-looking statements are not guarantees of future performance or development and involve known and unknown risks, uncertainties and other factors that are in some cases beyond the Company's control. As a result, any or all of the Company's forward-looking statements in this Prospectus may turn out to be inaccurate. Factors that may cause such differences

Important Information cont

include, but are not limited to, the risks described in the Section under the heading “Risk factors” at Section 1.

Readers are urged to consider these factors carefully in evaluating the forward-looking statements and are cautioned not to place undue reliance on the forward-looking statements. These forward-looking statements speak only as at the date of this Prospectus. Unless required by law, the Company does not intend to publicly update or revise any forward-looking statements to reflect new information or future events or otherwise. You should, however, review the factors and risks the Company describes in the reports to be filed from time to time with the ASX after the date of this Prospectus.

This Prospectus contains market data and industry forecasts that were obtained from industry publications, third-party market research and publicly available information. These publications generally state that the information contained in them has been obtained from sources believed to be reliable, but the Company has not independently verified the accuracy and completeness of such information.

Time

All references to time in this Prospectus refer to Australian Eastern Standard Time unless stated otherwise.

Photographs and Diagrams

Items and undertakings depicted in photographs and diagrams in this Prospectus, unless otherwise stated, are not assets of the Company. Diagrams appearing in this Prospectus are illustrative only and may not be drawn to scale.

Websites

Any references to documents included on the Company's website are provided for convenience only, and none of the documents or other information on that website (or any other websites) is incorporated in this Prospectus by reference.

Other matters

Some numerical figures included in this Prospectus have been subject to rounding adjustments. Accordingly, numerical figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that preceded them.

This Prospectus also includes trademarks, trade names and service marks that are the property of other organisations.

Unless otherwise stated, all references to “\$”, dollars and cents are to Australian currency.

Volatility in the PHP/\$ exchange rate may mean that the actual \$ amounts at the time of consideration of this Prospectus may differ from the amounts stated. Any discrepancies between totals and sums and components in tables, figures and diagrams contained in this Prospectus are due to rounding.

Unless otherwise stated or implied, references to dates or years are calendar year references.

Glossary

Defined terms and abbreviations used in this Prospectus are explained in section 11.

Investment Overview and Risks Summary

Investment Overview and Risks

Investment Overview

The Company announced to ASX on 6 November 2015, that the Company had agreed, subject to Shareholder approval and the satisfaction of certain other conditions, to acquire the entire issued share capital of Stotsenberg Leisure Park & Hotel Corporation (**Stotsenberg**), in return for the issue of 154,050,000 Shares.

On completion of the Acquisition, the Company will own the entire issued share capital of Stotsenberg Leisure Park & Hotel Corporation. Stotsenberg is a company limited by shares, incorporated in the Philippines, Stotsenberg was incorporated on 10 August 2004 and commenced operations on 8 February 2007.

Stotsenberg Leisure Park & Hotel Corporation

Stotsenberg consists of Hotel Stotsenberg and Casablanca Casino and is located at Clark, a sprawling, cosmopolitan metropolis that offers many places of interests and a host of events and activities accessible to a wide spectrum of tourists and visitors.

With a highly improved road network and increasing flights at Clark International Airport (CIA), Clark is setting out to become the hub for business, aviation and tourism in the Philippines.

The Stotsenberg Hotel and Casablanca Casino are located less than 2 kilometres from the CIA. Several airlines offer domestic and international flights to CIA, with 4 million passengers arriving each year expanding to accommodate 8 – 16 million passengers.

Clark Freeport Zone, in the Philippines, is a redevelopment of the former Clark Air Base, a former United States Air Force base. It is located on the northwest side of Angeles City and borders the municipality of Mabalacat in the province of Pampanga. It is located 80 kilometers northwest of Metro Manila. The zone is a former US military base and has modern infrastructure facilities, generous fiscal and non-fiscal incentives, professional support services and other amenities. Refer to section 1.5(a) for further information.

Stotsenberg Hotel

The Stotsenberg Hotel consists of impressive 3 storey buildings with 239 hotel rooms – 2 Presidential Suites (The John M. Stotsenberg Suite and the Harold M. Clark Suite); 39 Executive Rooms, 28 Deluxe Queen Bedrooms, 163 Deluxe Twin Bedrooms; and 7 Studio rooms. Outlets include restaurants and bars – Bleu, Twist, S-Bar, Hacienda Lounge while amenities consist of swimming pool, the Trim Gym and the Central Park in the middle of the development. Additional facilities are the Convention Center, which can accommodate 650 - 2,000 people (depending on configuration). Refer to section 1.5(b) for further information.

Casablanca Casino

The Casablanca Casino operates from the Stotsenberg Hotel, inspired by the 1942 romantic hit film Casablanca starring Humphrey Bogart and Ingrid Bergman

The Company has undertaken a due diligence programme on Stotsenberg and the Board believes that the Acquisition represents an excellent opportunity to acquire a business with high potential for growth. Refer to section 1.5(c) for further information.

Operations and Management

Elxcite Gaming and Entertainment Inc. (**Elxcite**) have been contracted by Stotsenberg to operate and manage the hotel and casino.

Elxcite provides full and comprehensive advisory, development and business management services for Casino and Integrated Resort Owners. Their management team and associates possess deep knowledge on casino operations and have considerable experience in senior management levels in multiple jurisdictions, which is vital for the proper development and management of gaming facilities. Elxcite also has an extensive network that further strengthens their player development and market understanding on how best to service the target markets. Elxcite provides business solutions to casino resort owners to expedite their development and operations through market research, evaluation of new projects for future developments, management of the entire gaming operations, and correction of the performance metrics to further improve the business. Refer to section 1.6 for further information.

Risks Summary

Investors should be aware that an investment in the Company involves many risks, which may be higher than the risks associated with an investment in other companies.

Some of the key risks associated with an investment in the Company are summarised in the following table.

These do not identify all of the risks associated with the investment and investors should carefully read the section on risk factors outlined in section 5.

Investment Overview and Risks Summary cont

Key Risk	Comment
Re-Quotation of Shares on ASX	<p>The acquisition of Stotsenberg constitutes a significant change in the nature and scale of the Company's activities and the Company needs to re-comply with Chapters 1 and 2 of the ASX Listing Rules as if it were seeking admission to the Official List.</p> <p>There is a risk that the Company may not be able to meet the requirements of the ASX for re-quotation of its Shares on the ASX. Should this occur, the Shares will not be able to be traded on the ASX until such time as those requirements can be met, if at all. Shareholders may be prevented from trading their Shares should the Company be suspended until such time as it does re-comply with the ASX Listing Rules.</p>
Competition risk	<p>The industry in which the Company will be involved is subject to domestic and global competition. While the Company will undertake all reasonable diligence in its business decisions and operations, the Company will have no influence or control over the activities or actions of its competitors, which activities or actions may, positively or negatively, affect the operating and financial performance of the Company's business.</p>
Laws and regulations	<p>The laws and regulations in Philippines differ to those that exist in Australia. Laws may unexpectedly change, and could have an impact on the operational activities of the Company in Philippines. While Stotsenberg has operated successfully within the Philippines legal and regulatory environment, unforeseen changes could materially impact the operating results of the Company.</p>
Single casino risk	<p>After Completion the Company will be dependent on its current business and Stotsenberg, for its cash flow.</p> <p>As a result, the Company will be subject to greater risks than a gaming company with more operating properties.</p>
Capital structure	<p>Should the Options be exercised or the Performance Shares converted, Shareholders will have their holdings diluted.</p>
Reliance on key personnel	<p>Skilled employees and consultants are essential to the successful delivery of the Company's strategy.</p> <p>Upon changing the nature and scale of its activities, the Company will rely to a large extent on the services of certain key management personnel, particularly certain of its Philippines nationals who will manage day to day interactions with contractors and regulatory authorities, the loss of any of which could delay the pursuit of the Company's strategy. The Company will not maintain key-man life insurance with respect to any of its employees.</p>
Casino winnings risk	<p>The winnings of Casablanca Casino patrons could exceed the casino winnings at particular times during our operations. Win rates for the Casablanca casino operations depend on a variety of factors, some beyond the control of Stotsenberg or the Company. In addition we note that all gaming business can be subject to cheating and counterfeiting.</p>
Restricted Securities and effect on liquidity	<p>Subject to the Company being reinstated to the Official List, certain Shares may be classified by ASX as Restricted Securities. ASX may require that they be held in escrow for up to 24 months from the date of reinstatement.</p> <p>During the period in which Securities are prohibited from being transferred, trading in Shares may be less liquid which may impact on the ability of a Shareholder to dispose of their Shares in a timely manner.</p>
Market conditions	<p>The market price of the Shares can fall as well as rise and may be subject to varied and unpredictable influences both globally and domestically.</p>
Economic	<p>General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's activities, as well as on its ability to fund those activities.</p>

Letter to Shareholders

Letter to Shareholders

7 January 2016

Dear Members,

As at the date of this Prospectus, the Company is known as Frontier Capital group Limited (**FCG** or **Company**) and has been an ASX-listed company since 6 December 2011.

Following a thorough analysis of the business and its prospects for future growth, the Board of Directors has decided it is essential to significantly change the nature and scale of the Company's activities. The Company is proposing to acquire Stotsenberg, an established hotel and casino operating in Clark, Philippines, and rename itself Fortune Crown Group Limited.

No capital raising is contemplated in this Prospectus.

On completion of the acquisition pursuant to the Share Purchase Agreement (**Completion**), the nature of the Company's business will change to a gaming company with a focus on the Asia-Pacific gaming and hospitality market. Subject to satisfaction of certain conditions precedent to Completion (refer to section 9.4) the Company will wholly own Stotsenberg Leisure Park & Hotel Corporation, which consists of the Stotsenberg Hotel and Casablanca Casino.

Elxcite Gaming and Entertainment Inc have been engaged to provide operation and management to Stotsenberg. Their remuneration is highly incentive based.

This Prospectus contains detailed information about the Acquisition, the industry in which the Company operates and its financial and operating performance. As with other companies, the Company is subject to a range of risks. The risks of investing in the Company are fully detailed in section 5. I encourage you to read this document carefully and in its entirety before making your investment decision.

The Directors are confident that the Company's business, in conjunction with the growth profile of the industry and the expertise of the Board and management team, provides a strong platform for growth.

If you have any questions about the Acquisition or this Prospectus, please contact the Company or consult your licensed financial adviser, stockbroker or other professional adviser. If you have any questions regarding your holding in Shares or other share registry matters, please contact Computershare on +61 (0)3 9415 4000.

Yours sincerely



William Wilkinson
Director

1. Company Overview

1.1 Background

The Company was incorporated in Victoria on 8 July 2010 and was admitted to the Official List in December 2011.

Originally an Australian exploration company focussed on developing lead, zinc, silver, copper and gold metal properties primarily in northern NSW. In February 2015 it underwent a change of activities when it acquired CK Graphic Sdn Bhd, a Malaysian company that was established in 2003. CK Graphic is a visual communication company dedicated to create a dynamic lasting design solution for its clients through the latest media technology with expertise in digital rendering and digital visualisation.

It provides its clients with services in the areas of computer-based architectural rendering, 3D modelling and visualisation, architectural illustration, digital interior designing, and walk-through animation with a photo-realistic output.

In July 2015 the Company announced the proposed acquisition of the licence to operate the Mongolian National Lottery.

Subject to the Conditions Precedent being satisfied, Frontier Capital will acquire the companies that hold the special licence to operate the Mongolian National Lottery – BizINVIN LLC and Modern Capital Vest LLC (Companies), Mongolian subsidiaries of Monvest Group Pte Ltd (Vendor), a Singaporean company. Frontier Capital will also have the right to establish the first casino in Mongolia.

BizINVIN's lottery license issued by the Mongolia Ministry of Finance was renewed for an additional three-year years by the Mongolia Ministry of Finance in 2013. It covers both passive and active lottery games. The license was used to launch the 6D Jackpot, the first such jackpot lottery for Mongolia, and 6/42 Lotto products, with the first draw held in November 2011.

The Stotsenberg business will be the primary focus of the Company, subject to other future investment and business opportunities that may be identified by the Board.

Following completion of the Stotsenberg acquisition the Directors will review the Company's shareholding in its subsidiary companies and assess whether these investment should be retained or sold.

1.2 Profile of the Company

The Company is an Australian company that was historically focussed on developing lead, zinc, silver, copper and gold metal properties (primarily in northern NSW). Until September 2014, the Company was a subsidiary of Sovereign Gold Company Limited (ASX: SOC).

On 18 November 2013, the Company acquired a 100% interest in the Peel Fault Gold Project located in north-east NSW (comprising 8 Exploration Licences as set out below), previously the subject of a farm-in and joint venture with Mount Adrah Gold Limited (formerly Gossan Hill Gold Limited), a subsidiary of SOC. The Company issued 2,000,000 Shares as consideration for the Peel Fault Gold Project acquisition.

The Company's exploration focus had previously been on its Halls Peak silver, lead and zinc project, located in northern NSW. The Halls Peak tenements comprised 3 Exploration Licences (EL), EL 4474, EL 5339 and EL 7679.

On 18 August 2014, Shareholders approved a special resolution to cancel 64,000,000 Shares held by SOC for \$nil consideration. Shareholders also approved the transfer of the Halls Peak tenements to SOC for consideration of 1,000,000 SOC ordinary shares issued to the Company.

Following the cancellation of the Shares formerly held by SOC, the Company's total ordinary shares on issue was reduced to 23,000,000 effective from 1 September 2014.

On 25 February 2015 shareholders approved the acquisition of CK Graphic and issued 37,500,000 shares and 37,500,000 options exercisable at \$0.20 expiring 27 March 2018 as consideration. These securities are escrowed until 7 April 2017.

On 12 June 2015, the Company issued 13,000,000 Listed Options exercisable at 40 cents expiring 30 June 2018.

On 14 July 2015 the Company advised the proposed purchase of the licence to operate the Mongolian State Lottery.

On 30 June 2015, Bill Wilkinson was appointed as Director of the Company. The current Directors of the Company are set out below:

- Madam Zhang Li and (Non-Executive Director);
- Mr Ramakrishnan Navaratnam (Non-Executive Director) ; and
- Bill Wilkinson (Non-Executive Director)

The Company's exploration interests are being rationalised and will comprise the following:

- Peel Fault Gold Project, comprising 8 Exploration Licences (EL), EL 6648, EL 7863, EL 7862, EL 7725, EL 7726, EL 8161, EL 8211 and EL 8277
- Broken Hill Gold Project (Panama Hat Drill Target) comprising EL 8024

The Tenements are held by Subsidiary Companies.

Following completion under the Share Purchase Agreement, the Directors will review the Company's investments and assess whether these investments should be retained or sold.

1.3 Stotsenberg Acquisition

The business activities of the Company are being expanded through the acquisition of Stotsenberg Leisure Park & Hotel Corporation. See section 1.5 for further details on Stotsenberg.

On 15 October 2015, the Company entered into the Share Purchase Agreement pursuant to which the Company will acquire all of the shares in Stotsenberg. A summary of the Share Purchase Agreement (including conditions precedent) is set out in section 9.4.

When completion under Share Purchase Agreement occurs:

- the Company will issue the Acquisition Securities;
- the Company will issue the Management Securities;
- the Company will acquire 100% of the issued share capital in Stotsenberg; and
- the Company will become focused on the development of gaming and hospitality businesses, being a change in focus to the Company's business objectives.

The Directors believe that the Stotsenberg acquisition will provide a solid financial foundation for the future, as well as a capital base that will allow the Company to take advantage of a wider range of attractive investment opportunities in the Asia-Pacific gaming and hospitality market.

Following completion under the Share Purchase Agreement, the Company's focus will initially be to develop the Stotsenberg Hotel and the Casablanca Casino currently conducted by Stotsenberg. The Company currently intends to do this through:

- the continuation and development of the services currently offered by Stotsenberg (see section 1.5 for further details); and
- if appropriate targets can be identified, the acquisition of additional existing gaming and hospitality businesses.

In addition, following completion under the Share Purchase Agreement:

- the Company may be required to raise additional capital to fund the further development of Stotsenberg and other acquisitions. No specific capital raising requirements have been identified at this stage;
- the Board will review the Company's shareholding in the Subsidiary Companies and assess whether these investments and other investments should be retained or monetized; and
- the Company will explore other investment and business opportunities in other sectors and locations, as considered appropriate by the Board and subject to any required Shareholder and other approvals that may be required in relation to those investments.

1.4 The Philippines Gaming Industry

Philippines has benefited recently from the migration and expansion of Macau junkets to overseas casinos, - as evidenced by the numerous junkets setting up across all casinos in the Philippines.

PAGCOR announced a moratorium in the issue of new casino licenses for three years.

JP Morgan research expects Philippines to see the fastest market expansion in local gambling clientele coupled with rising penetration into Chinese and Asian VIPs.

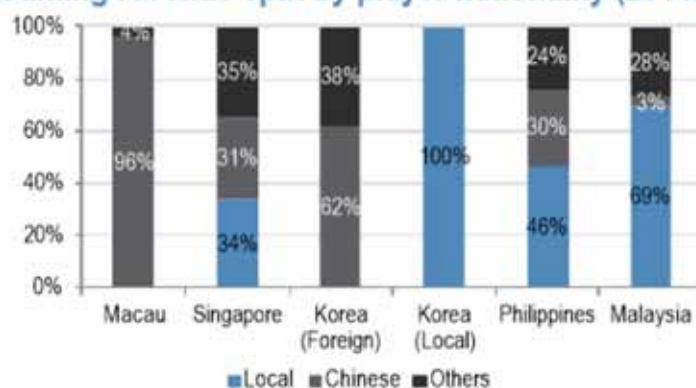
Asian gaming: Gross gaming revenues & YoY growth

(US\$ b)	2013	2014E	2015E	2016E	2017E	2018E	'14E-18E CAGR
Macau	45.1	45.3	46.5	53.0	59.6	66.6	10%
YoY %	19%	0%	3%	14%	13%	12%	
Singapore	6.1	6.4	6.4	6.6	6.9	7.2	3%
YoY %	3%	5%	0%	4%	4%	4%	
Korea	2.4	2.7	2.9	3.1	3.3	3.8	9%
YoY %	11%	12%	8%	6%	8%	15%	
Philippines	2.2	2.6	3.2	3.7	4.1	4.5	15%
YoY %	16%	17%	25%	16%	11%	9%	
Malaysia	1.8	1.7	1.8	1.9	2.0	2.2	6%
YoY %	3%	-4%	3%	6%	7%	7%	
Asia total	58.0	59.1	61.3	68.9	76.6	85.0	10%
YoY %	16%	2%	4%	12%	11%	11%	

Source: Company reports, J.P. Morgan estimates

Philippines has a healthy split of Contribution by Nationality which cushions the industry from the recent impact to Macau due to Chinese government initiatives in clamping graft activities. It also has the second highest revenue contribution by locals.

Gaming revenue split by player nationality (2014E)



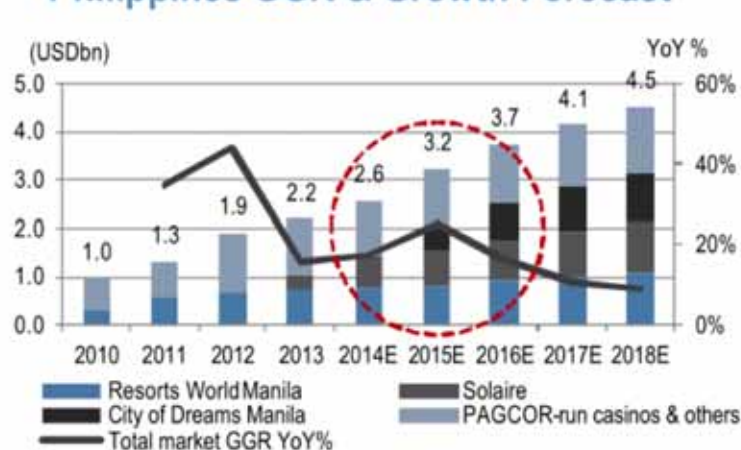
The Philippines gaming penetration rate per population is still relatively low comparing to its Asian peers.

Penetration based on "Headcount" (visitor #)



Philippines Gross Gaming Revenues is expected to double by 2018.

Philippines GGR & Growth Forecast



1.5 Stotsenberg Leisure Park & Hotel Corporation

(a) Profile

Stotsenberg consists of Hotel Stotsenberg and Casablanca Casino and is located at Clark, a sprawling, cosmopolitan metropolis that offers many places of interests and a host of events and activities accessible to a wide spectrum of tourists and visitors.


With a highly improved road network and increasing flights at Clark International Airport (CIA), Clark is setting out to become the hub for business, aviation and tourism in the Philippines.

The Stotsenberg Hotel and Casablanca Casino are located less than 2 kilometres from the CIA. Several airlines offer domestic and international flights to CIA, with 4 million passengers arriving each year expanding to accommodate 8 – 16 million passengers.



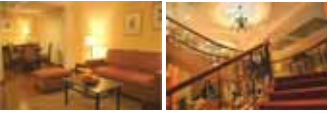
Clark Freeport Zone, in the Philippines, is a redevelopment of the former Clark Air Base, a former United States Air Force base. It is located on the northwest side of Angeles City and borders the municipality of Mabalacat in the province of Pampanga. It is located 80 kilometers northwest of Metro Manila. The zone is a former US military base and has modern infrastructure facilities, generous fiscal and non-fiscal incentives, professional support services and other amenities.

