CELSIUS COAL LIMITED
(TO BE RENAMED "FAVOURIT LIMITED")
ACN 009 162 949

NOTICE OF GENERAL MEETING

TIME: 10:00am

DATE: 28 January 2016

PLACE: Level 1, 12 Kings Park Road West Perth WA 6005

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

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 8 9226 4500.

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IMPORTANT INFORMATION

Time and place of Meeting

Notice is given that the Meeting will be held at 10:00am on 28 January 2016 at:

Level 1, 12 Kings Park Road West Perth WA 6005

Your vote is important

The business of the Meeting affects your shareholding and your vote is important.

Voting eligibility

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 5:00pm (WST) on 26 January 2016.

Voting in person

To vote in person, attend the Meeting at the time, date and place set out above.

Voting by proxy

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and

- a Shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that changes to the Corporations Act made in 2011 mean that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Further details on these changes are set out below.

Proxy vote if appointment specifies way to vote

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, **if it does**:

- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (ie as directed); and
- if the proxy has 2 or more appointments that specify different ways to vote on the resolution, the proxy must not vote on a show of hands; and
- if the proxy is the chair of the meeting at which the resolution is voted on, the proxy must vote on a poll, and must vote that way (ie as directed); and
- if the proxy is not the chair, the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (ie as directed).

Transfer of non-chair proxy to chair in certain circumstances

Section 250BC of the Corporations Act provides that, if:

- an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- the appointed proxy is not the chair of the meeting; and
- at the meeting, a poll is duly demanded on the resolution; and
- either of the following applies:
  - the proxy is not recorded as attending the meeting; or
  - the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

BUSINESS OF THE MEETING

AGENDA

1. RESOLUTION 1 - CHANGE TO NATURE AND SCALE OF ACTIVITIES

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

> *"That, subject to and conditional upon the passing of all Essential Resolutions, for the purpose of ASX Listing Rule 11.1.2 and for all other purposes, approval is given for the Company to make a significant change in the nature and scale of its activities as described in the Explanatory Statement accompanying this Notice."*

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

2. RESOLUTION 2 – CONSOLIDATION OF CAPITAL

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

> *"That, subject to and conditional upon the passing of all Essential Resolutions, pursuant to section 254H of the Corporations Act and for all other purposes, the issued capital of the Company be consolidated on the basis that:*
>
> *(a) every 2000 Shares be consolidated into 1 Share; and*
>
> *(b) every 2000 Options be consolidated into 1 Option,*
>
> *and, where this Consolidation results in a fraction of a Share or an Option being held, the Company be authorised to round that fraction up to the nearest whole Share or Option (as the case may be)."*

3. RESOLUTION 3 – ISSUE OF CONSIDERATION SHARES

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

> *"That, subject to and conditional upon the passing of the Essential Resolutions, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue 60,600,000 Consideration Shares, on the terms and conditions set out in the Explanatory Statement."*

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a

person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

4. RESOLUTION 4 – PLACEMENT – ADVISER SHARES

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

> *"That, subject to and conditional on the passing of all Essential Resolutions, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 3,636,000 Adviser Shares (on a post-Consolidation basis) to Asia Principal Capital Operations Pty Ltd (or its nominees) on the terms and conditions set out in the Explanatory Statement."*

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

5. RESOLUTION 5 – CAPITAL RAISING

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

> *"That, subject to and conditional on the passing of all Essential Resolutions, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to that number of Shares (on a post-Consolidation basis), when multiplied by the issue price, will raise up to $6,000,000 as part of the Capital Raising on the terms and conditions set out in the Explanatory Statement accompanying this Notice."*

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

6. RESOLUTION 6 – CONVERSION UNDER CONVERTIBLE NOTES

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

> *"That, subject to and conditional upon the passing of the Essential Resolutions, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 3,500,000 Shares and 1,750,000 Options (both on a post-Consolidation basis) to the Celsius Noteholders on the terms and conditions set out in the Explanatory Statement."*