(b) Stotsenberg Hotel

The Stotsenberg Hotel consists of impressive 3 storey buildings with 239 hotel rooms – 2 Presidential Suites (The John M. Stotsenberg Suite and the Harold M. Clark Suite); 39 Executive Rooms, 28 Deluxe Queen Bedrooms, 163 Deluxe Twin Bedrooms; and 7 Studio rooms. Outlets include restaurants and bars – Bleu, Twist, S-Bar, Hacienda Lounge while amenities consist of swimming pool, the Trim Gym and the Central Park in the middle of the development. Additional facilities are the Convention Center, which can accommodate 650 - 2,000 people (depending on configuration)




Beyond Genuine Filipino Hospitality






Hotel Stotsenberg is located in the midst of the progressive industrial Clark Freeport Zone between the dynamic cities of Angeles and San Fernando. Hotel Stotsenberg is an impressive three-storey 239-room hotel surrounded by a beautifully landscaped property.

www.hotelstotsenberg.com




Beyond Genuine Filipino Hospitality




A mere five minutes drive from Diosdado Macapagal International Airport, the hotel is accessible from all points of greater Luzon via North Luzon Expressway and SCTEX Clark South.

www.hotelstotsenberg.com




Beyond Genuine Filipino Hospitality




LEGEND

- Twist Restaurant
- Casablanca Casino
- S-Bar
- Bleu Sports Bar
- Trim Gym
- Convention Center
- Central Park
- Walk / Pathway
- Building ABCD
- Lobby
- Guest Lift



www.hotelstotsenberg.com



Beyond Genuine Filipino Hospitality



A 163-square-meter suite with a living room, a dining room, an ante room, a guest room with its own toilet and shower room, a master bedroom with a walk-in closet, a toilet and shower room and a Jacuzzi.

www.hotelstotsenberg.com

 <p>Beyond Genuine Filipino Hospitality</p>  <p>A 128-square-meter suite with a living room, a dining room, an ante room, a guest room with its own toilet and shower room, a master bedroom with a walk-in closet, a toilet and shower room and a Jacuzzi.</p> <p>www.hotelstotsenberg.com</p>	<p>Harold M. Clark Suite</p> 	 <p>Beyond Genuine Filipino Hospitality</p>  <p>39 units</p> <p>A 60-square-meter suite with a living room, a dining room, an ante room, a master bedroom with a walk-in closet, a toilet and shower room.</p> <p>www.hotelstotsenberg.com</p>	<p>The Executive Suite</p> 
 <p>Beyond Genuine Filipino Hospitality</p>  <p>191 units</p> <p>With twin beds or queen beds. A 30-square-meter suite with a master bedroom, a walk-in closet, a toilet and shower room</p> <p>www.hotelstotsenberg.com</p>	<p>Deluxe Room</p> 	 <p>Beyond Genuine Filipino Hospitality</p> <p>Unwind at S Bar and sing your heart out with our music and entertainment facilities. Opens nightly except Mondays, from 7 pm until 2am.</p> <p>www.hotelstotsenberg.com</p>	<p>Dining facilities</p>  
 <p>Beyond Genuine Filipino Hospitality</p> <p>Twist, simply unmatched – literally a fusion of flavored cuisine where Eastern and Western styles offering come together. Breakfast, lunch buffet on all Fridays, Saturdays and Sundays. A la Carte choices are served. Open from 6am to 10 pm.</p> <p>www.hotelstotsenberg.com</p>	<p>Dining facilities</p>  	 <p>Beyond Genuine Filipino Hospitality</p> <p>Use the billiard, table tennis, dart and other games available at our sports bar beside the swimming pool. Enjoy a variety of snacks and cocktails and the relaxing and informal ambience al fresco with your family. Opens daily from 7 am to 11 am and 4 pm to 9 pm.</p> <p>www.hotelstotsenberg.com</p>	<p>Dining facilities</p>  

 <p>Beyond Genuine Filipino Hospitality</p>  <p>The Poolside is ideal for weddings, receptions and outdoor fashion shows</p> <p>www.hotelstotsenberg.com</p>	<p>Recreational & Outdoor facility</p>   <p>www.hotelstotsenberg.com</p>	 <p>Beyond Genuine Filipino Hospitality</p>  <p>Hotel Stotsenberg is the ideal venue for business meetings, social gatherings, shows, events, team building, workshops, exhibit, product launches, corporate conventions and trade fairs. It boasts of a convention center and different function rooms.</p> <p>www.hotelstotsenberg.com</p>	<p>Convention Center</p>  
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(c) Casablanca Casino

The Casablanca Casino operates from the Stotsenberg Hotel, inspired by the 1942 romantic hit film Casablanca starring Humphrey Bogart and Ingrid Bergman.

 <p>Beyond Genuine Filipino Hospitality</p>   <p>Housed at the ground level of Hotel Stotsenberg, Casablanca Casino is the latest addition to the exciting nightlife in Clarkfield, Pampanga. Inspired by the 1942 romantic hit film Casablanca starring Humphrey Bogart and Ingrid Bergman, Casablanca offers exciting table games such as Baccarat and Blackjack, Roulette, as well as world-class slot games. A 24-hour bar offers a wide array of alcoholic beverages and pica-pica favorites. Bands, jazz artists and Las Vegas-style performers provide live entertainment and enhance the total Casablanca experience.</p> <p>www.hotelstotsenberg.com</p>	<p>Gaming</p> 
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1.6 Operations and Management

Stotsenberg will be managed by Elxcite pursuant to the Operations and Management Agreement., refer to section 9.4 for further details.

Elxcite Gaming and Entertainment Inc

Elxcite Gaming and Entertainment Inc (**Elxcite**) have been appointed managers of Stotsenberg pursuant to the Operations and Management Agreement.

Elxcite provides full and comprehensive advisory, development and business management services for Casino and Integrated Resort Owners. Their management team and associates possess deep knowledge on casino operations and have considerable experience in senior management levels in multiple jurisdictions, which is vital for the proper development and management of gaming facilities. Elxcite also has an extensive network that further strengthens their player development and market understanding on how best to service the target markets. Elxcite provides business solutions to casino resort owners to expedite their development and operations through market research, evaluation of new projects for future developments, management of the entire gaming operations, and correction of the performance metrics to further improve the business.

Elxcite has guaranteed to the Company that the NPAT for the financial years ending 31 December in 2016, 2017, 2018, 2019 and 2020 will not be less than USD\$5,000,000 per annum (**Profit Guarantee**).

On the Completion Date, the Company will issue 28,440,000 Shares and 113,760,000 Performance Shares (converting into 113,760,000 Shares over 5 years if the Profit Guarantee is met) to Elxcite pursuant to their engagement which will convert as the Profit Guarantee is met.

The Performance Shares will convert to Shares upon confirmation that the Profit Guarantee has been met for each relevant Financial Year.

The Profit Guarantee is performance based and not otherwise guaranteed or secured.

(a) **Elxcite Key Management Personnel**

Juan Martin L. Syquia
President

Mr Syquia is an experienced banker with a strong base of business relationships in the Philippines, Hong Kong and Singapore built over a 15-year banking career at Barclays Capital, Deutsche Bank and Nomura. He possesses deep knowledge on Project and Capital Finance built from his strong background and experience in Debt Capital Markets, amassed during his tenure in Barclays Capital. Mr Syquia also headed Deutsche Bank Manila's Debt Capital Market team for 7 years.

Wong Ken Hong
Chief Financial Officer
Senior Vice President, Finance

Mr Wong holds the function of Chief Financial Officer of various Elxcite partner properties and oversees the operation of Finance, Corporate Treasury, Purchasing and Information Technology Departments, as well as the implementation and streamlining of controls across all Elxcite partner properties. He has over 14 years hands-on experience in gaming and gaming-related environments and held various Senior Positions in Genting Hong Kong. Mr Wong holds a degree in Bachelor of Business major in Accounting from La Trobe University of Australia and an MBA in Finance from Charles Stuart University of Australia. He is also a member of the Australian Society of Certified Practising Accountants and the Malaysian Institute of Accountants.

Mr Wong has been nominated to join the board of the Company following Completion of the Share Purchase Agreement.

Kristine Margaret R. Delos Reyes
Senior Vice President, Legal, Human Resources and Administration
Attorney-at-Law, Juris Doctor

Ms Delos Reyes graduated from one of the Philippines most recognized law schools, Ateneo De Manila University School of Law. She has practiced law in the fields of civil and criminal litigation, corporate law and intra-corporate disputes, as well as arbitration in Angara Abello Concepcion Regala & Cruz Law Offices, one of the biggest and most distinguished law firms in the Philippines, prior to joining the gaming industry in Resorts World Manila as the Head of Legal Special Projects and Contracts, specializing on corporate mergers and acquisitions, debt capital markets, intellectual property, corporate housekeeping, gaming and hotel development, and regulatory compliance in the stock exchange.

Leung Foo Meng
Senior Vice President, International Marketing

Mr Leung started off as a commercial banker in the Philippines, gaining his exposure from the Hong Kong Shanghai Banking Corporation and Hong Leong Bank in the Philippines. In 2009, Mr Leung joined and invested in junket operations in Macau, heading the business and player development across the Asia Pacific region. He also oversees and supervises the partnerships with travel agencies to consistently drive business and growth of player development in Elxcite partner properties.

Mr Leung has been nominated to join the board of the Company following Completion of the Share Purchase Agreement.

Chuah Eng Hun**Senior Vice President, Slots and eGaming Business Development**

Mr Chuah holds a Bachelor of Commerce, major in Accounting, from Deakin University in Australia and is a member of CPA Australia. He obtained his professional training in Ernst & Young from February 2006 to February 2009. Mr Chuah subsequently joined RGB International Bhd (RGB) in March 2009 as a Non-Independent & Non-Executive Director.

RGB is the leading supplier of slot machines and integrated solutions to the growing Asian gaming industry. RGB manages more than 2500 slot machines across the Asian gaming market. Mr Chuah became the Executive Director of RGB in March 2011, heading its operations in the Philippines, which became instrumental in the development and growth of the Philippine market for Slots and eGaming.

Tneoh Khye Lock**Senior Vice President, Business Planning and Training**

Mr Tneoh holds a degree of Bachelor of Commerce from Flinders University in Australia. He has 12 years of casino experience with the Genting Group and has been involved in many start-ups and casinos operations. He also has vast exposure and expertise in the Online Gaming Industry. Apart from casino operations, Mr Tneoh is also involved in Business Planning as well as Training and Development.

Luis Alberto Madeira Braga**Senior Vice President, Gaming Business Development**

Mr Braga is currently based in Macau. He has 15 years of experience in Sales and Marketing in the gaming industry and manages a wide customer base throughout the Asia Pacific region, with main focus on the Guangdong District in China. Mr Braga's clientele throughout the Asia Pacific region contributes an average turnover of HKD300 million (AUD50 million) per month.

Law Hun Seang**Senior Vice President, Construction and Project Management**

Mr Law holds a degree in Bachelor of Science major in Building Economic and Project Management. He has 22 years work experience in the furniture and building materials industry. He has been involved in the overall project management, design and interior finishing of various buildings, structures and establishments in the hospitality and resort industry across Asia Pacific.

1.7 Business Model

The Philippines economy is growing strongly and the political outlook remains positive. The Philippines Gaming sector remains robust and Gross Gaming Revenue is expected to double by 2018. PAGCOR has advised that no new gaming licenses will be issued in the next three years¹.

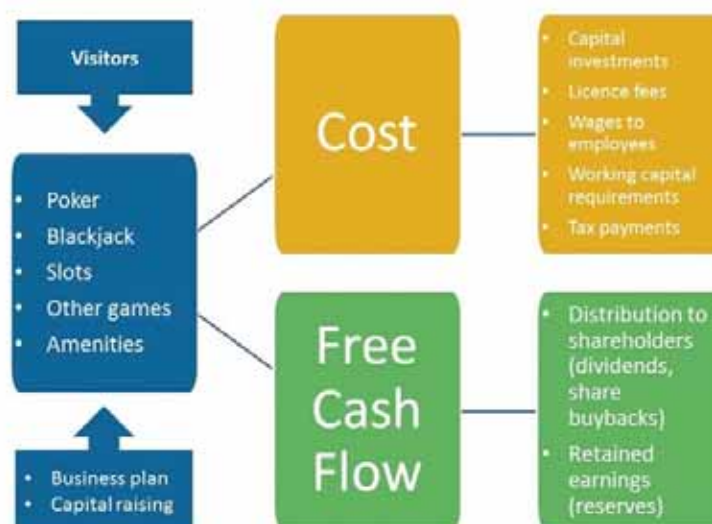
Elxcite as managers have proposed:

- a. Consolidating and changing of the current gaming tables and slots configuration to improve patronage and revenue, building capacity upward to the PAGCOR approved numbers of gaming tables and slots machines

	Current	2016	License Capacity
Gaming Tables	36	47	60
Slot machines	190	250	359
VIP rooms	2	2	N/A

- b. Improving the Slots Machines leasing arrangements and games type by adding better performing machines;
- c. Engaging a new business development team to target Mid / High Local VIPs within 50km radius who are currently under served;
- d. Rolling out Bus Programs covering 1st Tier Cities within 100km radius;
- e. Rolling out Flight Programs through joint ventures with Mid Size junkets operating in China and South East Asia;
- f. Develop a new Business Segment in Proxy Betting and Internet Gaming via joint venture; and
- g. Face Lift of Property and facility to improve visitation of the captured markets of 30kms vicinity.

¹ Statement made in 2014.



The above chart shows a high-level casino business model.

Generated revenue is used to meet business costs—like license fees, capital expenditures, and wages. The revenue is also used to distribute the free cash flow to the shareholders—through dividends and share buybacks. If there's any remaining free cash flow, it is retained by the business. The business uses it to provide for more growth. It can also use it to meet any contingent liability.

1.8 Popular casino games played at Casablanca Casino

Slots

Slots are machines that play a number of different games. Generally, a player inserts coins into the machine. Then they pull a handle or press a button. This causes the wheels to spin. When the wheels stop, the player wins or loses based on the pattern of symbols.

Blackjack

Blackjack is a card game. It's played between the house—also known as the dealer—and the player. The dealer deals out two cards to each player and keeps two cards. The dealer has one card face up and one down. The players take turns trying to get as close as they can to 21. The player calls "hit" to get a card until they end their turn. A player can also call "double." This doubles their bet. They can only get one card and their turn ends. If a player has two identically numbered cards, they can split. If they reach over 21 they lose their bet.

Roulette

In roulette, the player places their chips on the table to wager them. The table has numbers 0-36 and 00. It has additional betting for even-odd, red-black, low 18-high 18, low/middle/high 12 and for the first/second/third columns. The dealer spins the wheel clockwise. Then, they roll a ball counter-clockwise. The ball lands in a numbered slot on the wheel. All bets that correspond with the number win various amounts depending on the payout for each betting section.

Poker

Poker is a card game. It's based on a five-card hand. Hands are ranked from lowest to highest. The order of hands is high card, pair, two pair, three of a kind, straight, flush, full house, four of a kind, straight flush, and royal flush. The player with the best hand wins.

Craps

Craps is a dice game. The players make wagers on the outcome of the roll, or a series of rolls, of a pair of dice. If a seven or 11 turn up on the first roll of the dice, the shooter wins whatever they bet. If the shooter rolls two, three, or 12 on the first roll, they lose the money, but not the dice. When the person rolls a four, five, six, eight, nine, or ten that number becomes their "point." The shooter keeps rolling until their "point" turns up again for a win or until the person throws a seven and loses the money and the dice.

1.9 How casinos make a profit

Casino games have a built-in advantage for the operator. It's known as the "House Edge." The House Edge is the difference between the true odds and the odds—or probability—that the casino pays you when you win. This is known as the casino odds. The likelihood of rolling a particular number is known as the true odds.

The more combinations possible, the higher the odds. For example, you're more likely to roll a seven than a two or a 12. However, since casinos take a portion of the winnings as a result of the House Edge, the winner gets true odds less the difference between true odds and the casino odds.

1.10 Community impact

Casinos can impact the society where they're located. The size of the effect depends on how many visitors the casino draws from outside the area. It also depends on the number of jobs the casino generates within the area.

Casino revenues that support jobs and purchases are generated by casino visitors' spending. The jobs and purchases generate funds. These funds are diffused into the community. The funds have secondary or multiplier effects in subsequent rounds of spending. There's a second category of direct and secondary effects. They include the non-casino expenditures generated from visitors outside the area. These non-casino expenditures include purchases in local stores or meals in local restaurants.

A variety of factors impact the degree of the direct and secondary effects experienced outside the local area. This occurs when a casino purchases supplies from an out-of-area vendor. It also occurs when a casino hires a worker who commutes to the casino from outside the community. The individual takes the income they made at the casino and spends it outside the local area.

1.11 Stotsenberg Historical Financial Performance

Stotsenberg Historic Financial Position:

Stotsenberg Financial Position	As at 30-Jun-15 Reviewed PHP	As at 30-Jun-15 Reviewed \$	As at 31-Dec-14 Audited PHP	As at 31-Dec-14 Audited \$	As at 31-Dec-13 Audited PHP	As at 31-Dec-13 Audited \$
Current assets						
Cash	5,291,339	152,708	35,090,087	1,011,634	4,969,357	125,141
Trade receivables	312,862,983	9,029,235	265,938,987	7,666,924	210,509,408	5,301,169
Inventories	4,161,144	120,091	2,942,402	84,828	2,288,416	57,628
Prepayments	9,226,205	266,269	9,226,205	265,988	8,772,295	220,909
	331,541,671	9,568,302	313,197,681	9,029,375	226,539,476	5,704,847
Non-current assets						
Property and equipment	467,085,412	13,480,098	478,504,583	13,795,112	506,298,215	12,749,892
Total assets	798,627,083	23,048,401	791,702,264	22,824,487	732,837,691	18,454,739
Current liabilities						
Trade and other payables	241,841,171	6,979,543	267,046,523	7,698,854	387,841,100	9,766,837
Deposits for future stock subscriptions	150,000,000	4,329,004	150,000,000	4,324,445		
Income tax payable	2,346,480	67,719	2,477,446	71,424	1,485,501	37,409
	394,187,651	11,376,267	419,523,969	12,094,723	389,326,601	9,804,246
Net assets	404,439,432	11,672,134	372,178,295	10,729,764	343,511,090	8,650,493
Equity						
Share capital	200,000,000	5,772,006	200,000,000	5,765,927	200,000,000	5,036,515
Retained earnings	204,439,432	5,900,128	172,178,295	4,963,837	143,511,069	3,613,978
	404,439,432	11,672,134	372,178,295	10,729,764	343,511,069	8,650,493

Stotsenberg Financial Performance:

Stotsenberg Financial Performance	Period ended 30-Jun-15 Reviewed PHP	Period ended 30-Jun-15 Reviewed AUD	Year ended 31-Dec-14 Audited PHP	Year ended 31-Dec-14 Audited AUD	Year ended 31-Dec-13 Audited PHP	Year ended 31-Dec-13 Audited AUD
Revenues	336,928,174	9,658,142	630,796,615	15,741,693	474,959,304	11,610,227
Direct costs	283,069,752	8,114,275	576,831,616	14,394,983	429,997,857	10,511,159
Gross profit	53,858,422	1,543,867	53,964,999	1,346,711	44,961,447	1,099,068
Operating expenses	18,904,364	541,899	22,599,523	563,977	29,020,366	709,394
Profit before tax	34,954,058	1,001,968	31,365,476	782,734	15,941,081	389,675
Income tax expense	2,692,921	77,193	2,698,250	67,336	2,248,072	54,953
Profit after tax	32,261,137	924,775	28,667,226	715,398	13,693,009	334,721
Add:						
Depreciation	15,566,630	446,222	31,133,260	776,939	38,301,365	936,265
Income tax	2,692,921	77,193	2,698,250	67,336	2,248,072	54,953
EBITDA	50,520,688	1,448,190	62,498,736	1,559,672	54,242,446	1,325,939

Notes

Stotsenberg's financial statements above are presented in Philippine Peso (PHP). Stotsenberg's financial performance as set out in the table above has been translated into Australian dollars (AUD, \$ or A\$) at the average exchange rates for the years ended 31 December 2014 and 31 December 2013, respectively (source: Oanda and RBA) as follows:

- 6 month period ended 30 June 2015 – \$1: PHP 34.89;
- year ended 31 December 2014 – \$1: PHP40.07; and
- year ended 31 December 2013 – \$1: PHP40.91.

2. Directors and Management

2.1 Directors

Madam Zhang Li is a Non-Executive Chairman of Top Creation Limited (Stock Code: TOPC), a public company listed on the London Stock Exchange. She has significant experience in the Malaysian sector and was engaged from 2001 to 2007 as a property investment adviser by Brilliant Valley Sdn Bhd. In that time, Madam Zhang was involved in a number of significant property projects including Bandar Alam Perdana (Kuala Lumpur), Dataran Pahlawan (Malacca), and Empire Tower (Kuala Lumpur).

Ramakrishnan S Navaratnam has previously enjoyed a successful career in funds management, investment banking and the corporate advisory sectors. His expertise includes M & A, corporate restructuring, Asian markets and Islamic finance. He is also currently a director of RNS Funds Pty Limited. Early in his career, Ram worked in KPMG Malaysia, attaining vast experience in audit and advisory before moving to establish the first derivatives broker in Malaysia. Subsequent to that, he was involved in the setting up of a government linked stockbroking institution in Malaysia.

William (Bill) Wilkinson has held a number of senior positions in business development and project management over the last twenty (20) years. He brings hands on experience in the management of large scale projects including the development and construction of plants and factories as well as the establishment of overseas operations. His extensive background in large scale investments and projects will provide expertise to the board to execute its long term vision.

Elxcite Nominee Directors

The following will be appointed to the board of directors as nominees of Elxcite following Completion of the Share Purchase Agreement.

Wong Ken Hong

Mr Wong is a Senior Manager of Genting Hongkong and oversees the operation of Finance, Corporate Treasury, Purchasing and Information Technology Departments, as well as the implementation and streamlining of controls across all Elxcite partner properties. He has over 14 years hands-on experience in gaming and gaming-related environments and held various Senior Positions in Genting Hong Kong. Mr Wong holds a degree in Bachelor of Business major in Accounting from La Trobe University of Australia and an MBA in Finance from Charles Stuart University of Australia. He is also a member of the Australian Society of Certified Practising Accountants and the Malaysian Institute of Accountants.

Leung Foo Meng

Mr Leung started off as a commercial banker in the Philippines, gaining his exposure from the Hong Kong Shanghai Banking Corporation and Hong Leong Bank in the Philippines. In 2009, Mr Leung joined and invested in junket operations in Macau, heading the business and player development across the Asia Pacific region. He also oversees and supervises the partnerships with travel agencies to consistently drive business and growth of player development in the partner properties.

Law Hun Seang

Mr. Law holds a degree in Bachelor of Science major in Building Economic and Project Management. He has 22 years of working experience in furniture and building materials industry. He has been involved in the overall project management, design and interior finishing of various buildings, structures and establishments in the hospitality and resort industry across Asia Pacific.

Vendor Nominee Directors

The following will be appointed to the board of directors as nominees of the Vendors following Completion of the Share Purchase Agreement. They will retain office until the first Annual General Meeting of the Company following their election (May 2016).

Dawn Suzanne Feliciano

Ms. Feliciano concurrently holds the position of Chairman and President of Wide Wide World Express Corporation (formerly known as DHL Philippines Corporation) and Chairman of DHL Express (Philippines) Corporation. These companies, which are affiliated with DHL worldwide, have more than 100 strategically located service centers in the Philippines. Ms. Feliciano holds more than 20 years of experience in the logistics industry, which includes, inbound and outbound distribution, express delivery of cargo, expertise in ground, sea and air transportation, and overall logistics solutions provider. She is likewise a Certified Public Accountant.

Rodrigo C. Ramos

Mr. Ramos possesses more than 17 years of experience in construction and real estate development. He is the President and Chairman of R.C. Ramos Construction Corporation, a Triple A construction company, which is the highest accreditation category that may be obtained by construction companies in the Philippines. It is likewise accredited with the Philippine Overseas Construction Board and Philippine Contractors Accreditation Board. He is a member of the National Constructors Association of the Philippines and the Philippine Constructors Association. He graduated with a degree in Bachelor of Science in Civil Engineering at the University of Assumption in Pampanga, Philippines.

Janet Rita B. Lazatin

Ms Lazatin is currently the President of Stotsenberg Leisure Park and Hotel Corporation. Ms Lazatin possesses a vast experience in the management and operation of casinos in the Philippines. In addition to gaming facilities, Ms Lazatin is also knowledgeable in the management of hotels and other leisure-oriented enterprises. Prior to being elected as the President of Stotsenberg, Ms Lazatin served as a Director of Stotsenberg Leisure Park and Hotel Corporation for several years

2.2 Officers

Joint Company Secretary - Henry Kinstlinger

Henry Kinstlinger has in the past thirty years been actively involved in the financial and corporate management of a number of public companies and non-governmental organisations. He is a corporate consultant with broad experience in investor and community relations and corporate and statutory compliance.

Joint Company Secretary – Julian Rockett

Julian Rockett is a company secretary and corporate lawyer with substantial experience in providing compliance, strategic commercial legal advice, including domestic and foreign transactions, capital raising, IPOs and M&As.

In addition Mr Rockett's has gained regulatory compliance knowledge through acting on public and private companies has involved company secretary for five years, and undertaking memberships on due diligence committees that have supervised significant corporate transactions.

Chief Financial Officer – Francis Choy MComm MBA FCPA(HK) FCPA CA

Francis Choy has held a number of senior positions in corporate financial management roles throughout Australia and South East Asia. He has extensive experience in project finance, compliance, acquisition and investment appraisals. He has been involved in project finance, financial management of property development and telecommunication projects in South East Asia. He held senior financial roles for numerous public listed companies both in Hong Kong and Australia.

3. Capital Structure

The capital structure of the Company before and following Completion of the Share Purchase Agreement on the basis that all resolutions put to shareholders at the General Meeting are passed and all Performance Shares are converted are summarised below:

(a) FPO Shares and Performance Shares

Type of FCG shareholders	Before Completion		After Completion	
Existing FCG Shareholders	92,800,000 ¹	100%	92,800,000	23.85%
Vendors (or their nominees)	Nil	0%	154,050,000	39.60%
Elxcite	Nil	0%	142,200,000*	36.55%

* The Company will issue 28,440,000 Shares and 113,760,000 Performance Shares (converting into 113,760,000 Shares over 5 years if the Profit Guarantee is met) to Elxcite pursuant to their engagement which will convert as the Profit Guarantee is met. Refer to section 9.4 for further details.

There are 14 Vendors. No single Vendor will hold more than 6.92% of the issued capital after Completion if all Options are exercised and 7.92% if Options are not exercised.

(b) Options

Type of FCG option holders	Before Completion		After Completion	
Existing FCG Option holders	55,950,000 ²	100%	55,950,000	100%
Vendors (or their nominees)	Nil	Nil	Nil	Nil
Elxcite	Nil	Nil	Nil	Nil

The above tables assume that no additional securities in FCG are issued other than those to be considered at the General Meeting.

¹ Includes 5,000,000 shares to be issued to consultants at the General Meeting

² Includes 3,500,000 Options to be issued to Sanston at the General Meeting

4. Details of the Acquisition and re-compliance

4.1 Consideration

The consideration payable by the Company under the Share Purchase Agreement is the issue to the Vendors of 154,050,000 Shares (**Acquisition Securities**).

Following Completion, the Vendors will together hold approximately 34.62% of Shares on issue.

The Acquisition Securities may, in whole or part, be subject to a period of escrow determined by ASX in accordance with the Listing Rules.

Please refer to section 9.4 for further details of the terms and conditions of the Share Purchase Agreement.

4.2 Change in nature and scale of activities

At the General Meeting of Shareholders to be held on 21 January 2016, Shareholders will be asked to vote on the following resolutions:

- (a) the election of Directors;
- (b) the acquisition of Stotsenberg and the issue of the Acquisition Securities to Stotsenberg Shareholders;
- (c) a change in the nature and scale of the Company's activities;
- (d) Control Approval for Elxcite;
- (e) the change in company name;
- (f) Issue of Shares to Mishtalem;
- (g) Issue of Options to Sanston; and
- (h) Ratify Precious Share and Option Issues.

4.3 Re-compliance with Chapters 1 and 2 of the ASX Listing Rules

The Company's Shares will be suspended from quotation on the ASX the date of the General Meeting to approve the transactions associated with the change to the nature and scale of the Company's activities. The Company's Shares will not be reinstated to Quotation until the ASX approves the Company's re-compliance with Chapters 1 and 2 of the ASX Listing Rules or shareholders reject the Acquisition proposal. .

Re-compliance with these chapters involves, amongst other things, the following:

- (a) issuing a prospectus;
- (b) meeting the spread requirements, being at least:
 - (i) Minimum 400 shareholders with a parcel of the main class of securities with a value of at least A\$2,000; or
 - (ii) Minimum 350 shareholders with a parcel of the main class of securities with a value of at least A\$2,000 and 25% held by unrelated parties; or
 - (iii) Minimum 300 shareholders with a parcel of the main class of securities with a value of at least A\$2,000 and 50% held by unrelated parties
- (c) meeting ASX's profit test or assets test; and
- (d) having the entity's quoted securities issued or sold for at least 20 cents in cash.

In the event that the Company does not receive conditional approval for re-quotation on the ASX, the change to the nature and scale of the Company's activities will not eventuate and the Company's securities may remain suspended from quotation on the ASX.

4.4 Funding allocation and business objectives

As at 30 June 2015, Stotsenberg had cash reserves of approximately A\$152,708 while the Company had cash reserves as at 30 June 2015 of approximately A\$3,210,924.

Subject to and conditional upon Completion, the Company will utilise the funds as set out below.

The Board believes that, upon Completion, the Company will have sufficient working capital to achieve the Company's objectives as detailed above.

The following table shows the expected use of funds over a two-year period:

	A\$
Total funds 30 June 2015 ¹	\$3,364,296
Corporate expenses ²	\$300,000
Transaction costs ³	\$1,000,000
Working Capital	\$2,064,296
Total funds applied	\$3,364,296

1. Represents the combined cash of the Company and Stotsenberg on 30 June 2015, but before corporate expenses and transaction costs.

2. Includes public company expenses, associated compliance costs and corporate office expenses.

3. Transaction costs include costs for professional advice and due diligence.

Note that the above expenditures will be subject to modification on an ongoing basis depending on the results obtained from the Company's marketing and sales activities in respect to Stotsenberg and FCG's other businesses. Due to market conditions, the development of new opportunities and/or any number of other factors (including the risk factors outlined in section 5), actual expenditure levels may differ significantly to the above estimates.

5. Risk Factors

5.1 Introduction

There are a number of risks, both specific to the Company and of a general nature, which may affect the future operating and financial performance of the Company and the outcome of an investment in the Company.

There can be no guarantee that the Company will achieve its stated objectives that management forecasts will be met or that forward-looking statements will be realised. This section describes certain, but not all risks associated with an investment in the Company.

This is not an exhaustive list and should be considered in conjunction with other information disclosed in this Prospectus. You should have regard to your own investment objectives and financial circumstances, and seek professional guidance from your stockbroker, solicitor, accountant or other independent professional adviser before deciding whether to invest.

The Company's business activities are subject to risk factors both specific to its business activities and that of a general nature. If any of the risks associated with the Company materialised, the Company's business, results of operations, financial condition and prospects could be materially and adversely affected, which could result in the loss of all or part of your investment. The principal risk factors are described below. While some of these risks can be mitigated by the use of appropriate safeguards and systems, many are outside the control of the Company and cannot be mitigated.

Before deciding whether to invest in the Company's Shares, prospective investors should carefully consider the risk factors described below, together with all other information contained in this Prospectus. If any of these risks and uncertainties, together with the possible additional risks and uncertainties of which the Directors are currently unaware or which they consider not to be material in relation to the Company's business, actually occur, the Company's business, financial position, the amount of work or operating results could be materially and adversely affected.

In addition, potential investors should be aware that the value of the Company's Shares on ASX might rise and fall depending on a range of factors that affect the market price of Shares. These include local, regional and global economic conditions and sentiment towards equity markets in general. The Shares issued under this Prospectus carry no guarantee with respect to the profitability, the payment of dividends, return of capital or the price at which the Shares may trade on the ASX.

It should be noted that this list is not exhaustive and that certain other risk factors may apply.

You should carefully consider the risks and uncertainties set out below and the information contained elsewhere in this Prospectus before you decide whether to apply for Shares. You should also seek your own professional advice in relation to the risks associated with an investment in the Company and should make your own assessment as to whether to invest in the Company.

The Company's business could be materially and adversely affected by a number of risks, including:

Finance - The Company may be required to find sources of finance to fund its activities. There is no guarantee that the Directors will be able to source equity or debt financing at suitable rates, or at all. Any inability to obtain funding will affect the business, financial condition and performance of the Company.

Unforeseen expenditure risk - Although the Company is not aware of any unforeseen future expenditure, any unforeseen expenditure is likely to adversely affect the financial position of the Company.

General economic conditions - A variety of general economic and business conditions may affect the price at which Shares trade on ASX, including the level of inflation, interest rates and government fiscal, monetary and regulatory policies. Prolonged deterioration in general economic conditions, including an increase in interest rates, could also have an adverse effect on the Company.

Dilution risk - The approval of the Proposed Transaction will result in the Vendors collectively owning a 40.1% interest in the Company and Elxcite owning a 37.0% interest in the Company (assuming all Performance Shares are converted to ordinary shares). Shareholders have not been given the opportunity to participate in the issue of the Acquisition Securities or Management Securities. As a result, Shareholders' interests in the Company will be diluted to a maximum of 22.9% if the Proposed Transactions are approved.

Control Implications - The approval of the Proposed Transaction will result in Elxcite holding a maximum interest of 37% in the Company. Should this occur, Elxcite will be in a position to block special resolutions of the Company and therefore influence board decisions.

Risks associated with the Acquisition - The Company's Shares will be placed in suspension on the date of this meeting. Shares will remain in suspension until such time that the Company successfully complies with Chapters 1 and 2 of the Listing Rules. There is a risk that ASX will not re-instate trading of the Company's securities on ASX.

If ASX considers that the Company has not met the requirements of Chapters 1 and 2 of the Listing Rules and does not provide conditional confirmation that it will reinstate the Company, the Acquisition will not proceed.

5.2 Re-Quotation of Shares on ASX

The acquisition of Stotsenberg constitutes a significant change in the nature and scale of the Company's activities and the Company needs to re-comply with Chapters 1 and 2 of the ASX Listing Rules as if it were seeking admission to the Official List.

There is a risk that the Company may not be able to meet the requirements of the ASX for re-quotation of its Shares on the ASX. Should this occur, the Shares would not be able to be traded on the ASX until such time as those requirements can be met, if at all. Shareholders may be prevented from trading their Shares should the Company be suspended until such time as it does re-comply with the ASX Listing Rules.

5.3 Government

Changes in legislation and government policy in the Philippines, Australia and internationally (including taxation and monetary policies and corporation laws) could materially affect the operating results of the Company.

5.4 Geopolitical

The Company will be subject to the risks associated with operating in Philippines. Such risks can include economic, social or political instability or change, hyperinflation, currency non-convertibility and instability and changes of law affecting foreign ownership, government participation, taxation, working conditions, exchange control, repatriation of income or return of capital, environmental protection, and labour relations.

5.5 Laws and regulations

The laws and regulations in Philippines differ to those that exist in Australia. Laws may unexpectedly change, and could have an impact on the operational activities of the Company in the Philippines. While Stotsenberg has operated successfully within the Philippines legal and regulatory environment, unforeseen changes could materially impact the operating results of the Company.

5.6 Jurisdictional risk

The assets the Company is seeking to acquire are located in Philippines and are therefore subject to different regulatory requirements than Australia.

5.7 Competition risk

The industry in which the Company will be involved is subject to domestic and global competition. While the Company will undertake all reasonable due diligence in its business decisions and operations, the Company will have no influence or control over the activities or actions of its competitors, which activities or actions may, positively or negatively, affect the operating and financial performance of the Company's business.

5.8 Single casino risk

After Completion the Company will be dependent on its current business and Stotsenberg, for its cash flow.

As a result, the Company will be subject to greater risks than a gaming company with more operating properties.

5.9 Reliance on key personnel

Skilled employees and consultants are essential to the successful delivery of the Company's strategy. Upon changing the nature and scale of its activities, the Company will rely to a large extent on the services of certain key management personnel, particularly certain of its Philippines nationals who will manage day to day interactions with contractors and regulatory authorities, the loss of any of which could delay the pursuit of the Company's strategy. The Company will not maintain key-man life insurance with respect to any of its employees.

5.10 Operating risks and insurance

The Company currently holds the Subsidiary Companies,

its main asset being a graphics enterprise, whereas Stotsenberg Leisure Park & Hotel Corporation operates in the Gaming and Hotel industry. The risk profiles of these two activities are very different from one another. The Company's shareholders may have bought Shares due to a preference for the existing specific risk / reward profile offered by the Company and may not want the risk / reward profile offered by an investment in Stotsenberg Leisure Park & Hotel Corporation.

5.12 Discretionary consumer spending

The casino business is sensitive to reduced consumer spending. Reduced spending can be caused by economic downturns. Consumer demand for hotels, casino resorts, and luxury amenities is also impacted by the state of the economy.

Changes in discretionary consumer spending could be caused by many factors. These factors include:

- weaknesses in the job or housing market
- additional credit market disruptions
- high energy costs
- fuel and food costs
- increased travel costs
- the potential for bank failures
- recession fears
- changes in consumer confidence in the economy
- fears war and terrorism

These factors could reduce consumer demand for luxury amenities and leisure activities.

5.11 Casino winnings risk

The winnings of Casablanca Casino patrons could exceed the casino winnings at particular times during our operations. Win rates for the Casablanca casino operations depend on a variety of factors, some beyond the control of Stotsenberg or the Company. In addition we note that all gaming business can be subject to cheating and counterfeiting.

5.12 Risks associated with the capital structure

The ASX may determine that the Shares held by Elxcite will be subject to escrow for a period of up to two years. During any such escrow period, the Shares may be thinly traded.

Also, Elxcite (as the majority Shareholders) are likely to be in a position to cast a majority of votes at a general meeting of Shareholders of the Company, which will enable Elxcite to influence the appointment of Directors and determine the Company's strategic direction of its business.

5.13 Impairment risk

The restated balance sheet of Stotsenberg (on page 37) discloses net assets of A\$11,672,134 at 30 June 2015. The fair value of the consideration to acquire Stotsenberg has been calculated as US\$26,000,000. As a result, intangible assets of US\$17,603,708 are acquired

upon acquisition. Whilst a purchase price allocation exercise has not yet been undertaken, in the event, and to the extent, that the ongoing financial performance of Stotsenberg does not support the carrying value of the intangible assets acquired, the carrying value of these assets will be required to be impaired accordingly.

5.14 Competition

Stotsenberg faces competition from other casinos in the Philippines and elsewhere in Asia. It is possible that in the future Stotsenberg may not be able to compete successfully and may lose or be unable to gain market share.

5.15 Money laundering risk

Money laundering is a risk that is faced by the casino industry generally. Whilst strict procedures and controls can be put in place to address such risk (such as obtaining suitable documents to identify customers and monitoring transactions at the Casablanca Casino), it is possible that third parties may attempt to launder money and that the Company is not able to detect or prevent such activities. In the event that such money laundering activities do take place the Company's reputation may be affected and the Company may be subject to penalties and sanctions, including the withdrawal of its Gaming License.

5.16 Business risks

(a) Adequacy of capital resources

There is no guarantee that acceptable resources or funds will be found in the future. The lack of capital could have a material adverse impact on the Company and its prospects.

(b) Potential acquisitions

As part of its business strategy, the Company may make acquisitions of significant investments in other companies, products or assets. Any such future transactions would be accompanied by the risks commonly encountered in making acquisitions of companies, products or assets.

(c) Taxation risks

A change to the current taxation regime in Australia or the Philippines may affect the Company and its Shareholders. The Company will have a subsidiary that operates in Philippines, and is subject to the taxation laws that apply to transactions with foreign entities and the interaction of tax laws and allocation of taxes between Australia and the Philippines.

Personal tax liabilities are the responsibility of each Shareholder. The Company is not responsible for taxation or penalties incurred by Shareholders.

5.17 General risks

(a) General investment risks

There are general risks associated with any investment and the share market. The price of Shares may rise or fall depending upon a range of factors beyond the Company's control and which are unrelated to the Company's financial performance. Movements on international stock markets, interest rates and exchange rates, together with domestic and international economic conditions, inflation

rates, commodity supply and demand, government taxation and royalties, legislation and other policy changes may affect the stock market generally and the market for the Company's Shares in particular.

(b) Possible volatility of Share price

The price of Shares listed on ASX may also be affected by a range of factors including the Company's financial performance and by changes in the business environment in which the Company operates. The value of Shares can increase or decrease. Economic factors such as changes in interest rates, exchange rates, inflation rates, tax rates and governmental regulation; industry factors such as the development of new and competing resources and products by the Company's competitors; changing commodity supply and demand and commercial factors such as the loss of key staff can also affect the value of the Shares. Similarly the level of dividends paid on Shares (if any) could rise or fall.

(c) Changes in laws and government policy

Changes in laws, regulations and government policy may affect the Company and the attractiveness of an investment in the Company.

(d) Government actions

Changes in government, monetary policies, taxation and other laws can have a significant influence on the outlook for companies and investor returns.

(e) Currency risk

Operating in the Philippines, Stotsenberg trades in the Philippine Pesos. Any conversion and payment of profits to Australian dollars will be subject to currency exchange rate fluctuations.

(f) Application of and changes to accounting policies

Accounting standards and policies may change in the future especially in relation to the application of the International Financial Reporting Standards. Such changes may have an adverse impact on future reported financial results.

(g) Investment risk

There are several types of investment risk that may affect your investment in the Company, including a decline in the market price of the Shares (the initial capital value may decrease especially if you are investing for the short term), the amount you receive as income may vary over time or the value of your investment may not keep pace with inflation. This includes the possibility that the Company may not be able to achieve the medium to long-term capital growth objectives.

(h) Suspension of trading of Shares on ASX

ASX will suspend trading of Shares, which means that, Shareholders will not be able to buy or sell Shares on ASX during the suspension period.

(i) Liquidity Risks

A number of securities in the Company are subject to restrictions or escrow arrangements. During the period in

which securities are prohibited from being transferred, trading in Shares may be less liquid which may impact on the ability of a Shareholder to dispose of their Shares in a timely manner.