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the

Resolution is passed and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

7. RESOLUTION 7 – VARIATION TO TERMS OF PERFORMANCE SHARES

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

> *"That subject to and conditional upon the passing of all Essential Resolutions, for the purposes of section 246B of the Corporations Act and in accordance with the Constitution and for all other purposes, the terms of the Performance Shares be varied so that the Expiry Date be amended on the terms and conditions set out in the Explanatory Statement accompanying this Notice."*

8. RESOLUTION 8 – ADOPTION OF EMPLOYEE SHARE OPTION PLAN

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

> *"That, subject to and conditional upon the passing of all Essential Resolutions, for the purposes of ASX Listing Rule 7.2 (Exception 9(b)) and for all other purposes, approval is given for the Company to adopt an employee incentive scheme titled Employee Share Option Plan and for the issue of securities under the Employee Share Option Plan, on the terms and conditions set out in the Explanatory Statement."*

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any Director, other than any Directors who are ineligible to participate in any employee incentive scheme in relation to the Company, and any associates of those Directors. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition Statement:

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

(a) the proxy is either:

  (A) a member of the Key Management Personnel; or

  (B) a Closely Related Party of such a member; and

(b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

(a) the proxy is the Chair; and

(b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

9. RESOLUTION 9 – ISSUE OF ESOP OPTIONS TO TOBY SIMMONS

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

> *"That subject to and conditional upon the passing of all Essential Resolutions, and his appointment as a Director of the Company, approval be given for all purposes, including ASX Listing Rule 10.14 and section 208 of the Corporations Act, for the issue of up to 1,738,546 Class A ESOP Options and 1,738,546 Class B ESOP Options (on a post-Consolidation basis) to Mr Toby Simmons or his nominee under the Employee Share Option Plan, on the terms and conditions set out in the Explanatory Statement"*

Voting Exclusion Statement: The Company will disregard any votes cast on this Resolution by any Director who is eligible to participate in the employee incentive scheme in respect of which the approval is sought, and any associates of those Directors. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition Statement:

A vote on this Resolution must not be cast (in any capacity) by or on behalf of either of the following persons:

(a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or

(b) a Closely Related Party of such a member.

However, a person (the **voter**) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

(a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or

(b) the voter is the Chair and the appointment of the Chair as proxy:

  (i) does not specify the way the proxy is to vote on this Resolution; and

  (ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

10. RESOLUTION 10 – ISSUE OF ESOP OPTIONS TO MARTIN DALGLEISH

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

> *"That subject to and conditional upon the passing of all Essential Resolutions, and his appointment as a Director of the Company, approval be given for all purposes, including ASX Listing Rule 10.14 and section 208 of the Corporations Act, for the issue of up to 248,364 Class A ESOP Options and 248,364 Class B ESOP Options (on a post-Consolidation basis) to Mr Martin Dalgleish or his nominee under the Employee Share Option Plan, on the terms and conditions set out in the Explanatory Statement"*

Voting Exclusion Statement: The Company will disregard any votes cast on this Resolution by any Director who is eligible to participate in the employee incentive scheme in

respect of which the approval is sought, and any associates of those Directors. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition Statement:

A vote on this Resolution must not be cast (in any capacity) by or on behalf of either of the following persons:

(a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or

(b) a Closely Related Party of such a member.

However, a person (the **voter**) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

(a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or

(b) the voter is the Chair and the appointment of the Chair as proxy:

(i) does not specify the way the proxy is to vote on this Resolution; and

(ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

11. RESOLUTION 11 – ISSUE OF ESOP OPTIONS TO DENNIS VERRIOS

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

> *"That subject to and conditional upon the passing of all Essential Resolutions, and his appointment as a Director of the Company, approval be given for all purposes, including ASX Listing Rule 10.14 and section 208 of the Corporations Act, for the issue of up to 248,364 Class A ESOP Options and 248,364 Class B ESOP Options (on a post-Consolidation basis) to Mr Dennis Verrios or his nominee under the Employee Share Option Plan, on the terms and conditions set out in the Explanatory Statement"*

Voting Exclusion Statement: The Company will disregard any votes cast on this Resolution by any Director who is eligible to participate in the employee incentive scheme in respect of which the approval is sought, and any associates of those Directors. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition Statement:

A vote on this Resolution must not be cast (in any capacity) by or on behalf of either of the following persons:

(a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or

(b) a Closely Related Party of such a member.