(j) Economic conditions

The operating and financial performance of the Company is influenced by a variety of general economic and

business conditions including the level of inflation, international share markets, interest rates and exchange rates, government fiscal, monetary and regulatory policies. A prolonged deterioration in general economic conditions, including an increase in interest rates may have material adverse impact on the Company's business or financial situation.

6. Financial Information

The Financial Information Section of the Prospectus sets out the following:

The Historical Financial Information, comprising:

- the audited or reviewed Statement of Comprehensive Income for FCG for the two years and six months ended 30 June 2015;
- the audited or reviewed Statement of Cash Flows for FCG for the two years and six months ended 30 June 2015;
- the reviewed Statement of Financial Position for FCG at 30 June 2015;
- the audited Statement of Comprehensive Income for Stotsenberg for the two years and six months ended 30 June 2015;
- the audited Statement of Cash Flows for Stotsenberg for the two years and six months ended 30 June 2015; and
- the audited Statement of Financial Position for Stotsenberg at 30 June 2015.

The Pro-Forma Historical Financial Information for FCG, comprising the:

- the consolidated pro-forma Statement of Comprehensive Income for the two years and six months ended 30 June 2015;
- the consolidated pro-forma Statement of Cash Flows for the two years and six months ended 30 June 2015; and
- the consolidated pro-forma Statement of Financial Position at 30 June 2015.

The pro-forma historical financial information illustrates the combined historical results of the Company and Stotsenberg for the two years and six months ended 30 June 2015, and assuming the completion of transactions summarised in Section 7 Note 2 of the Prospectus.

The pro-forma financial information has been reviewed by RSM Financial Services Australia Pty Ltd, Melbourne. A copy of RSM Financial Services Australia Pty Ltd's Investigating Accountant's Report is set out in Section 8 of the Prospectus.

The Financial Information has been prepared and presented in accordance with the accounting policies set out in Note 1 to the Financial Information.

The historical financial information of FCG has been prepared in accordance with the stated basis of preparation, being the recognition and measurement principles contained in Australian Accounting Standards and the Company's adopted accounting policies. The historical financial information has been extracted from the financial reports of FCG for the two years and six months ended 30 June 2015, which were audited or reviewed by K.S. Black & Co in accordance with the Australian Auditing Standards and the Auditing Standards on Review Engagements, respectively. K.S. Black & Co issued an unmodified audit/review opinion on each financial report. However, the audit opinion at 31 December 2014 included an emphasis of matter regarding FCG's ability to continue as a going concern.

The historical financial information of Stotsenberg has been prepared in accordance with the stated basis of preparation, being Philippine Financial Reporting Standards and Stotsenberg's adopted accounting policies. The historical financial information has been extracted from the financial reports of Stotsenberg for the two years and six months ended 30 June 2015.

The historical financial information for the two years and six months ended 30 June 2015 were audited/reviewed by RS Bernaldo & Associates (a correspondent firm of PKF International) in accordance with Philippine Standards on Auditing. RS Bernaldo & Associates issued an unmodified audit/review opinion on each financial report.

The Company considers that if the Historical Financial Information of Stotsenberg had been prepared in accordance with Australian Accounting Standards, there would be no material differences to the financial information presented.

The pro-forma financial information for FCG has been derived from the audited/reviewed historical financial information after adjusting for the effects of the pro-forma adjustments described in Section 7 Note 2 of the Prospectus. The stated basis of preparation is the recognition and measurement principles contained in Australian Accounting Standards applied to the historical financial information and the events or transactions to which the pro-forma adjustments relate, as described in Section 7 Note 2 of the Prospectus, as if those events or transactions had occurred as at the date of the historical financial information. Due to its nature, the pro-forma historical financial information does not represent the Company's actual financial position, financial performance and/or cash flows.

The pro-forma financial information is presented in abbreviated form insofar as it does not include all of the disclosures required by Australian Accounting Standards applicable to annual financial reports prepared in accordance with the Corporations Act 2001.

Historical Consolidated Statement of Comprehensive Income – FCG

Set out below is the historical audited or reviewed consolidated Statement of Comprehensive Income of the Company for the two years and six months ended 30 June 2015.

	Reviewed Consolidated 6 months ended 30-Jun-15 \$	Audited Consolidated Year ended 31-Dec-14 \$	Audited Consolidated Year ended 31-Dec-13 \$
REVENUE	1,026,535	1,611	41,687
Other income	25,774	91,527	38,736
EXPENSES			
Director and employee expenses	(484,802)	(145,733)	(253,658)
Consulting and professional fees	(110,611)	(23,399)	(57,570)
Exploration expenditures not capitalised	-	(139,638)	-
Loss on disposal of investment	-	(898,890)	-
Finance expenses	(79,502)	(100,755)	(22,495)
Other expenses	(780,913)	(639,058)	(1,038,730)
Profit / (loss) before income tax	(403,519)	(1,854,335)	(1,292,030)
Income tax expense	-	-	-
Net profit / (loss) for the period	(403,519)	(1,854,335)	(1,292,030)
Other comprehensive income			
Other comprehensive income before income tax	-	-	-
Income tax expense	-	-	-
Total comprehensive income / (loss) for the period	(403,519)	(1,854,335)	(1,292,030)
Comprehensive income attributable to non-controlling interests	-	-	-
Total comprehensive income / (loss) attributable to members of parent entity	(403,519)	(1,854,335)	(1,292,030)

The historical consolidated Statement of Comprehensive Income of the Company has been extracted from the audited or reviewed financial statements of the Company for the two years and six months ended 30 June 2015.

The consolidated Statement of Comprehensive Income should be read in conjunction with the notes to the financial information.

Historical Statement of Comprehensive Income - Stotsenberg

Set out below is the historical audited Statement of Comprehensive Income of Stotsenberg for the two years and six months ended 30 June 2015.

	Reviewed 6 months ended 30-Jun-15 \$	Audited Year ended 31-Dec-14 \$	Audited Year ended 31-Dec-13 \$
REVENUE	9,658,142	15,741,693	11,610,227
Less direct costs	(8,114,275)	(14,394,983)	(10,511,159)
Gross profit	1,543,867	1,346,711	1,099,068
Other income	-	-	-
EXPENSES			
Salaries, wages and other benefits	(119,707)	(183,803)	(239,403)
Penalties	(94,295)	-	-
Representation	(90,629)	(24,674)	(20,693)
Repairs and maintenance	(75,235)	(82,182)	(52,288)
Other services	(53,756)	(11,504)	(40,417)
Transportation	(52,182)	(182,489)	(57,488)
Supplies	(21,448)	(5,924)	(11,247)
Charitable contributions	(3,355)	(811)	(2,261)
Taxes and licences	(2,922)	(4,519)	(2,177)
Communication, light and water	-	-	(75,472)
Insurance	-	(2,995)	(2,815)
Depreciation	-	-	(84,264)
Miscellaneous	(28,370)	(65,075)	(120,869)
Profit / (loss) before income tax	1,001,968	782,734	389,675
Income tax expense	(77,193)	(67,336)	(54,953)
Net profit / (loss) for the period	924,775	715,398	334,721

The historical Statement of Comprehensive Income of Stotsenberg has been extracted from the audited or reviewed financial statements of Stotsenberg for the two years and six months ended 30 June 2015.

The audited/reviewed Statement of Comprehensive Income of Stotsenberg has been translated, based on average exchange rates for each reporting period, to \$ from Philippine Peso ("PHP") using an exchange rate of \$1 : PHP34.8854 for the 6 months ended 30 June 2015, an exchange rate of \$1 : PHP40.0717 for the year ended 31 December 2014 and an exchange rate of \$1 : PHP40.9087 for the year ended 31 December 2013.

The Statement of Comprehensive Income should be read in conjunction with the notes to the financial information.

Historical Consolidated Pro-Forma Statement of Comprehensive Income

Set out below is the historical consolidated pro-forma Statement of Comprehensive Income for the two years and six months ended 30 June 2015. The consolidated pro-forma Statement of Comprehensive Income has been prepared to illustrate the combined historical results of the Company and Stotsenberg for the two years and six months ended 30 June 2015, assuming the completion of the transactions summarised in Section 7 Note 2 of the Prospectus.

	Unaudited Pro-Forma Consolidated 6 months ended 30-Jun-15 \$	Unaudited Pro-Forma Consolidated Year ended 31-Dec-14 \$	Unaudited Pro-Forma Consolidated Year ended 31-Dec-13 \$
REVENUE	10,684,677	15,743,304	11,651,914
Less direct costs	(8,114,275)	(14,394,983)	(10,511,159)
Gross profit	2,570,402	1,348,322	1,140,755
Other income	25,774	91,527	38,736
EXPENSES			
Employee benefits	-	-	-
Director and employee expenses	(604,509)	(329,536)	(493,061)
Consulting and professional fees	(110,611)	(23,399)	(57,570)
Exploration expenditures not capitalised	-	(139,638)	-
Loss on disposal of investment	-	(898,890)	-
Finance expenses	(79,502)	(100,755)	(22,495)
Repairs and maintenance	(75,235)	(82,182)	(52,288)
Transportation	(52,182)	(182,489)	(57,488)
Other expenses	(1,075,689)	(754,561)	(1,398,945)
Profit / (loss) before income tax	598,449	(1,071,601)	(902,355)
Income tax expense	(77,193)	(67,336)	(54,953)
Net profit / (loss) for the period	521,256	(1,138,937)	(957,309)
Net profit / (loss) for the year attributable to members of the consolidated entity	521,256	(1,138,937)	(957,309)

The historical consolidated pro-forma Statement of Comprehensive Income has been prepared based on:

- the audited or reviewed financial statements of the Company for the two years and six months ended 30 June 2015;
- the audited or reviewed financial statements of Stotsenberg for the two years and six months ended 30 June 2015; and
- assuming the completion of the transactions summarised in Section 7 Note 2 of the Prospectus.

The audited Statements of Comprehensive Income of Stotsenberg have been translated, based on average exchange rates for each reporting year, to \$ from PHP using an exchange rate of \$1 : PHP34.8854 for the 6 months ended 30 June 2015, an exchange rate of \$1 : PHP40.0717 for the year ended 31 December 2014 and an exchange rate of \$1 : PHP40.9087 for the year ended 31 December 2013.

The consolidated pro-forma Statement of Comprehensive Income should be read in conjunction with the notes to the financial information.

Historical Consolidated Statement of Cash Flows – FCG

Set out below is the historical consolidated Statement of Cash Flows of the Company for the two years and six months ended 30 June 2015.

	Reviewed Consolidated 6 months ended 30-Jun-15 \$	Audited Consolidated Year ended 31-Dec-14 \$	Audited Consolidated Year ended 31-Dec-13 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	1,026,535	-	-
Payments to suppliers and employees	(770,044)	(843,691)	(1,496,594)
Interest received	12,252	1,611	5,016
Interest paid	(7,332)	(35)	(792)
Cash flows from operating activities	261,411	(842,115)	(1,492,370)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for investment	(650,856)	(21,380)	-
Payments for property, plant and equipment	(531,450)	-	-
Interest bearing deposit	-	-	710,259
Cash flows from investing activities	(1,182,306)	(21,380)	710,259
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from share issues/placements, net of costs	3,850,703	292,702	-
Bank borrowing	111,874	-	-
Advance from other parties	-	-	815,000
Repayment from other parties	-	532,789	-
Cash flows from financing activities	3,962,577	825,491	815,000
Net cash received / (paid out)	3,041,682	(38,004)	32,889
Cash and cash equivalents at the beginning of period	169,242	207,246	174,357
Cash and cash equivalents at the end of period	3,210,924	169,242	207,246

The historical consolidated Statement of Cash Flows of the Company has been extracted from the audited or reviewed financial statements of the Company for the two years and six months ended 30 June 2015.

The consolidated Statement of Cash Flows should be read in conjunction with the notes to the financial information.

Historical Statement of Cash Flows - Stotsenberg

Set out below is the historical audited Statement of Cash Flows of Stotsenberg for the two years and six months ended 30 June 2015.

	Reviewed 6 months ended 30-Jun-15 \$	Audited Year ended 31-Dec-14 \$	Audited Year ended 31-Dec-13 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit / (loss) before tax	1,001,968	782,734	389,675
Adjustments for depreciation	446,222	776,939	928,427
(Increase) / decrease in trade and other receivables	(1,345,090)	(1,383,260)	482,046
(Increase) / decrease in inventories	(34,936)	(16,320)	4,203
(Increase) / decrease in prepayments	-	(11,328)	6,493
Increase / (decrease) in trade and other payables	(722,519)	753,583	(1,736,027)
Income taxes paid	(80,947)	(67,336)	(54,953)
Cash flows from operating activities	(735,301)	835,012	19,863
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to property and equipment	(118,888)	(83,341)	(95,394)
Cash flows from investing activities	(118,888)	(83,341)	(95,394)
Net cash received / (paid out)	(854,190)	751,671	(75,531)
Cash at the start of the year	956,133	125,141	189,398
Effect of foreign exchange	50,764	79,321	11,274
Cash at the end of the year	152,708	956,133	125,141

The historical Statement of Cash Flows of Stotsenberg has been extracted from the audited or reviewed financial statements of Stotsenberg for the two years and six months ended 30 June 2015.

The audited Statement of Cash Flows of Stotsenberg has been translated as follows:

- cash at the end of each year has been translated to \$ from PHP using the relevant spot rate at 30 June 2015 of \$1 : PHP34.6500, 31 December 2014 of \$1 : PHP36.7000, and 31 December 2013 of \$1 : PHP39.7100, respectively;
- cash at the start of each year has been translated to \$ from PHP using the relevant spot rate at 30 June 2015 of \$1 : PHP36.7000, 31 December 2014 of \$1 : PHP39.7100, and 31 December 2013 of \$1 : PHP42.5518, respectively; and
- cash flows for the year are based on average exchange rates for each reporting year, to \$ from PHP using an exchange rate of \$1 : PHP34.8854 for the 6 months ended 30 June 2015, \$1 : PHP40.0717 for the year ended 31 December 2014, and an exchange rate of \$1 : PHP40.9087 for the year ended 31 December 2013.

The Statement of Cash Flows should be read in conjunction with the notes to the financial information.

Historical Consolidated Pro-Forma Statement of Cash Flows

Set out below is the historical consolidated pro-forma Statement of Cash Flows for the two years and six months ended 30 June 2015. The consolidated pro-forma Statement of Cash Flows has been prepared to illustrate the combined historical results of the Company and Stotsenberg for the two years and six months ended 30 June 2015, assuming the completion of the transactions summarised in Section 7 Note 2 of the Prospectus.

	Unaudited Pro-Forma Consolidated 6 months ended 30-Jun-15 \$	Unaudited Pro-Forma Consolidated Year ended 31-Dec-14 \$	Unaudited Pro-Forma Consolidated Year ended 31-Dec-13 \$
Cash flows from operating activities	(473,890)	(7,103)	(1,472,507)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for investment	(650,856)	(21,380)	-
Payments for property, plant and equipment	(650,338)	(83,341)	(95,394)
Interest bearing deposit	-	-	710,259
Cash flows from investing activities	(1,301,194)	(104,721)	614,865
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from share issues/placements, net of costs	3,850,703	292,702	-
Bank borrowing	111,874	-	-
Advance from other parties	-	-	815,000
Repayment from other parties	-	532,789	-
Cash flows from financing activities	3,962,577	825,491	815,000
Net cash received / (paid out)	2,187,492	713,667	(42,642)

The consolidated pro-forma Statement of Cash Flows has been prepared based on:

- the audited or reviewed financial statements of the Company for the two years and six months ended 30 June 2015; and
- the audited or reviewed financial statements of Stotsenberg for the two years and six months ended 30 June 2015.

The consolidated pro-forma Statement of Cash Flows should be read in conjunction with the notes to the financial information.

Consolidated Pro-Forma Statement of Financial Position

The consolidated pro-forma Statement of Financial Position, set out below, has been prepared to illustrate the effects of the acquisition of Stotsenberg, and assumes completion of the Pro-Forma transactions set out in Note 2 as if they had occurred on 30 June 2015.

		Reviewed Consolidated As at 30-Jun-15 \$	Reviewed Stotsenberg As at 30-Jun-15 \$	Pro-Forma Adjustments As at 30-Jun-15 \$	Unaudited Pro-Forma Consolidated As at 30-Jun-15 \$
	Notes				
ASSETS					
Current assets					
Cash and cash equivalents	3	3,210,924	152,708	-	3,363,632
Trade and other receivables	4	1,544,044	9,029,235	-	10,573,279
Inventories	5	-	120,091	-	120,091
Other current assets	6	19,422	266,269	-	285,691
Total current assets		4,774,390	9,568,302	-	14,342,692
Non-current assets					
Property, plant and equipment	7	267,782	13,480,098	-	13,747,880
Intangible assets	8	8,765,387	-	(3,141,690)	5,623,697
Financial assets	9	1,150,856	-	-	1,150,856
Mining tenements	10	104,535	-	-	104,535
Total non-current assets		10,288,560	13,480,098	(3,141,690)	20,626,968
Total assets		15,062,950	23,048,401	(3,141,690)	34,969,661
LIABILITIES					
Current liabilities					
Trade and other payables	11	864,392	6,979,543	-	7,843,935
Financial liabilities	12	111,873	-	-	111,873
Income tax payable	13	-	67,719	-	67,719
Other current liabilities	14	19,303	4,329,004	-	4,348,307
Total current liabilities		995,568	11,376,267	-	12,371,835
Total non-current liabilities		-	-	-	-
Total liabilities		995,568	11,376,267	-	12,371,835
NET ASSETS		14,067,382	11,672,134	(3,141,690)	22,597,826
EQUITY					
Share capital	15	16,417,369	5,772,006	(9,547,786)	12,641,589
Reserves	16	2,399,157	-	5,164,784	7,563,941
Retained earnings	17	(4,749,144)	5,900,128	1,241,312	2,392,296
TOTAL EQUITY		14,067,382	11,672,134	(3,141,690)	22,597,826

The consolidated pro-forma Statement of Financial Position represents the reviewed Statement of Financial Positions as at 30 June 2015 adjusted for the pro-forma transactions outlined in Note 2 relating to the issue of shares pursuant to this Prospectus and other transactions.

The Statement of Financial Position of the Company at 30 June 2015 has been extracted from the reviewed financial statements of the Company for the 6 months ended 30 June 2015, reviewed by K.S. Black & Co. and reviewed financial statements of Stotsenberg for the 6 months ended 30 June 2015, reviewed by RS Bernaldo & Associates.

The Statement of Financial Position of Stotsenberg has been translated to \$ from PHP using the spot rate at 30 June 2015 of \$1 : PHP34.6500.

The consolidated pro-forma Statement of Financial Position should be read in conjunction with the notes to the financial information.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial information covers the consolidated entity consisting of FCG and its controlled entities.

The principal accounting policies adopted in the preparation of the financial information are set out below.

(a) Basis of Preparation

This financial information has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporation Act 2001.

Statement of Compliance

Compliance with Australian Accounting Standards Board (AASB's) ensures that the financial report of Frontier Capital Group Limited also complies with International Financial Reporting Standards ("IFRS").

Critical judgements

Management has made the following judgements when applying the Group's accounting policies:

Capitalisation of exploration costs

The Group follows the guidance of AASB 6 Exploration for and Evaluation of Mineral Resources when determining if exploration costs incurred can be capitalised. This determination requires significant judgement. In making this judgement, the Group evaluates if any one of the following conditions is met:

The exploration and evaluation expenditures are expected to be recouped through successful development and exploitation of the area of interest, or alternatively, by its sale; and

Exploration and evaluation 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 areas of interest are continuing.

If one of the above conditions is met then the Group has made the judgement to capitalise the associated exploration expenses.

Historical cost convention

These financial information has been prepared on an accruals basis and are based on the historical cost convention except where noted in these accounting policies.

Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

(b) Principles of consolidation**Subsidiaries**

The financial information incorporate the assets and liabilities of all subsidiaries of Frontier Capital Group Limited (the "parent entity") as at report date and the results of all subsidiaries for the year then ended.

Frontier Capital Group Limited and its subsidiaries together are referred to in this financial report as the Group.

The acquisition of Stotsenberg (note 2 (i)) will be treated as a reverse acquisition in accordance with AASB 3 – Business Combinations whereby Stotsenberg will be considered the accounting acquirer on the basis that Stotsenberg is the controlling entity in the transaction. As a result, Stotsenberg is the continuing entity for consolidated accounting purposes and the legal parent FCG is the accounting subsidiary.

Subsidiaries are all those entities over which the Group has the power to govern the financial and operating policies so as to obtain benefits from the entity's activities generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases. The financial performance of those activities is included only for the period of the year that they were controlled.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group.

Intercompany transactions, balances and unrealised gains on transactions between consolidated entity companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Business Combination

Business combinations occur where an acquirer obtains control over one or more businesses. A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or business under common control. The business combination will be accounted for from the date that control is attained, whereby the fair value of the identifiable assets acquired and liabilities (including contingent liabilities) assumed is recognised (subject to certain limited exemptions).

When measuring the consideration transferred in the business combination, any asset or liability resulting from a contingent arrangement is also included, subsequent to initial recognition, contingent consideration classified as equity is not remeasured and its subsequent settlement accounted for within equity. Contingent consideration classified as an asset or liability is remeasured in each reporting period to fair value, recognising any change to fair value in profit or loss, unless the change in value can be identified as existing at acquisition date.

All transaction costs incurred in relation to business combinations are recognised as expenses in profit or loss when incurred.

The acquisition of a business may result in the recognition of goodwill or a gain from a bargain purchase.

Goodwill

Goodwill is carried at cost less any accumulated impairment losses. Goodwill is calculated as the excess of the sum of:

- i. The consideration transferred;
- ii. Any non-controlling interest; and
- iii. The acquisition date fair value of any previously held equity for a business combination plus the acquisition date fair value of any previously held equity holdings shall form the cost of the investment in the separate financial statements.

The acquisition date fair value of the consideration transferred for a business combination plus the acquisition date fair value of any previously held equity holdings shall form the cost of the investment in the separate financial statements. Fair value remeasurements in any pre-existing equity holding are recognised in profit or loss in the period in which they arise. Where changes in the value of such equity holdings had previously been recognised in other comprehensive income, such amounts are recycled to profit or loss.

Goodwill on acquisition of subsidiaries is included in intangible assets.

Goodwill is tested for impairment annually and is allocated to the Group's cash-generating units or groups of cash-generating units, representing the lowest level at which goodwill is monitored not larger than an operating segment. Gains and losses on the disposal of an entity include the carrying amount of goodwill related to the entity disposal of. Changes in the ownership interests in a subsidiary are accounted for as equity transactions and do not affect the carrying amounts of goodwill.

(c) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is recognised for the major business activities as follows:

Sale of Goods

Revenue from the sale of goods is recognised when all the following conditions are satisfied:

the Company has transferred to the buyer the significant risks and rewards of ownership of the goods;

the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;

the amount of revenue can be measured reliably;

it is probable that the economic benefits associated with the transaction will flow to the Company; and

the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from sale of goods consists of sales of foods and beverages.

Rendering of Services

Revenue from a contract to provide services is recognized by reference to the stage of completion of the contract. Revenue from rendering of services is recognized when all the following conditions are satisfied:

the amount of revenue can be measured reliably;

it is probable that the economic benefits associated with the transaction will flow to the Company;

the stage of completion of the transaction can be measured reliably; and

the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

Revenue from rendering of services consists of the provision of graphical design services, rentals of rooms and winnings from gaming business enterprise, slots lounges with table games, video arcade, internet gaming and other related activities

Interest Revenue

Interest revenue is recognised as it accrues taking into account the effective yield on the financial asset.

Other Income

Income from other sources is recognised when proceeds or the fee in respect of other products or service provided is receivable. All revenue is stated net of the amount of goods and services tax (GST).

(d) Income Tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did

not affect either accounting profit or taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

The Company and its wholly owned Australian entities are part of a tax-consolidated group under Australian taxation law. Frontier Capital Group is the head entity in the tax-consolidated group. 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.

Current tax liabilities and assets and deferred tax assets arising from unused tax losses and tax credits of the members of the tax-consolidated group are recognised by the Company (as head entity in the tax-consolidated group). The amounts receivable/payable under tax funding arrangements are due upon notification by the entity which is issued soon after the end of each financial year. Interim funding notices may also be issued by the head entity to its wholly owned subsidiary. These amounts are recognised as current intercompany receivables or payables.

(e) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST except:

where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis except for the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority, and are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(f) Impairment of assets

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting period. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(g) Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents include cash on hand and at call deposits with banks or financial institutions, and investment in money market instruments maturing within less than three months, net of bank overdrafts.

(h) Trade and other receivables

Trade receivables are recognised initially at original invoice amounts and subsequently measured at amortised cost, less provision for doubtful debts. Trade receivables are due for settlement no more than 60 days from the date of recognition. Collectibility of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for doubtful receivables is established when there is objective evidence that entities in the Group will not be able to collect all amounts due according to the original terms of receivables.

(i) Tenement exploration, valuation and development costs

Costs incurred in the exploration for, and evaluation of, tenements for suitable resources are carried forward as assets provided that one of the following conditions is met:

- the carrying values are expected to be justified through successful development and exploitation of the area of interest; or
- exploration activities in the area of interest have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of recoverable mineral resources, and active and significant operations in relation to the area are continuing.

Expenses failing to meet at least one of the aforementioned conditions are expensed as incurred.

Costs associated with the commercial development of resources are deferred to future periods, provided they are, beyond any reasonable doubt, expected to be recoverable. These costs are amortised from the commencement of commercial production of the product to which they relate on a straight-line basis over the period of the expected benefit. A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

(j) Trade and other payables

These amounts represent liabilities for goods and services which are unpaid, and were provided to the Group prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

(k) Restoration and rehabilitation provisions

Both for close down and restoration and for environmental clean-up costs from exploration programs, if any, a provision will be made in the accounting period when the related disturbance occurs, based on the net present value of estimated future costs.

(l) Employee Benefits

(i) Wages, salaries and annual leave

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

(ii) Long service leave

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Those cash flows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

(m) Contributed Equity

Ordinary shares are classified as equity.

(n) Share based payments

Ownership-based remuneration is provided to employees via an employee share option plan. Share-based compensation is recognised as an expense in respect of the services received, measured on a fair value basis.

The fair value of the options at grant date is independently determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the vesting and

performance criteria, the impact of dilution, the non-tradeable nature of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option.

The fair value of the options granted excludes the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. At each balance date, the Group revises its estimate of the number of options that are expected to become exercisable. The employee benefit expense recognised each period takes into account the most recent estimate.

Upon the exercise of options, the balance of the share-based payments reserve relating to those options is transferred to share capital.

(o) New Accounting Standards for Application

The AASB has issued new and amended accounting standards and interpretations that have mandatory application dates for future reporting periods. The Group has decided against early adoption of these standards. We have reviewed these standards and interpretations and there are none having any material effect.

2. PRO-FORMA TRANSACTIONS

The Consolidated Pro-Forma Statement of Financial Position as at 30 June 2015 has been prepared by adjusting the Consolidated Statement of Financial Position as at that date to reflect the financial effects of the following transactions as if they had occurred at 30 June 2015:

- i) The acquisition of 100% of the share capital of Stotsenberg from Stotsenberg's shareholders. The consideration for the acquisition is the issue of 154,050,000 fully paid ordinary shares in FCG to the shareholders of Stotsenberg.
- ii) Elxcite will be appointed as the manager of Stotsenberg. As consideration for Elxcite entering into the Stotsenberg Operations and Management Agreement, the Company will issue 28,440,000 fully paid ordinary shares to Elxcite.
- iii) Elxcite will guarantee to the Company that Stotsenberg will earn Net Profit After Tax ("NPAT") of US\$5 million for each of the 5 years ending 31 December 2020 ("Stotsenberg Profit Guarantee"). The Consideration for this guarantee is that the Company will issue 113,760,000 Performance Shares in FCG to Elxcite.

The Performance Shares in FCG can be converted into fully paid ordinary shares if, in any of the 5 years ended 31 December 2020 the reported NPAT for that year is US\$5 million or more.

In the event that, in a financial year, the reported NPAT for that year is US\$5 million or more, the number of Performance Shares that Elxcite can

convert into FCG into fully paid ordinary shares is based on the ratio of the conversion of 4.5504 Performance Shares per US\$1 of NPAT reported up to the cumulative conversion of a maximum of 113,760,000 Performance Shares.

iv) The issue of 5,000,000 fully paid ordinary shares in FCG in consideration for the payment of corporate advisory fees in connection to the acquisition of Stotsenberg.

3. CASH AND CASH EQUIVALENTS

	Consolidated Reviewed 30-Jun-15 \$	Consolidated Unaudited Pro-Forma 30-Jun-15 \$
Cash and cash equivalents	<u>3,210,924</u>	<u>3,363,632</u>
Cash at 30 June 2015		3,210,924
Cash acquired from the acquisition of a 100% interest in Stotsenberg (note 2(i))		152,708
Pro-Forma balance		<u>3,363,632</u>
Cash and cash equivalents in the unaudited Pro-Forma comprises:		
Cash at bank and on deposit		3,294,381
Cash held in trust - tenement guarantee		20,000
Cash on hand		49,252
Pro-Forma balance		<u>3,363,632</u>

4. TRADE AND OTHER RECEIVABLES

	Consolidated Reviewed 30-Jun-15 \$	Consolidated Unaudited Pro-Forma 30-Jun-15 \$
Trade and other receivables	<u>1,544,044</u>	<u>10,573,279</u>
Trade and other receivables at 30 June 2015		1,544,044
Trade and other receivables acquired in Stotsenberg acquisition (note 2(i))		9,029,235
Pro-Forma balance		<u>10,573,279</u>

5. INVENTORIES

	Consolidated Reviewed 30-Jun-15 \$	Consolidated Unaudited Pro-Forma 30-Jun-15 \$
Inventories	<u>-</u>	<u>120,091</u>
Inventories at 30 June 2015		-
Inventories acquired from the acquisition of a 100% interest in Stotsenberg (note 2(i))		120,091
Pro-Forma balance		<u>120,091</u>
Inventories in the unaudited Pro-Forma comprises:		
Food		51,286
Beverage		39,554
General supplies		13,673
Engineering supplies		15,578
Pro-Forma balance		<u>120,091</u>

6. OTHER CURRENT ASSETS

	Consolidated Reviewed 30-Jun-15 \$	Consolidated Unaudited Pro-Forma 30-Jun-15 \$
Other current assets	19,422	285,691
Other current assets at 30 June 2015		19,422
Other current assets acquired from the acquisition of a 100% interest in Stotsenberg (note 2(i))		266,269
Pro-Forma balance		285,691
Other current assets in the unaudited Pro-Forma comprises:		
Prepayments		266,269
Other current assets		19,422
Pro-Forma balance		285,691

7. PROPERTY, PLANT AND EQUIPMENT

	Consolidated Reviewed 30-Jun-15 \$	Consolidated Unaudited Pro-Forma 30-Jun-15 \$
Property, plant and equipment at carrying value	267,782	13,747,880
Property, plant and equipment at 30 June 2015		267,782
Property, plant and equipment acquired in the Stotsenberg acquisition (note 2(i))		13,480,098
Pro-Forma balance		13,747,880
The carrying value of property, plant and equipment in the unaudited Pro-Forma comprises:		
Building		13,344,140
Furniture, fixtures and equipment		403,741
Pro-Forma balance		13,747,880

8. INTANGIBLE ASSETS

	Consolidated Reviewed 30-Jun-15 \$	Consolidated Unaudited Pro-Forma 30-Jun-15 \$
Intangible assets	8,765,387	5,623,697
Intangible assets at 30 June 2015		8,765,387
<i>Adjustments arising in the preparation of the Pro-Forma Statement of Financial Position are summarised as follows:</i>		
Reverse acquisition accounting for Issue of shares to acquire a 100% equity interest in Stotsenberg		
Elimination of existing FCG intangible asset balance		(8,765,387)
Fair value of consideration shares issued in reverse acquisition (note 18)	10,925,692	
Less fair value of FCG net tangible assets acquired at 30 June 2015 (note 18)	5,301,995	
Intangible assets of FCG acquired in reverse acquisition by Stotsenberg*		5,623,697
Pro-Forma balance		5,623,697

* FCG will undertake a purchase price allocation ("PPA") for the reverse acquisition by Stotsenberg under AASB 3 *Business Combinations* as required under Australian Accounting Standards. The Pro-Forma balance for intangible assets does not reflect the impact of any adjustments which may arise from the PPA process.

9. FINANCIAL ASSETS

	Consolidated Reviewed 30-Jun-15 \$	Consolidated Unaudited Pro-Forma 30-Jun-15 \$
Financial assets	<u>1,150,856</u>	<u>1,150,856</u>

Financial assets in the unaudited Pro-Forma comprises:

Investment in Monvest Group	1,000,000
Investment in other entities	150,856
Pro-Forma balance	<u>1,150,856</u>

10. MINING TENEMENTS

	Consolidated Reviewed 30-Jun-15 \$	Consolidated Unaudited Pro-Forma 30-Jun-15 \$
Mining tenements	<u>104,535</u>	<u>104,535</u>

11. TRADE AND OTHER PAYABLES

	Consolidated Reviewed 30-Jun-15 \$	Consolidated Unaudited Pro-Forma 30-Jun-15 \$
Trade and other payables	<u>864,392</u>	<u>7,843,935</u>
Trade and other payables at 30 June 2015		864,392
Trade and other payables acquired in Stotsenberg acquisition (note 2(ii))		6,979,543
Pro-Forma balance		<u>7,843,935</u>

Trade and other receivables in the unaudited Pro-Forma comprises:

Trade and other payables	7,830,095
Accrued payable	13,840
Pro-Forma balance	<u>7,843,935</u>

12. FINANCIAL LIABILITIES

	Consolidated Reviewed 30-Jun-15 \$	Consolidated Unaudited Pro-Forma 30-Jun-15 \$
Financial liabilities	<u>111,873</u>	<u>111,873</u>

13. INCOME TAX PAYABLE

	Consolidated Reviewed 30-Jun-15 \$	Consolidated Unaudited Pro-Forma 30-Jun-15 \$
Income tax payable	-	67,719
Income tax payable at 30 June 2015		-
Income tax payable acquired from the acquisition of a 100% interest in Stotsenberg (note 2(i))		67,719
Pro-Forma balance		67,719

14. OTHER CURRENT LIABILITIES

	Consolidated Reviewed 30-Jun-15 \$	Consolidated Unaudited Pro-Forma 30-Jun-15 \$
Other current liabilities	19,303	4,348,307
Other current liabilities at 30 June 2015		19,303
Other current liabilities acquired from the acquisition of a 100% interest in Stotsenberg (note 2(i))		4,329,004
Pro-Forma balance		4,348,307
Other current liabilities in the unaudited Pro-Forma comprises:		
Deposits for future stock subscriptions		4,329,004
Other current liabilities		19,303
Pro-Forma balance		4,348,307

15. SHARE CAPITAL

	Consolidated Reviewed 30-Jun-15 \$	Consolidated Unaudited Pro-Forma 30-Jun-15 \$
Issued share capital at 30 June 2015	16,417,369	20,205,530
<i>Adjustments arising in the preparation of the Pro-Forma Statement of Financial Position are summarised as follows:</i>	Number of shares	\$
Total issued share capital at 30 June 2015	87,500,000	16,417,369
Shares issued between 1 July 2015 and December 2015	300,000	-
Elimination of existing FCG share capital balance	-	(16,417,369)
Stotsenberg share capital at the acquisition date (note 2(ii))	-	5,772,006
Fully paid ordinary shares issued as consideration for the Stotsenberg acquisition (Note 2(i) (measured by reference to the value of the accounting acquirer) (note 18)	154,050,000	3,361,751
Fully paid ordinary shares issued as consideration for entering into the Stotsenberg Operations and Management Agreement (note 2(ii)) *	28,440,000	2,983,336
Fully paid ordinary shares issued as consideration for the payment of corporate advisory fees in connection to the acquisition of Stotsenberg (note 2(iv))	5,000,000	524,496
Pro-Forma balance	275,290,000	12,641,589

* The fully paid ordinary shares issued as consideration for entering into the Stotsenberg Operations and Management Agreement and for the payment of advisory fees in connection to the acquisition of Stotsenberg have been measured at \$0.1049 per share based on the combined net asset value of FCG and Stotsenberg adjusted to reflect the value of the leased land, buildings and leasehold improvements of Stotsenberg as assessed by Colliers International Philippines Inc.

16. RESERVES

	Consolidated Reviewed 30-Jun-15 \$	Consolidated Unaudited Pro-Forma 30-Jun-15 \$
Reserves	2,399,157	-

Reserves is comprised of the following:

Performance shares reserve

	Consolidated Reviewed 30-Jun-15 \$	Consolidated Unaudited Pro-Forma 30-Jun-15 \$
Balance as at 30 June 2015	-	-
<i>Adjustments arising in the preparation of the Pro-Forma Statement of Financial Position are summarised as follows:</i>	Number of shares	\$
Total issued share capital at 30 June 2015	-	-
Performance Shares issued as consideration for the Stotsenberg Profit Guarantee (note 2(iii))	113,760,000	-
Pro-Forma balance	113,760,000	-

In accordance with AASB 2, the grant date fair value of the Performance Rights, disregarding all non-market vesting conditions will be expensed over the vesting periods of the rights (being the 5 years ending 31 December 2020), with the expense being adjusted for the assessed probability of the Performance Rights vesting.

At the vesting date of the Performance Rights, the cumulative share based payment expense recognised will be adjusted to reflect the difference between, the grant date fair value of the Performance Rights, disregarding all non-market vesting conditions, that actually vested, and the cumulative share based payment expense recognised (commonly referred to as the true-up).

Options reserve

	Consolidated Reviewed 30-Jun-15 \$	Consolidated Unaudited Pro-Forma 30-Jun-15 \$
Balance as at 30 June 2015	2,399,157	-
<i>Adjustments arising in the preparation of the Pro-Forma Statement of Financial Position are summarised as follows:</i>		
Balance at 30 June 2015		2,399,157
Elimination of existing FCG options reserve balance		(2,399,157)
Pro-Forma balance		-

17. RETAINED EARNINGS

	Consolidated Reviewed 30-Jun-15 \$	Consolidated Unaudited Pro-Forma 30-Jun-15 \$
Retained earnings	<u>(4,749,144)</u>	<u>2,392,296</u>
Retained earnings at 30 June 2015		(4,749,144)
<i>Adjustments arising in the preparation of the Pro-Forma Statement of Financial Position are summarised as follows:</i>		
Elimination of existing FCG retained earnings		4,749,144
Retained profits of Stotsenberg at 30 June 2015		5,900,128
Share based payment expense in relation to the issue of 28,440,000 ordinary share in FCG as consideration for entering into the Stotsenberg Operations and Management Agreement (note 2 (ii) and note 15)		(2,983,336)
Fully paid ordinary shares issued as consideration for the payment of corporate advisory fees in connection to the acquisition of Stotsenberg (note 2(iv) and note 15)		(524,496)
Pro-Forma balance		<u>2,392,296</u>

18. BUSINESS COMBINATION

As set out in Note 2 (i) FCG is acquiring 100% of Stotsenberg in consideration for the issue of 154,050,000 fully paid ordinary shares in FCG to the shareholders of Stotsenberg.

The acquisition of Stotsenberg will be treated as a reverse acquisition in accordance with AASB 3 – Business Combinations whereby Stotsenberg will be considered the accounting acquirer on the basis that Stotsenberg is the controlling entity in the transaction.

The financial effects of this transaction are as follows:

(i) Purchase Consideration

FCG Issued share capital as at the date of acquisition	87,800,000
Number of shares issued as consideration for the acquisition of Stotsenberg (note 2 (i))	154,050,000
Percentage ownership of FCG by Stotsenberg shareholders (rounded)	63.7%
Percentage of shares Stotsenberg would have to issue to acquire FGC ($100 \times ((100\% - 63.70\%)/63.70\%)$) (rounded) ("Notional share percentage")	57.0%
Fair value of Stotsenberg at 30 June 2015 (\$) *	<u>19,169,736</u>
Assessed fair value of consideration	<u>\$ 10,925,692</u>

* The Fair Value of Stotsenberg as at 30 June 2015 has been assessed as the net asset value of Stotsenberg adjusted to reflect the value of the leased land, buildings and leasehold improvements of Stotsenberg as assessed by Colliers International Philippines Inc.

(ii) Acquisition of FCG by Stotsenberg

The provisionally determined fair values of the assets and liabilities of FCG as at the date of acquisition are:

	Fair value \$
Cash and cash equivalents	3,210,924
Trade and other receivables	1,544,044
Other current assets	19,422
Property, plant and equipment	267,782
Financial assets	1,150,856
Mining tenements	104,535
Trade and other payables	(864,392)
Financial liabilities	(111,873)
Other current liabilities	<u>(19,303)</u>
Net identifiable tangible assets acquired	5,301,995
Add: goodwill/separately identifiable intangible assets	5,623,697
Net assets acquired	<u>10,925,692</u>



RSM Financial Services Australia Pty Ltd

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6 January 2016

The Directors,
Frontier Capital Group Limited
Level 2, Hudson House
131 Macquarie Street
Sydney NSW 2000

Dear Sirs

Investigating Accountant's Report

Independent Limited Assurance Report on Frontier Capital Group's and Stotsenberg Leisure Park & Hotel Corporation's Historical and Pro Forma Historical Financial Information

We have been engaged by FCG Limited ("FCG" or "the Company") to report on the historical financial information and pro forma historical financial information of FCG as at 30 June 2015 for inclusion in its prospectus to be lodged with the Australian Securities and Investments Commission and dated on or about 8 January 2016 ("the Prospectus") and relating to the proposed acquisition of all the ordinary shares in Stotsenberg Leisure Park & Hotel Corporation ("Stotsenberg"), a Philippines gaming and hospitality business and related agreements.

Expressions and terms defined in the Prospectus have the same meaning in this report.

The nature of this report is such that it can only be issued by an entity which holds an Australian Financial Services Licence (AFSL) under the *Corporations Act 2001*. RSM Financial Services Australia Pty Ltd holds the appropriate: AFSL under the *Corporations Act 2001*.

Scope

Historical Financial Information

You have requested RSM Financial Services Australia Pty Ltd to review the following historical financial information of FCG and Stotsenberg included in the Prospectus:

- FCG's historical Audited Statement of Comprehensive Income for the two years ended 31 December 2014 and Reviewed Statement of Comprehensive Income for the six months ended 30 June 2015;
- FCG's historical Audited Statement of Cash flows for the two years two years ended 31 December 2014 and Reviewed Statement of Cash flows six months ended 30 June 2015; and
- FCG's historical Reviewed Statement of Financial Position at 30 June 2015
- Stotsenberg's historical Audited Statement of Comprehensive Income for the two years ended 31 December 2014 and Reviewed Statement of Comprehensive Income for the six months ended 30 June 2015;

THE POWER OF BEING UNDERSTOOD

AUDIT | TAX | CONSULTING

RSM Financial Services Australia Pty Ltd is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

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- Stotsenberg's historical Audited Statement of Cash Flows for the two years ended 31 December 2014 and Reviewed Statement of Cash Flows for the six months ended 30 June 2015; and
- Stotsenberg's historical Reviewed Statement of Financial Position at 30 June 2015; and

The historical financial information has been prepared in accordance with the stated basis of preparation, being the recognition and measurement principles contained in Australian Accounting Standards and the Company's adopted accounting policies.

The historical financial information of FCG has been prepared in accordance with the stated basis of preparation, being the recognition and measurement principles contained in Australian Accounting Standards and the Company's adopted accounting policies. The historical financial information has been extracted from the financial reports of FCG for the two years and six months ended 30 June 2015, which were audited or reviewed by K.S. Black & Co in accordance with the Australian Auditing Standards and the Auditing Standards on Review Engagements, respectively. K.S. Black & Co issued an unmodified audit/review opinion on each financial report. However, the audit opinion at 31 December 2014 included an emphasis of matter regarding FCG's ability to continue as a going concern.

The historical financial information of Stotsenberg has been prepared in accordance with the stated basis of preparation, being Philippine Financial Reporting Standards and Stotsenberg's adopted accounting policies. The historical financial information has been extracted from the financial reports of Stotsenberg for the two years and six months ended 30 June 2015.

The historical financial information for the two years and six months ended 30 June 2015 were audited/reviewed by RS Bernaldo & Associates (a correspondent firm of PKF International) in accordance with Philippine Standards on Auditing. RS Bernaldo & Associates issued an unmodified audit/review opinion on each financial report.

The historical financial information is presented in the Prospectus in an abbreviated form, insofar as it does not include all of the presentation and disclosures required by Australian Accounting Standards applicable to general purpose financial reports prepared in accordance with the *Corporations Act 2001*.

Pro Forma Historical Financial Information

You have requested RSM Financial Services Australia Pty Ltd to review:

- FCG's pro forma Statement of Comprehensive Income and Statement of Cash Flows for the two years and six months ended 30 June 2015; and
- the pro forma historical Statement of Financial Position as at 30 June 2015;

together referred to as "the pro forma historical financial information".

The pro forma historical financial information has been derived from the historical financial information of FCG after adjusting for the effects of pro forma adjustments described in section 7 note 2 of the financial information, which is included in Section 6 of the Prospectus. The stated basis of preparation is the recognition and measurement principles contained in Australian Accounting Standards applied to the historical financial information and the transactions to which the pro forma adjustments relate, as described in note 1 of the financial information, as if those transactions had occurred as at the date of the historical financial information. Due to its nature, the pro forma historical financial information does not represent the Company's actual or prospective financial position.

**Directors' responsibility**

The directors of FCG are responsible for the preparation of the historical financial information and pro forma historical financial information, including the selection and determination of pro forma adjustments made to the historical financial information and included in the pro forma historical financial information. This includes responsibility for such internal controls as the directors determine are necessary to enable the preparation of historical financial information and pro forma historical financial information that are free from material misstatement, whether due to fraud or error.

Our responsibility

Our responsibility is to express a limited assurance conclusion on the financial information based on the procedures performed and the evidence we have obtained. We have conducted our engagement in accordance with the Standard on Assurance Engagement ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*.

We made such enquiries, primarily of persons responsible for financial and accounting matters, and performed such procedures as we, in our professional judgment, considered reasonable in the circumstances including:

- a consistency check of the application of the stated basis of preparation, to the historical and pro forma historical financial information;
- a review of FCG and Stotsenberg's work papers, accounting records and other documents;
- enquiry of directors, management personnel and advisors;
- consideration of the pro forma adjustments described in note 2 of the financial information; and
- the performance of analytical procedures applied to the historical and pro forma historical financial information.

A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**Conclusions***Historical Financial Information*

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the historical financial information, as described in the annexure to this report, and comprising:

- The Consolidated Statement of Comprehensive Income of FCG for the two years and six months ended 30 June 2015;
- the Statement of Comprehensive Income of Stotsenberg for the two years and six months ended 30 June 2015;
- The Consolidated Statement of Cash Flows of FCG for the two years and six months ended 30 June 2015;
- the Statement of Cash Flows of Stotsenberg for the two years and six months ended 30 June 2015;
- the Consolidated Statement of Financial Position of FCG as at 30 June 2015; and
- the Statement of Financial Position of Stotsenberg as at 30 June 2015;

are not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in the financial information.

Pro Forma Historical Financial Information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the pro forma historical financial information, being

- the Statement of Comprehensive Income and Statement of Cash Flows for the two years and six months ended 30 June 2015; and
- the Statement of Financial Position as at 30 June 2015

are not presented fairly in all material respects, in accordance with the stated basis of preparation as described in the financial information.

Restriction on Use

Without modifying our conclusions, we draw attention to the financial information – basis of preparation section, which describes the purpose of the financial information, being for inclusion in the Prospectus. As a result, the financial information may not be suitable for use for another purpose.

Responsibility

RSM Financial Services Australia Pty Ltd has consented to the inclusion of this assurance report in the Prospectus in the form and context in which it is included. RSM Financial Services Australia Pty Ltd has not authorised the issue of the Prospectus. Accordingly, RSM Financial Services Australia Pty Ltd makes no representation regarding, and takes no responsibility for, any other documents or material in, or omissions from, the Prospectus.



Declaration of Interest

RSM Financial Services Australia Pty Ltd does not have any interest in the outcome of this transaction other than the preparation of this assurance report for which normal professional fees will be received.

Yours faithfully

RSM FINANCIAL SERVICES AUSTRALIA PTY LTD

A handwritten signature in blue ink that reads 'Glyn Yates'.

Glyn Yates
Director

6 January 2016

9. Additional Information

9.1 Constitution

A copy of the Constitution of the Company will be accessible on the website of the Company and may be inspected at the registered office of the Company during normal business hours by appointment with the Company Secretary.

(a) Shares

There is only one class of Company Shares. Detailed provisions relating to the rights attaching to Shares are set out in the Constitution and the *Corporations Act*. The Company has adopted a constitution of the kind usually adopted by a public company listed on the ASX. The following is a broad summary of the key provisions in the Constitution and the rights attaching to Shares.

(b) General meetings

Each Shareholder is entitled to receive notice of and be present, to vote and speak at general meetings of the Company.

(c) Voting rights

At a general meeting every Shareholder present (in person or by proxy, attorney or representative) has one vote on a show of hands. Every Shareholder present (in person or by proxy, attorney or representative) has one vote per fully paid Share on a poll, except in respect of each partly paid Share held by a Shareholder, where the Shareholder has a fraction of a vote for each partly paid Share they hold. This is subject to any other rights or restrictions attached to any Shares.

(d) Dividend rights

Subject to any special rights or restrictions attached to a Share, each holder of a fully paid Share will participate in all dividends declared after their issue and rank equally with all existing Shares. Dividends are declared by the Directors at their discretion and, subject to any special rights, are payable on all Shares in proportion to the amount of capital for the time being paid up or credited as paid up on those Shares.

(e) Rights on winding up

Subject to any special rights and restrictions attached to Shares, on a winding up any surplus must be divided among the Shareholders in the proportion that the amount paid up on the Shares bears to the total amount paid up on all Shares on issue. Subject to any special rights and restrictions attached to Shares, on a winding up, a liquidator of the Company may, with the sanction of a special resolution of Shareholders, divide among Shareholders the whole or any part of the property of the Company and may decide how to distribute the property as between the Shareholders.

(f) Transfer of shares

Subject to the Constitution, the *Corporations Act* and the ASX Listing Rules, generally, Shares are freely transferable.

(g) Future changes in capital

Subject to the ASX Listing Rules and the Constitution, the Directors may issue, grant options over, or otherwise dispose of Shares on such conditions, at such times and with the preferred, deferred or other special rights or restrictions as the Directors think fit. Subject to the *Corporations Act* and the ASX Listing Rules, the Company may by resolution, consolidate and divide its share capital or reduce its share capital and buy back its Shares.

(h) Variation of rights

The Company may only vary or cancel the rights attaching to any class of shares, or convert shares from one class to another, by a special resolution of the Company and a special resolution passed at a meeting of the holders of shares in that class or the written consent of Shareholders with at least 75% of the votes in that class.

(i) Marketable parcels

Subject to certain conditions, the Company may sell non-marketable parcels of Shares on issue as agent for the holders of those parcels.

Shareholders will be provided at least six weeks' notice with preliminary notice provided at least four weeks earlier (a total of ten weeks) enabling the Shareholder to elect not to have their Shares sold.

In the event the Shareholder does not elect to retain their Shares the Shares may be sold and the proceeds held in trust on behalf of the Shareholder.

(j) Proportional takeover

The Constitution contains a proportional takeover provision, which may be renewed from time to time in accordance with the *Corporations Act*.

9.2 Corporate Governance

The Company has adopted a Corporate Governance Plan, which forms the basis of a comprehensive system of control and accountability for the administration of corporate governance. The Board is committed to administering the policies and procedures with openness and integrity, pursuing the true spirit of corporate governance commensurate with the Company's needs.

To the extent they are applicable to the Company, the Board has adopted the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations 3rd Edition ("Principles and Recommendations").

In light of the Company's size and nature, the Board considers that the current board is a cost effective and practical method of directing and managing the Company. As the Company's activities develop in size and scope, the size of the Board and the implementation of additional corporate governance policies and structures will be reviewed.

The Company's main corporate policies and practices as at the date of this Prospectus are outlined below and the Company's full Corporate Governance Plan is available in the corporate governance information section of the Company's website (www.fcgl.com.au/Corporate-Governance.htm).

(a) Board Responsibilities

The Board is responsible for corporate governance of the Company. The Board develops strategies for the Company, reviews strategic objectives and monitors performance against those objectives. The goals of the corporate governance processes are to:

- maintain and increase Shareholder value;
- ensure a prudential and ethical basis for the Company's conduct and activities;
- ensure compliance with the Company's legal and regulatory objectives consistent with these goals, and to achieve this the Board assumes the following responsibilities:
 - h. developing initiatives for profit and asset growth;
 - i. reviewing the corporate, commercial and financial performance of the Company on a regular basis;
 - j. acting on behalf of, and being accountable to, the Shareholders; and
 - k. identifying business risks and implementing actions to manage those risks and corporate systems to assure quality.

The Company is committed to the circulation of relevant materials to Directors in a timely manner to facilitate Directors' participation in the Board discussions on a fully-informed basis;

(b) Composition of the Board

Election of Board members is substantially the province of the Shareholders in general meeting.

However, subject thereto, the Company is committed to the following principles:

- the Board is to comprise persons with a blend of skills, experience and attributes appropriate for the Company and its business; and
- the principal criteria for the appointment of new Directors are their ability to add value to the Company and its business. All incumbent Directors bring an independent judgement to bear in deliberations and the current representation is considered adequate given the stage of the Company's development. The names, qualifications and relevant experience of each Director are set out in section 2.

(c) Code of Conduct

As part of its commitment to recognising the legitimate expectations of stakeholders and promoting practices necessary to maintain confidence in the Company's

integrity, the Company has an established Code of Conduct (the Code) to guide compliance with legal, ethical and other obligations to legitimate stakeholders and the responsibility and accountability required of FCG personnel for reporting and investigating unethical practices or circumstances where there are breaches of the Code.

These stakeholders include employees, clients, customers, government authorities, creditors and the community as whole. This Code governs all of the Company's commercial operations and the conduct of Directors, employees, consultants, contractors and all other people when they represent the Company. This Code also governs the responsibility and accountability required of the Company's personnel for reporting and investigating unethical practices.

The Board, management and all employees of the Group are committed to implementing this Code and each individual is accountable for such compliance. A copy of the Code is given to all employees, contractors and relevant personnel, including directors, and is available on the Company's website (under "Corporate Governance").

(d) Diversity Policy

The Board has adopted a diversity policy which provides a framework for the Company to achieve, among other things, a diverse and skilled workforce, a workplace culture characterised by inclusive practices and behaviours for the benefit of all staff, improved employment and career development opportunities for women and a work environment that values and utilises the contributions of employees with diverse backgrounds, experiences and perspectives.

(e) Continuous Disclosure

The Board has designated FCG's Company Secretary as the person responsible for overseeing and co-ordinating disclosure of information to the ASX as well as communicating with the ASX.

The Board has established a written policy for ensuring compliance with ASX Listing Rule disclosure requirements and accountability at senior executive level for that compliance. A copy of the Company's continuous disclosure policy can be found on the Company's web site (under "Corporate Governance").

(f) Audit Committee and Management of Risk

The Company's board sits as the audit and risk committee.

(g) Remuneration Arrangements

The Board will decide the remuneration of an executive Director, without the affected executive Director participating in that decision-making process.

The constitution of FCG provides that Directors are entitled to remuneration as the Directors determine, but the remuneration of the non-executive Directors must not exceed, in aggregate, a maximum amount fixed by FCG in general meeting of Shareholders for that purpose. This amount has been set at \$200,000.

A Director may be paid fees or other amounts (subject to any necessary Shareholder approval) (for example, non-cash performance incentives such as Options) as determined by the Board where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director.

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 Board reviews and approves the remuneration policy to enable the Company to attract and retain executives and Directors who will create value for Shareholders having consideration to the amount considered to be commensurate for a company of its size and level of activity as well as the relevant Directors' time, commitment and responsibility. The Board is also responsible for reviewing any employee incentive and equity-based plans including the appropriateness of performance hurdles and total payments proposed.

(h) Shareholder Communications

The Board tries to ensure that Shareholders are provided with sufficient information to assess the performance of the Company and its Directors and to make well-informed investment decisions. Information is communicated to Shareholders through:

- annual and half-yearly financial reports and quarterly reports;
- annual and other general meetings convened for Shareholder review and approval of Board proposals;
- continuous disclosure of material changes to ASX for open access to the public; and,
- the Company maintains a website where all ASX announcements, notices and financial reports are published as soon as possible after release to ASX.

The auditor is invited to attend the annual general meeting of Shareholders. The Chairman will permit Shareholders to

ask questions about the conduct of the audit and the preparation and content of the audit report.

(i) Trading in the Company's Shares

The Company's Share Trading Policy prohibits Directors from taking advantage of their position or information acquired, in the course of their duties, and the misuse of information for personal gain or to cause detriment to of the Group.

Directors, senior executives and employees are required to advise the Company Secretary of their intentions prior to undertaking any transaction in FCG securities.

If an employee, officer or director is considered to possess material non-public information, they will be precluded from making a Security transaction until after the time of public release of that information.

A copy of the Company's Share Trading Policy is available on the Company's website (under "Corporate Governance").

(j) Corporate Social Responsibility

The Company is committed to conducting its operations and activities in harmony with the environment and society, and wherever practicable to work in collaboration with communities and government institutions in decision-making and activities for effective, efficient and sustainable solutions.

A copy of the Company's Environmental, Health and Social Charter is available on the Company's website (under "Corporate Governance").

(k) Departures from ASX Corporate Governance Council's Corporate Governance Principles & Recommendations (Principles & Recommendations)

The Company is required to report any departures from the Principles & Recommendations in its annual financial report.

The Company's compliance and departures from Principles & Recommendations as at the date of this Prospectus are set out in the following table:

ASX Corporate Governance Council's Corporate Governance Principles and Recommendations

PRINCIPAL	Response
PRINCIPLE 1: LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT	
Recommendation 1.1	
The entity should have and disclose a charter, which sets out the respective roles and responsibilities of the board, the chair and management; and includes a description of those matters expressly reserved to the board and those delegated to management.	<p>Complies.</p> <p>The Company's Corporate Governance Plan includes a Board Charter, which discloses the specific responsibilities of the Board. The responsibilities delegated to the senior management team are set out in the Board Charter.</p> <p>The Board Charter can be viewed on the Company's website www.fcgl.com.au.</p>
Recommendation 1.2	
<p>The entity should undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director.</p> <p>The entity should provide security holders with all material information relevant to a decision on whether or not to elect or re-elect a director.</p>	<p>Complies.</p> <p>The Company conducts background and reference checks for all Directors.</p> <p>These checks will be expanded to include the required checks described in Guidance Note 1, paragraph 3.15 issued by the ASX before appointing an additional person, or putting forward to Shareholders a candidate for election, as a Director.</p>
Recommendation 1.3	
The entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	<p>Complies.</p> <p>All Directors have written agreements setting out the terms of their appointment (refer to section 9.4(f)). The services of the Company Secretary and the Chief Financial Officer are provided under the terms of the services agreement with HCL described in section 9.4(e).</p>
Recommendation 1.4	
The company secretary of the entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	<p>Complies.</p> <p>A Company Secretary has been appointed and is accountable directly to the Board, through the Chairperson, on all matters to do with the proper functioning of the Board.</p>
Recommendation 1.5	
The entity should establish a policy concerning diversity and disclose the policy or a summary of that policy. The policy should include requirements for the board to establish measurable objectives for achieving gender diversity for the board to assess annually both the objectives and progress in achieving them.	<p>Complies.</p> <p>The Board has established a Diversity Policy.</p>
The entity should disclose in its annual report the measurable objectives for achieving gender diversity set by the board in accordance with the diversity policy and progress towards achieving them.	The Diversity Policy is available at the Company's website and is set out in the Company's annual report.
The entity should disclose in its annual report the proportion of women employees in the whole organisation, women in senior executive positions and women on the board.	Details of the Company's measurable objectives for achieving gender diversity and its progress towards achieving them and the entity's gender diversity figures are set out in the Company's annual report.
Recommendation 1.6	
The entity should have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors and disclose in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	<p>Will comply.</p> <p>The Company will disclose the process for evaluating the performance of the Board, its committees and individual Directors in its future annual reports.</p> <p>Details of the performance evaluations undertaken will be set out in future annual reports.</p>

Recommendation 1.7	
The entity should have and disclose a process for periodically evaluating the performance of its senior executives and disclose in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process	<p>Complies.</p> <p>Senior executive key performance indicators are set annually, with performance appraised by the Board, and reviewed in detail by the Board.</p> <p>The internal review is to be conducted on an annual basis and if deemed necessary an independent third party will facilitate this internal review.</p> <p>Details of the performance evaluations undertaken will be set out in future annual reports.</p>
PRINCIPLE 2: STRUCTURE THE BOARD TO ADD VALUE	
Recommendation 2.1	
The entity's board should have a nomination committee, which has at least three members, a majority of whom are independent directors and is chaired by an independent director.	<p>Does not comply.</p> <p>The Company does not have a nomination committee.</p>
The entity should disclose the charter of the committee, the members of the committee and as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings.	Currently the role of the nomination committee is undertaken by the full Board. The Company intends to establish a nomination committee once the Company's operations are of sufficient magnitude.
If the entity does not have a nomination committee, it should disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, experience, independence and knowledge of the entity to enable it to discharge its duties and responsibilities effectively.	The Company does not have a nomination committee. The Board evaluates the skills, experience of its members and then determines whether additional members should be invited to the Board to complement or replace the existing members.
Recommendation 2.2	
The entity should have and disclose a board skill matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.	<p>Does not yet comply.</p> <p>The Company intends to develop a board skill matrix setting out the mix of skills and diversity the Board has and requires. The skill matrix will be available at the Company's website once finalised.</p>
Recommendation 2.3	
The entity should disclose the names of the directors considered by the board to be independent directors and the length of service of each director.	Complies.
The entity should disclose if a director has an interest, position, association or relationship of the type described in Box 2.3 of the ASX Corporate Governance Principles and Recommendation (3 rd Edition), but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion.	<p>The independence of directors and the length of service of each director are set out in the Company's annual report.</p> <p>Details of any relevant interest, position, association or relationship impacting upon a director's independence will be set out in the Company's annual report.</p>
Recommendation 2.4	
A majority of the board of the entity should be independent directors.	Complies.
Recommendation 2.5	
The chair of the board of the entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	Does not yet comply.
Recommendation 2.6	
The entity should have a program for inducting new directors and providing appropriate professional development opportunities for continuing directors to develop and maintain the skills and knowledge needed to perform their role as a director effectively.	<p>Does not yet comply.</p> <p>Currently the induction of new Directors and plan for professional development is managed informally by the full Board.</p> <p>The Company intends to develop a formal program for inducting new Directors and providing appropriate professional development opportunities.</p>

PRINCIPLE 3: ACT ETHICALLY AND RESPONSIBLY	
Recommendation 3.1	
The entity should establish a code of conduct and disclose the code or a summary of the code.	<p>Complies.</p> <p>The Board has established a Code of Conduct to guide compliance with legal, ethical and other obligations to legitimate stakeholders and the responsibility and accountability required of the Group's personnel for reporting and investigating unethical practices or circumstances where there are breaches of the Code.</p> <p>The Code of Conduct can be viewed on the Company's website.</p>
PRINCIPLE 4: SAFEGUARD INTEGRITY IN FINANCIAL REPORTING	
Recommendation 4.1	
The board of the entity should have an audit committee, which consists only of non-executive directors, a majority of which are independent directors and is chaired by an independent chair, who is not chair of the board.	Complies.
The entity should disclose the charter of the committee, the members of the committee and as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings.	<p>Members of the Committee have appropriate and relevant financial experience to act in this capacity.</p> <p>The Board has established an Audit and Risk Committee Charter.</p> <p>A summary of the charter and details of the number of times the committee met throughout the period and the individual attendances of the members at those meetings are set out in the Company's annual report.</p> <p>The full Audit and Risk Committee charter can be viewed on the Company's website.</p>
Recommendation 4.2	
The board should disclose whether it has, before approving the entity's financial statements for a financial period received assurance from the chief executive officer (or equivalent) and the chief financial officer (or equivalent) a declaration that the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively in all material respects in relation to financial reporting risks.	<p>Complies.</p> <p>The Board requires the Chief Executive Officer and Chief Financial Officer to provide such a statement before approving the entity's financial statements for a financial period.</p> <p>The chair performs the function of CEO for this purpose.</p>
Recommendation 4.3	
When the entity has an AGM it should ensure that its external auditor attends the AGM and is available to answer questions from security holders relevant to the audit.	<p>Complies.</p> <p>The external auditor attends the AGM and is available to answer questions from Security Holders relevant to the audit.</p>
PRINCIPLE 5: MAKE TIMELY AND BALANCED DISCLOSURE	
Recommendation 5.1	
The entity should established written policies designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at senior executive level for that compliance and disclosed those policies or a summary of those policies.	<p>Complies.</p> <p>The Company has a written policy on information disclosure. The focus of these policies and procedures is continuous disclosure and improving access to information for investors.</p> <p>Details of the entity's continuous disclosure policy can be viewed on the Company's website.</p>

PRINCIPLE 6: RESPECT THE RIGHTS OF SHAREHOLDERS	
Recommendation 6.1	
The entity should provide information about itself and its governance to investors via its website.	<p>Complies.</p> <p>The Company has provided specific information about itself and its key personnel and has developed a comprehensive Corporate Governance Plan.</p> <p>Details can be found at the Company's website.</p>
Recommendation 6.2	
The entity should design and implement an investor relations program to facilitate effective two-way communication with shareholders.	<p>Complies.</p> <p>The Company has established a Shareholder's Communication Policy. The Company recognises the importance of forthright communications and aims to ensure that the shareholders are informed of all major developments affecting the Company.</p> <p>Details of the Shareholder's Communication Policy can be found at the Company's website.</p>
Recommendation 6.3	
The entity should disclose the policies and processes it has in place to facilitate and encourage participation at general meetings	<p>Complies.</p> <p>The Shareholder's Communication Policy is available on the Company's website and details are set out in the Company's annual report.</p>
Recommendation 6.4	
A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	<p>Complies.</p> <p>The Company has provided the option to receive communications from, and send communications to, the entity and its security registry electronically.</p>
PRINCIPLE 7: RECOGNISE AND MANAGE RISK	
Recommendation 7.1	
The board of the entity should have a committee or committees to oversee risk each of which has at least three members, a majority of whom are independent directors and is chaired by an independent director.	<p>Does not comply.</p> <p>The Company is not of a size that justifies having a separate committee to oversee risk, so matters typically considered by such a committee are dealt with by the full Board.</p>
The entity should disclose the charter of the committee, the members of the committee and as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings.	<p>The Board has established an Audit and Risk Committee.</p> <p>Details of the number of times the committee met throughout the period and the individual attendances of the members at those meetings will be set out in the Company's annual report.</p>
Recommendation 7.2	
The board or board committee should review the entity's risk management framework with management at least annually to satisfy it that it continues to be sound, to determine whether there have been any changes in the material business risks the entity faces and to ensure that they remain within the risk appetite set by the board.	Complies.
The entity should also disclose in relation to each reporting period, whether such a review has taken place.	<p>The Board determines the Company's "risk profile" and is responsible for overseeing and approving risk management strategy and policies, internal compliance and internal control.</p> <p>The Board has delegated to the Audit and Risk Committee the responsibility for implementing the risk management system.</p> <p>Details of the number of times the committee conducted a risk management review in relation to each reporting period will be disclosed in its annual reports.</p>

<p>Recommendation 7.3</p> <p>The entity should disclose if it has an internal audit function, how the function is structured and what role it performs.</p> <p>If the entity does not have an internal audit function, the entity should disclose that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.</p>	<p>Does not yet comply.</p> <p>The Board has delegated the internal audit function to the Audit and Risk Committee and intends to establish and implement the structure and role of the internal audit function.</p> <p>The Company will disclose the details of the internal audit function in its future annual reports.</p>
<p>Recommendation 7.4</p> <p>The entity should disclose whether, and if so how, it has regard to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.</p>	<p>Complies.</p> <p>The Company has an Audit and Risk committee appointed to manage economic sustainability and risk.</p> <p>With respect to the Tenements the Company complies with environmental regulatory requirements and risk through the relevant authorities issued pursuant to permits from the NSW Department of Trade and Investment (Resources & Energy).</p>
PRINCIPLE 8: REMUNERATE FAIRLY AND RESPONSIBLY	
<p>Recommendation 8.1</p> <p>The board should establish a remuneration committee, which has at least three members, a majority of whom are independent directors and is chaired by an independent director.</p> <p>If the entity does not have a remuneration committee, the entity should disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p>	<p>Does not yet comply.</p> <p>The Board has adopted a Remuneration Committee Charter.</p> <p>However, the Company is not of a size that justifies having a separate Remuneration Committee so matters typically considered by such a committee are dealt with by the full Board.</p> <p>The Board intends to engage the services of an independent adviser to review the level and composition of remuneration for Directors and senior executives to ensure that such remuneration is appropriate and not excessive.</p>
<p>Recommendation 8.2</p> <p>The entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives and ensure that the different roles and responsibilities of non-executive directors compared to executive directors and other senior executives are reflected in the level and composition of their remuneration.</p>	<p>Complies.</p> <p>The Company distinguishes the structure of Non-executive Directors' remuneration from that of Executive Directors and senior executives.</p> <p>Details of the policies and practices regarding remuneration are set out in the Company's annual report.</p> <p>The Remuneration Committee Charter can be viewed on the Company's website.</p>
<p>Recommendation 8.3</p> <p>If the entity has an equity-based remuneration scheme, the entity should have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise), which limit the economic risk of participating in the scheme, and disclose that policy or a summary of it.</p>	<p>Complies.</p> <p>The Company's Share Trading Policy prohibits executive staff from undertaking hedging or other strategies that could limit the economic risk associated with Company Securities issued under any equity based remuneration scheme.</p> <p>The Share Trading Policy can be viewed on the Company's website.</p>

9.3 Litigation

The Group is not involved in any actual or threatened litigation, which could have a material effect on the Company.

9.4 Material contracts

(a) Share Purchase Agreement

Purchase of 100% of issued share capital in Stotsenberg

The Company entered into a Share Purchase Agreement (SPA) with the Vendors to acquire 100% of the issued capital of Stotsenberg (Stotsenberg Shares) on 15 October 2015. Elxcite is also a party to the SPA.

As consideration for the acquisition of the Stotsenberg Shares, the Company will issue 154,050,000 Shares.

Appointment of Elxcite as business manager and advisor

The Company and Stotsenberg agreed that Elxcite shall be appointed as the business management and advisor of Stotsenberg. Elxcite's role and responsibilities are governed by the Operations and Management Agreement between Elxcite and Stotsenberg entered into on the same date of the SPA.

Elxcite has guaranteed to the Company that the NPAT for each of the financial years ending 31 December in 2016, 2017, 2018, 2019 and 2020 will not be less than US\$5,000,000 (Profit Guarantee). In the event that at the end of the financial year the Profit Guarantee is not met, Elxcite shall not be entitled to convert any Performance Shares for that financial year.

On the Completion Date, the Company will issue 28,440,000 Shares and 113,760,000 Performance Shares (converting into a maximum of 113,760,000 Shares over 5 years if the Profit Guarantee is met) to Elxcite pursuant to their engagement which will convert as the Profit Guarantee is met (Performance Shares).

The Performance Shares will convert to Shares upon confirmation that the Profit Guarantee has been met for each relevant Financial Year.

Performance Share Conditions

The Performance Shares will have limited rights as provided for in the Listing Rules of the ASX including that they will not:

1. be transferrable (and, consequently, not be quoted on ASX or any other exchange);
2. confer any right to vote, except as otherwise required by law;
3. confer any entitlement to a dividend, whether fixed or at the discretion of the directors;
4. confer any right to a return of capital, whether in a winding up, upon a reduction of capital or otherwise;
5. confer any right to participate in the surplus profit or assets of the entity upon a winding up; or
6. confer any right to participate in new issues of securities such as bonus issues or entitlement issues,

until the Performance Share converts into Shares.

On and from issue, the Shares issued as consideration or upon conversion of a Performance Share shall rank equally with the then Shares on issue, other than for any restrictions imposed in accordance with the ASX Listing Rules.

The Company acknowledges that the Shares issued may be subject to escrow in accordance with the ASX Listing Rules and, if required, at Completion will procure the delivery to the Company of an executed escrow agreement in relation to the number of Shares and for the time period determined pursuant to such rules.

It is therefore submitted that in these circumstances ASX should be satisfied that the Performance Shares will not:

- be transferrable (and, consequently, not be quoted on ASX or any other exchange);
- confer any right to vote, except as otherwise required by law;
- confer any entitlement to a dividend, whether fixed or at the discretion of the directors;
- confer any right to a return of capital, whether in a winding up, upon a reduction of capital or otherwise;
- confer any right to participate in the surplus profit or assets of the entity upon a winding up; or
- confer any right to participate in new issues of securities such as bonus issues or entitlement issues,

unless and until the applicable performance milestone is achieved and the Performance Share converts into ordinary shares.

Performance Shares Milestones

For any given year over the 5 financial years ended 31 December 2020, Elxcite is eligible to convert Performance Shares to fully paid ordinary shares in FCG if Stotsenberg's audited financial statements for that financial year report a NPAT of US\$5,000,000 or an amount greater than US\$5,000,000. Elxcite is then entitled to convert 4.5504 Performance Shares per US\$1 of NPAT.

Performance Shares will convert to Shares on the basis of one (1) Performance Share will convert to one (1) Share.

Any Performance Shares not converted to Shares will expire after the release of the audited accounts of Stotsenberg for the FY2020;

Performance Shares will only convert to fully paid ordinary shares in proportion to the NPAT of Stotsenberg Hotel and Casablanca Casino upon the NPAT reaching a minimum US\$5 million per annum.

The Performance Shares will not be issued until Completion of the Acquisition.

Any Performance Shares, which have not converted will be cancelled following the Conversion relating to the NPAT of the 2020 Financial Year.

Elxcite may convert a maximum of 113,760,000 Performance Shares over the 5 financial years ended 31 December 2020.

The following examples illustrate the operation of the Performance Guarantee:

Example 1

Performance Guarantee not achieved in FY2016

Performance Guarantee exceeded in FY2017, FY 2018 and FY 2019

Balance of Performance Shares converted in FY2019

No Performance Shares remain in FY2020

	FY2016	FY2017	FY2018	FY2019	FY2020
NPAT achieved	US\$ 3,000,000	US\$ 6,000,000	US\$ 10,000,000	US\$ 15,000,000	US\$ 20,000,000
Performance Shares Converted	-	27,302,400	45,504,000	40,953,600	-
Balance of Performance Shares Remaining	113,760,000	86,457,600	40,953,600	-	-

Example 2

Performance Guarantee achieved in FY2016

Performance Guarantee not achieved in FY2017

Performance Guarantee exceeded in FY2018, FY2019 and FY2020

Balance of Performance Shares converted in FY2020

No Performance Shares remain in FY2020

	FY2016	FY2017	FY2018	FY2019	FY2020
NPAT achieved	US\$ 5,000,000	US\$ 4,000,000	US\$ 6,000,000	US\$ 10,000,000	US\$ 12,000,000
Performance Shares Converted	22,752,000	-	27,302,400	45,504,000	18,201,600
Balance of Performance Shares Remaining	91,008,000	91,008,000	63,705,600	18,201,600	-

Example 3

Performance Guarantee not achieved in FY2016 and FY 2017

Performance Guarantee exceeded in FY2018

Performance Guarantee not achieved in FY2019

Performance Guarantee exceeded in FY2020

Performance Shares remaining after FY2020 are cancelled

	FY2016	FY2017	FY2018	FY2019	FY2020
NPAT achieved	US\$ 3,000,000	US\$ 4,000,000	US\$ 6,000,000	US\$ 4,000,000	US\$ 12,000,000
Performance Shares Converted	-	-	27,302,400	-	54,604,800
Balance of Performance Shares Remaining	113,760,000	113,760,000	86,457,600	86,457,600	31,852,800

Completion

The SPA requires that Completion take place provided all other conditions precedents have been satisfied, on the Closing Date, whereby:

- The Vendors will transfer the Stotsenberg Shares to the Company;

- The Company will issue the Vendors 154,050,00 Shares;
- The Company will issue Elxcite 28,440,000 Shares and 113,760,000 Performance Shares; and
- The Vendors shall elect and appoint 3 of the Vendor's nominees to the Board of the Company. The nominees shall hold the position of director until the first annual general meeting of the Company or until 31 August 2016, whichever comes first.
- Elxcite shall be entitled to appoint 3 directors to the board of directors of the Company.

Closing Date means the later date between:

- 30 November 2015; or
- The date on which all of the following conditions occurred:
 - o Stotsenberg Shares are sold and transferred to the Buyer; and
 - o Elxcite are issued 28,440,000 Shares and 113,760,000 Performance Shares.

Conditions Precedent

The Conditions Precedent to the SPA include:

- a) Completion of a due diligence investigation by the Company in relation to Stotsenberg on or before the Closing Date;
- b) Receipt by the Company of reports from third parties engaged by the Buyer to conduct financial, legal and tax due diligence on Stotsenberg stating that there are no contingent liabilities or breaches of any warranty or representation by the Vendors;
- c) The written consent of any person whose consent is required for the transfer of the Stotsenberg Shares;
- d) All necessary approvals on an unconditional basis by the law, ASX, ASIC or any Government Authority in relation to the transactions contemplated by the SPA;
- e) The Company meeting the requirements of Chapters 1 and 2 of the ASX Listing Rules as if it were applying for admission to the official list of the ASX; and
- f) The shareholders of the Company passing by requisite majority in general meeting resolutions to give the SPA legal effect.

Termination

The SPA may be terminated:

- a) By mutual consent of the Vendors and the Company;
- b) By the Company if there has been a breach of representations, warranties or covenants by the Vendors;
- c) By the Vendors, as a collective body, if there has been a breach of representations, warranties or covenants by the Company;
- d) If any Governmental Authority has issued a non-appealable final judgment or taken any other non-appealable final action, in each case having the effect of permanently prohibiting the transaction contemplated; and
- e) If the Closing Deliverables have not been completed or fully complied with by either party.

the effects of which would be:

- i. The Company will turn over management and control of the Stotsenberg back to the Vendors;
- ii. Stotsenberg shares transferred to the Company will be transferred back to the Vendors;
- iii. 154,050,000 Shares issued to the Vendors will be cancelled for nil consideration;
- iv. 28,440,000 Shares and 113,760,000 Performance Shares issued to Elxcite will be cancelled for nil consideration.

Representations and Warranties – Vendors

The SPA contains extensive warranties by the Vendors for the benefit of the Company, primarily relating to the Stotsenberg Shares, capacity of the Vendors to enter into the SPA and other typical matters.

Below are examples of the key representations and warranties:

- a) Stotsenberg is a duly incorporated and validly existing entity under the laws of the Republic of the Philippines and has the corporate power and authority to own, lease and operate the assets and properties it now owns, lease and operates and to carry on its business as now conducted;
- b) Each of the Vendors has good, valid and marketable beneficial title to the Stotsenberg Shares, and has sole legal and beneficial ownership thereof;
- c) All taxes for the issuance of the Stotsenberg Shares have been fully paid;
- d) There is no circumstance reasonably likely to:
 - i. Materially adversely change the financial position, operations, profitability or prospects of the business or the value of the assets; or
 - ii. Require substantial capital expenditure;

Except the circumstances disclosed in writing to the Buyer before the date of the SPA or circumstances affecting the whole industry in which Stotsenberg operates.
- e) Stotsenberg holds all permits required for their business and assets and these permits are valid and in good standing;
- f) All amounts owing to Stotsenberg are collectable for their full amount and are not subject to any counter-claim or set-off and Stotsenberg is not owed any money except trade debts incurred in the ordinary course of their business;
- g) Stotsenberg is not subject to any outstanding, or to the best knowledge of the Vendors, threatened assessments for unpaid Taxes, interests, penalties, and surcharges for the taxable year 2013 and prior years, and there is no reasonable basis to believe that any such assessments will arise;
- h) Except as may be disclosed, there are no actions, suits, arbitrations, or proceedings before any court or tribunal pending or to the best knowledge of the Vendors, threatened against any of the Vendors which could reasonably be expected to result in the issuance of a judgment, order, or decree restraining, enjoining, or otherwise prohibiting or making illegal the consummation of any of the transactions contemplated by the SPA or ancillary documents;
- i) As of the date of the SPA, all taxes have been paid and all tax returns required to be submitted have been duly filed for the taxable year 2013 and prior years;
- j) Stotsenberg has fully disclosed to the Bureau of Internal Revenue all material facts necessary for the assessment of taxes and has not contravened any anti-avoidance provisions of the Laws on taxes; and
- k) Stotsenberg has not incurred or agreed to incur any expenditure, which will not be legally deductible in computing its taxable income.

Representations and Warranties – the Company

The Company has provided warranties for the benefit of the Vendors relating to authority, capacity, solvency and capital structure. These include:

- a) The Company is validly existing under the law of its place or incorporation;
- b) The Shares issued pursuant to the acquisition will be validly issued;
- c) The Company has full corporate power and lawful authority to execute, deliver and perform the SPA;
- d) The SPA does not conflict with or result in the default, breach or violation of any provision of any agreement, law, note, bond, mortgage or security agreement to which the Company is a party or by which it is bound;
- e) There is no litigation action or investigation against the Company in relation to this SPA.

All representations and warranties made in the SPA shall survive the execution for 5 years following the Release Date; and

These representations and warranties are read and subject to all relevant approvals required under Listing Rules and/or the Corporations Act and any other regulatory requirements in Australia and the Philippines.

(b) Operation Management Agreement

Appointment of Elxcite as business manager and advisor

Stotsenberg entered into an Operations and Management Agreement with Elxcite on 15 October 2015 appointing Elxcite to assist in the operation and management of Stotsenberg's casino, hotels and other facilities (Operations and Management Agreement).

Stotsenberg is currently operating the development in the vicinity of Clark Special Economic Zone, Angeles City, Pampanga (the Project). The Project in its entirety includes but is not limited to the gaming, non-gaming, hotel, retail, restaurant, leisure and

entertainment businesses of Stotsenberg in connection with the Project.

Elxcite has been engaged solely and exclusively to:

- Provide consultancy and advisory services in relation to the Project; and
- Operate, manage and develop the Project

(the Services)

In consideration for the Services, Stotsenberg has agreed to pay Elxcite a monthly management fee in an amount:

- Equal to 1% of gross revenues and 5% of EBITDA of Stotsenberg; or
- US\$25,000

whichever is higher.

Representation and Warranties

Each party has provided certain representations and warranties to the other, including warranties relating to authority, capacity and the existence of any litigation or claims against it.

Elxcite provides additional representations and warranties to Stotsenberg that it has or has access to the required skills, knowledge, experience, qualifications, authority and resources to perform the Services in accordance with the requirements of Stotsenberg, and under the terms and conditions of this Operations and Management Agreement.

Termination

The Operations and Management Agreement may be terminated:

1. upon the termination of the SPA for whatever reason, in which case, any and all amounts advanced by Elxcite in Stotsenberg's ordinary course of business or for Stotsenberg's capital expansion shall be reimbursed by Stotsenberg;
2. at any time, upon mutual written agreement of the parties;
3. at any time, upon prior notice of 30 days by Elxcite to Stotsenberg;
4. by either party, upon occurrence of any one or more of the following events:
 - a. failure of either party to perform any material term contained in the Operations and Management Agreement;
 - b. where either party shall:
 - i. commence a voluntary case or other proceeding seeking liquidation or other relief with respect to itself or its debts under any insolvency or similar law;
 - ii. seek the appointment of a trustee or similar official for itself or a substantial part of its assets and properties;
 - iii. consent to any such relief or to the appointment of or taking possession by any such official in an involuntary case or other proceeding commenced against it; or
 - iv. make a general assignment for the benefit of creditors; or take any corporate action to authorise any of the foregoing; or
 - c. the commencement of any case or other proceeding against either party seeking any relief with respect to it or its debts under bankruptcy or similar law or seeking the appointment of a trustee or similar official for itself or a substantial part of its assets and properties, and such involuntary case or other proceeding shall remain undismissed or unstayed for 60 days or an order for relief shall be entered against such party under any insolvency or other similar law.

In the event that this Operations and Management Agreement is terminated by Stotsenberg without cause, Stotsenberg shall pay compensation for a period of 6 months to Elxcite in the amount of:

- 1% of Gross Revenues and 5% of the EBITDA of Stotsenberg for the preceding 6 months prior to termination; or
- US\$150,000

whichever is higher.

(c) Transaction with Sovereign Gold

On 9 April 2014, the Company announced that it had reached an agreement with Sovereign Gold Company Limited (SOC) to enter into a transaction resulting in:

- (i) the Company carrying out a selective capital reduction cancelling 64 million Shares held by SOC for zero consideration; and
- (ii) SOC acquiring 2 NSW exploration licences (EL 4474 and EL 5339) from subsidiaries of the Company, together with all of the Company's interest in Hudson SPC Pty Ltd, in exchange for being issued 1 million fully paid ordinary class shares issued by SOC.

Approval to enter into this transaction was obtained from Shareholders of the Company at the general meeting held on 18 August 2014.

Completion of the selective capital reduction and the transfer of shares in Hudson SPC Pty Ltd has now completed. Formal transfer of the two exploration licences has not yet occurred and these tenements are being held on trust for SOC until the transfers have been processed by the relevant government department.

(d) Acquisition of Peel Gold Project

On 16 July 2013, the Company entered into a Farm-In and Joint Venture Agreement with Gossan Hill Gold Limited (now known as Mount Adrah Gold Limited) under which the Company was entitled to earn a 70% interest in the Peel Fault Gold Project.

On 18 November 2013, the Company acquired a 100% interest in the Peel Fault Gold Project through the acquisition of all of the shares in Peel Gold Pty Ltd and Peel Gold North Pty Ltd (being the holders of the Peel Fault Gold Project tenements) from Mount Adrah Gold Limited (formerly Gossan Hill Gold Limited).

At the time of the acquisition, the "Peel Fault Gold Project" consisted of the following exploration licences and exploration licence applications in New South Wales:

- (iii) EL 6648;
- (iv) EL 7862;
- (v) EL 7863;
- (vi) EL 7725;
- (vii) EL 7726;
- (viii) EL 8161;
- (ix) EL 8211;
- (x) EL 8227 (subsequently relinquished); and
- (xi) ELA 4897 (which later became EL 8277).

Consideration for the acquisition was in the form of an allotment of 2 million Shares issued by the Company to Mount Adrah Gold Limited.

The share sale agreement terminated the previous farm-in and joint-venture arrangements that had been entered into by the parties on 16 July 2013. A number of warranties were given by Mount Adrah Gold Limited in relation to the tenements and the applicable holding companies. However, the period for making any warranty claims has now expired.

On or around 7 January 2014, the ASX contacted the Company requesting clarification of the relationship between the Company and Mount Adrah Gold Limited and the ASX then formed the view that the transaction required Shareholder approval under ASX Listing Rule 10.1 on the basis that the Company and Mount Adrah Gold Limited were related parties. The Company undertook to take corrective action and obtained approval from Shareholders for the acquisition at an extraordinary general meeting of the Company held on 4 April 2014.

(e) Hudson Services Agreement

The Company has entered into a services agreement with HCL dated 15 September 2011.

Under the terms of the services agreement, HCL agrees to provide the following Services to the Company (at the election of the Company):

- (i) CEO/executive services - including arranging for individuals to fill the Company's chief executive officer role and other executive/managerial positions required by the Company;
- (ii) Geological services (including the provision of geologists and other geological experts when required by the Company);

- (iii) Financial/accounting services (including arranging for accountants, financial controllers and other professionals to carry on work on behalf of the Company);
- (iv) Company secretarial services (including the provision of individuals to fill the role of Company Secretary);
- (v) Office services and facilities (including the provision of the premises that the Company may occupy and operate as its registered office and principal place of business); and
- (vi) Miscellaneous services (being other services that may be requested by the Company from time to time).

HCL may terminate the services agreement if an insolvency event occurs with respect to the Company or the Company defaults in paying any fees (or otherwise commits a material default) and does not rectify that default within 30 days of receiving written notice from HCL.

The Company may terminate the services agreement if an insolvency event occurs with respect to HCL or HCL fails to provide any of the services it is required to provide to the Company under the services agreement (or otherwise commits a material default) and does not rectify that default within 30 days of receiving written notice from the Company.

HCL is not to be reimbursed by the Company for the expenses incurred in providing the services.

The Company is currently required to pay \$8,000 per month to HCL.

HCL must act in good faith towards the Company, including being just and faithful in all its activities and dealings with the Company and provide the services with due care and skill and in a competent and professional manner and in compliance with the laws of the jurisdictions in which the services are provided. HCL must comply with all relevant laws and promptly and fully inform the Company about all matters affecting or likely to affect the Company, which come to HCL's knowledge.

HCL and the Company have given mutual indemnities for any liability, loss, damage, reasonable legal costs and expenses incurred by the other arising from a breach by the other party, a fraudulent or wilful act or omission or dishonest conduct of the other party (unless such breach, act, omission or conduct was caused by a breach of the services agreement by the other party or as a result of complying with the other party's specific directions).

The services agreement is not an exclusive arrangement and the Company can engage any other person to provide similar services to it.

(f) Directorial Services Agreements

The Company has entered into directorial services agreements with each current Director for their services as non-executive Directors (**Directorial Services Agreements**).

Subject to Shareholders approving the maximum aggregate amount payable to non-executive Directors under the Directorial Services Agreements for the purpose of ASX Listing Rule 10.17 In addition, the Company will reimburse the relevant Director for all reasonable travel, accommodation and other expenses that they may incur in connection with the performance of their duties as a Director.

The Directorial Services Agreements will terminate when the relevant Director ceases to be a Director in accordance with the Constitution, such as where the Director:

- (i) resigns;
- (ii) is removed from office in a general meeting;
- (iii) is absent (without the consent of the other Directors) from all Directors' meetings over any 6 month period;
- (iv) becomes mentally incapable; or
- (v) automatically retires as provided for in the Constitution.

If a Director is terminated for any reason before the first anniversary of their appointment to the Board, the relevant Director will be entitled to a payment equivalent to 3 months' worth of salary (plus any applicable superannuation). After the first anniversary of their appointment to the Board, this termination payment will increase to six months' worth of salary (plus any applicable superannuation).

(g) Summary of Shares Issued to Vendors

The Company has received a waiver of Listing Rule 11.1.3 to allow the issue of Shares to the Related Party Vendors over a period greater than one month from the date of the General Meeting.

Upon approval by shareholders at the General Meeting, the Company will issue a total of 154,050,000 Shares to the Vendors in consideration of the Acquisition.

(h) Management Securities

The Company will issue 28,440,000 Shares and 113,760,000 Performance Shares (converting into 113,760,000 Shares over 5 years if the Profit Guarantee is met) to Elxcite pursuant to their engagement which will convert as the Profit Guarantee is met.

The Performance Shares will convert to Shares upon confirmation that the Profit Guarantee has been met for each relevant Financial Year.

9.5 Summary of Options**Employee Share Option Plan**

The Company has adopted an employee share option plan (**ESOP**) for its employees. Employees eligible to participate in the ESOP are determined by the Board and include executive and non-executive Directors, permanent employees of the Group and associates of those employees.

The following current and former officeholders and employees have previously been issued Options under the ESOP.

Name	Position	No of options
John Foley	Former director	250,000
Bruce Dennis	Former director	250,000
Peter Kennewell	Former director/former chief executive officer	500,000
Michael Leu	Former director	250,000
Peter Meers	Former director	250,000
Francis Choy	Chief financial officer	100,000
Julian Rockett	Former co company secretary	100,000
Henry Kinstlinger	Co company secretary	250,000
Total		1,950,000

Each Option issued under the ESOP has an exercise price of \$0.30 and may be exercised at any time up until 5 pm on 24 October 2016.

Each Option entitles the holder to be issued one Share upon being exercised. However, the number of Shares issued on exercise of an Option may be adjusted to take account of Securities issued by the Company (e.g. bonus and rights issues) and to take account of reconstructions of the Company's share capital (e.g. subdivisions and consolidations of the Shares). Any such adjustments/alterations must be done strictly in accordance with the requirements of the ASX Listing Rules.

The holders of Options under the ESOP are prohibited from transferring, assigning, encumbering or otherwise disposing of any Options unless they obtain approval from the Board.

Other Options

Upon completion of Share Purchase Agreement, the Company will have issued (or agreed to issue) the following Options:

Description	Exercise Price	No of Options	Expiry
Listed Options	\$0.40	13,000,000	5pm (Sydney time) on 30 June 2018
Employee Share Option Plan	\$0.30	1,950,000	5pm (Sydney time) on 24 October 2016

Options issued pursuant to Share Sale Agreement	\$0.20	37,500,000	3 years after completion under the Share Sale Agreement
Options issued pursuant to the Sanston Mandate*	\$0.20	3,500,000	3 years after the date of allotment of those Options
Total upon completion of the Share Purchase Agreement		52,450,000	

* The Options issued pursuant to the Sanston Mandate will be issued after approval from Shareholders has been obtained under ASX Listing Rule 7.1 at the General Meeting.

Each Option entitles the holder to acquire one Share at an exercise price indicated above.

An Option may be exercised at any time before they expire (as indicated in the table above).

The exercise of Options to Related parties issued under the ESOP are subject to the Company receiving any necessary Shareholder approvals under the *Corporations Act* and the ASX Listing Rules.

9.6 Interests of Directors

Other than set out below or elsewhere in this Prospectus:

- No Director or proposed Director of the Company and no firm in which a Director of the Company is or was at the relevant time a partner has, or has had in the 2 years before lodgement of this Prospectus, any interest in the promotion of, or in any property proposed to be acquired by, the Company; and
- No amounts, whether in cash or Shares or otherwise, have been paid or agreed to be paid to any Director or proposed Director of the Company (or any firm in which he or she is or was a partner) either to induce him or her to become, or to qualify him or her as, a Director, or otherwise for services rendered by him or her or by the firm in connection with the promotion or formation of the Company.

9.7 Security Holdings of Directors and Associates

Directors are not required under the Constitution to hold any Shares.

Directors hold, or will hold at Completion of the Share Purchase Agreement, the following Securities directly (or indirectly through their associates):

Director	Direct	Indirect	Options
Ramakrishnan S Navaratnam	Nil	Nil	Nil
Dato Helen Zhang	1,000,000	Nil	Nil
Rodrigo C. Ramos	7,702,500	Nil	Nil
Janet Rita B. Lazatin	30,810,000	Nil	Nil
Dawn J. Feliciano	15,405,000	Nil	Nil
Wong Ken Hong	Nil	142,200,000	Nil
Leung Foo Meng	Nil	142,200,000	Nil
Law Hun Seang	Nil	142,200,000	Nil
Francesco Licciardello (Former Director)	Nil	Nil	3,500,000*

*3,500,000 Options are to be issued to Sanston pursuant to the Sanston Mandate in relation to the acquisition of CK Graphic.

9.8 Directors' Fees

Directors are entitled to remuneration out of the funds of the Company but the remuneration of the non-executive Directors may not exceed in any year the amount fixed by the Company in general meeting for that purpose. The maximum aggregate remuneration of the non-executive Directors is fixed at \$200,000 per annum to be apportioned among the non-executive Directors in such manner as the Board determines.

Directors at the date of this Prospectus are entitled to \$3,000 remuneration per month (plus superannuation). That remuneration, at the Director's discretion, will be payable in the form of cash or, subject to Shareholder approval, in Shares. The Chairman is entitled to \$6,000 per month (plus superannuation).

The Directors are also entitled to be paid reasonable travelling, accommodation and other expenses incurred in consequence of their attendance at the Board meetings and otherwise in the execution of their duties as Directors.

9.9 Interests of Experts and Advisers

This section applies to persons 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, promoters of the Company and financial services licensees involved in the Acquisition (collectively **Prescribed Persons**). Other than as set out below or elsewhere in this Prospectus, no Prescribed Person has, or has had in the last 2 years, any interest in:

- (a) The formation or promotion of the Company; or
- (b) any property acquired or proposed to be acquired in connection with the formation or promotion of the Company or the Acquisition.

Other than as set out below or elsewhere in this Prospectus, no benefit has been given or agreed to be given to any Prescribed Person for services provided by a Prescribed Person in connection with the formation or promotion of the Company.

RSM Financial Services Australia Pty Ltd has acted as Investigating Accountants to the Prospectus and has performed work in relation to due diligence enquiries, for which it will be paid \$10,000 (plus GST and disbursements).

Piper Alderman has acted as the Australian legal adviser to the Company, and has performed work in relation to due diligence enquiries, for which it will be paid \$25,000 (plus GST and disbursements).

9.10 Consents and Disclaimers

RSM Financial Services Australia Pty Ltd has consented in writing to the inclusion in this Prospectus of the Investigating Accountant's Report in the form and context in which they appear and, at the time of lodgement of this Prospectus with ASIC, has not withdrawn that consent. It takes no responsibility for any part of the Prospectus other than the Investigating Accountant's Report.

Piper Alderman has given, and has not withdrawn before the lodgement of this Prospectus with ASIC, its written consent to be named as Australian legal adviser to the Company in the form and context in which it is named. Piper Alderman takes no responsibility for any part of this Prospectus other than any reference to its name.

K. S. Black and Co has given, and has not withdrawn before the lodgement of this Prospectus with ASIC, its written consent to be named as Auditors of Frontier Capital Group Limited in the form and context in which it is named. K. S. Black and Co has had no involvement in the preparation of any part of the Prospectus other than being named as Auditor of FCG.

RS Bernaldo has given, and has not withdrawn before the lodgement of this Prospectus with ASIC, its written consent to be named as having completed an audit of Stotsenberg in the form and context in which it is named. RS Bernaldo has had no involvement in the preparation of any part of the Prospectus other than having completed an audit of Stotsenberg.

Computershare Investor Services Pty Limited has given and, as at the date hereof, has not withdrawn, its written consent to be named as Share Registrar in the form and context in which it is named.

Computershare Investor Services Pty Limited has had no involvement in the preparation of any part of the Prospectus other than being named as Share Registrar to the Company. Computershare Investor Services Pty Limited has not authorised or caused the issue of, and expressly disclaims and takes no responsibility for, any part of the Prospectus.

9.11 Documents Available for Inspection

The following documents are available for inspection at the offices of the Company during business hours:

- Constitution; and
- material contracts referred to in section 9.4.

9.12 Major Security Holders

As at the date of this Prospectus the major shareholders (>3%) of the Company are:

Shareholder	No Shares	% Shares held
OOI CHIN KEAT	20,625,000	23.49
TAM CHEN KIEN	16,875,000	19.22
HUDSON CORPORATE LIMITED	9,155,000	10.43
MR CHEE TEONG TEH	4,623,247	5.27
MAYFAIR CAPITAL LIMITED	4,263,000	4.86
MS WEI GIAT NG	3,578,200	4.08
MS XU TIAN TIAN	3,399,120	3.87
SAKURA CAPITAL LIMITED	2,939,424	3.35

As at the date of this Prospectus the Option holders of the Company are:

Name	No of Options	Exercise Price
CK Graphic (Restricted)	37,500,000	\$0.20
Listed Options	13,000,000	\$0.40
Sanston	3,500,000	\$0.20
FOLEY, John	250,000	\$0.30
DENNIS, Bruce	250,000	\$0.30
KENNEWELL, Peter	500,000	\$0.30
LEU, Michael Roby	250,000	\$0.30
MEERS, Peter	250,000	\$0.30
CHOY, Francis	100,000	\$0.30
ROCKETT, Julian	100,000	\$0.30
KINSTLINGER, Henry	250,000	\$0.30
	52,450,000	

Further details of the number and terms of all the Options are set out in section 9.5.

10. Directors Statement

The Directors report that, in their opinion, since the date of the financial statements used in the preparation of the Investigating Accountant's Report, no circumstances have arisen that materially affect or will materially affect the profitability of the Company or the value of the Company's assets and liabilities, except as disclosed in this Prospectus. The Directors have consented to the lodgement of this Prospectus with ASIC.

Signed by William Wilkinson, a Director of the Company, pursuant to section 351 of the *Corporations Act*, for the purposes of lodgement of this Prospectus with ASIC.

A handwritten signature in black ink, appearing to be 'W. Wilkinson', with several horizontal strokes extending to the right.

William Wilkinson
Director

11. Glossary

Terms and abbreviations used in this Prospectus have the following meaning:

A\$ or \$	an Australian dollar
Acquisition	The acquisition of Stotsenberg following, but subject to, approval of Shareholders at the EGM
Acquisition Securities	154,050,000 Shares issued to the Vendors
ASIC	Australian Securities and Investments Commission
ASX	ASX Limited (ACN 008 624 691) and Australian Securities Exchange
ASX Listing Rules	the official listing rules of ASX
Board	Board of Directors of the Company for the time being
Business Day	a day, other than a Saturday or Sunday, on which banks are open for general banking business in Sydney
CK Graphic	CK Graphic Sdn Bhd (Company No: 765554-W) of 12A-3 Jalan PJU 8/5C Perdana Business Centre, Bandar Damansara Perdana, 47820 Petaling Jaya, Selangor, Malaysia
Completion	the satisfaction off all conditions precedent listed in the Share Purchase Agreement by the Company and the Vendors
Constitution	Constitution of the Company as registered with ASIC and as amended from time to time
Corporations Act	the Corporations Act 2001 (Cth) – an Act to make provision in relation to corporations and financial products and services, and for other purposes
Director	a director of the Company
Elxcite or Elxcite Gaming and Entertainment Inc	Elxcite Gaming And Entertainment, Inc., a corporation duly organized and existing under and by virtue of the laws of the Philippines, with address at <i>c/o</i> Starcap Management, Inc., Level 10-1 Fort Legend Tower, 3rd Avenue corner 31st Street, Bonifacio Global City, Taguig, Philippines.
EBIT	earnings before interest and tax
EBITDA	earnings before interest, tax, depreciation and amortisation
EL	an exploration licence issued by the Department of Trade & Investment pursuant to the <i>Mining Act 1992 (NSW)</i>
Extraordinary General Meeting or EGM	the general meeting of Shareholders of the Company scheduled to be held on 21 January 2016 to consider (among other things) the Acquisition
FCG, Frontier Capital Group Limited, or Company	Frontier Capital Group Limited (to be renamed Fortune Crown Group Limited) (ACN 145 105 148) of Level 2 Hudson House, 131 Macquarie St Sydney NSW 2000 and where the context so permits or requires, includes any related body corporate including subsidiaries
Gaming License	The Authority to Operate (the Casino) issued by PAGCOR
Group	the Company and its subsidiaries
HCL	Hudson Corporate Limited (ACN 075 068 923) of Level 2 Hudson House, 131 Macquarie St Sydney NSW 2000
Investigating Accountant's Report	The Investigating Accountant's Report presented in section 8 of this Prospectus

Management Securities	28,440,000 Shares and 113,760,000 Performance Shares (converting into 113,760,000 Shares over 5 years if the Profit Guarantee is met) issued to Elxcite pursuant to their engagement which will convert as the Profit Guarantee is met
Merged Group	the Company and each of its subsidiaries following the completion of the acquisition of Stotsenberg
Official List	the official list of entities that ASX has admitted and not removed
Official Quotation	Reinstatement to the Official List
Option	an option that may be exercised by the holder to acquire a Share
NPAT	Net Profit After Tax as stated in the audited accounts of Stotsenberg
PAGCOR	Philippine Amusement and Gaming Corporation
Performance Shares	a class of securities that will convert to Shares as the Profit Guarantee targets are met described in section 9.4(a) and section 9.4(h).
Profit Guarantee	A guarantee provided by Elxcite to the Company that the average NPAT of Stotsenberg for each of FY2016, FY2017, FY2018, FY2019 and FY 2020 will be no less than US\$5 million per annum. Elxcite will pay the Company the annual shortfall between the NPAT and US\$5 million.
Prospectus	this Prospectus dated 7 January 2016 as modified or varied by any replacement or supplementary Prospectus made by the Company and lodged with ASIC from time to time, and any electronic copy of this Prospectus, replacement prospectus and supplementary Prospectus
Restricted Securities	has the same meaning as in ASX Listing Rule 19.12
Sanston	Sanston Securities Australia Pty Ltd (ACN 156 057 064, AFSL Representative No. 423253)
Securities	has the same meaning as in section 92 of the <i>Corporations Act</i>
Security Holders or Shareholders	the shareholders of the Company from time to time
Share Purchase Agreement	the Share Purchase Agreement dated 15 October 2015 between the Company, the Vendors and Elxcite to acquire all of the issued capital of Stotsenberg as described in section 9.4
Shares	ordinary fully paid shares in the capital of the Company
Sovereign Gold or SOC	Sovereign Gold Company Limited (ACN 145 184 667) of Level 2 Hudson House, 131 Macquarie St Sydney NSW 2000
Stotsenberg Leisure Park & Hotel Corporation or Stotsenberg	Stotsenberg Leisure Park & Hotel Corporation (SEC Registration No. CS200412214) a corporation duly organized and existing under and by virtue of the laws of the Philippines, with office at Gil Puyat Avenue corner Andres Soriano Sr Street, Clark Freeport Zone, Philippines
Subsidiary Companies	The wholly owned subsidiaries of the Company including CK Graphic Sdn Bhd
Sydney time	Australian Eastern Daylight Time or Australian Eastern Standard Time in effect at the relevant time
Tenements	Peel Fault Gold Project – EL 6648 Broken Hill Gold Project – EL 8024
Vendors	Saint Mary's Angel Estates, Inc; Maria Theresa L. Aquino; Carmelo B. Lazatin II; Carmelo F. Lazatin; Carmelo G. Lazatin Jr.; Louie Anjeanette B. Lazatin; Red Oasis Holding Corporation; Susan C. Ramos; Rodrigo C. Ramos; Ma. Sharon R. Penaflorida; Maria Sheila R. Dayrit; Janet Rita B. Lazatin; Emelita L. Alcid; and Dawn J. Feliciano (the shareholders of Stotsenberg)