However, a person (the **voter**) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

(a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or

(b) the voter is the Chair and the appointment of the Chair as proxy:

(i) does not specify the way the proxy is to vote on this Resolution; and

(ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

12. RESOLUTION 12 – ISSUE OF ESOP OPTIONS TO RICHARD KUO

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

"That subject to and conditional upon the passing of all Essential Resolutions, and his appointment as a Director of the Company, approval be given for all purposes, including ASX Listing Rule 10.14 and section 208 of the Corporations Act, for the issue of up to 248,364 Class A ESOP Options and 248,364 Class B ESOP Options (on a post-Consolidation basis) to Mr Richard Kuo or his nominee under the Employee Share Option Plan, on the terms and conditions set out in the Explanatory Statement"

Voting Exclusion Statement: The Company will disregard any votes cast on this Resolution by any Director who is eligible to participate in the employee incentive scheme in respect of which the approval is sought, and any associates of those Directors. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition Statement:

A vote on this Resolution must not be cast (in any capacity) by or on behalf of either of the following persons:

(a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or

(b) a Closely Related Party of such a member.

However, a person (the **voter**) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

(a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or

(b) the voter is the Chair and the appointment of the Chair as proxy:

(i) does not specify the way the proxy is to vote on this Resolution; and

(ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

13. RESOLUTION 13 – ADOPTION OF PERFORMANCE RIGHTS PLAN

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

> *"That, subject to and conditional upon the passing of all Essential Resolutions, for the purposes of ASX Listing Rule 7.2 (Exception 9(b)) and for all other purposes, approval is given for the Company to adopt an employee incentive scheme titled "Performance Rights Plan" and for the issue of securities under the Performance Rights Plan, on the terms and conditions set out in the Explanatory Statement."*

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any Director, other than any Directors who are ineligible to participate in any employee incentive scheme in relation to the Company, and any associates of those Directors. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition Statement:

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

(a) the proxy is either:

(C) a member of the Key Management Personnel; or

(D) a Closely Related Party of such a member; and

(b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

(a) the proxy is the Chair; and

(b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

14. RESOLUTION 14 – ISSUE OF PERFORMANCE RIGHTS TO TOBY SIMMONS

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

> *"That subject to and conditional upon the passing of all Essential Resolutions, and his appointment as a Director of the Company, approval be given for all purposes, including ASX Listing Rule 10.14 and section 208 of the Corporations Act, for the issue of up to 3,477,092 Performance Rights (on a post-Consolidation basis) to Mr Toby Simmons or his nominee under the Performance Rights Plan, on the terms and conditions set out in the Explanatory Statement accompanying this Notice of Meeting"*

Voting Exclusion Statement: The Company will disregard any votes cast on this Resolution by any Director who is eligible to participate in the employee incentive scheme in respect of which the approval is sought, and any associates of those Directors. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast

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

Voting Prohibition Statement:

A vote on this Resolution must not be cast (in any capacity) by or on behalf of either of the following persons:

(a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or

(b) a Closely Related Party of such a member.

However, a person (the **voter**) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

(a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or

(b) the voter is the Chair and the appointment of the Chair as proxy:

(i) does not specify the way the proxy is to vote on this Resolution; and

(ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

15. RESOLUTION 15 – ISSUE OF PERFORMANCE RIGHTS TO MARTIN DALGLEISH

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

> *"That subject to and conditional upon the passing of all Essential Resolutions, and his appointment as a Director of the Company, approval be given for all purposes, including ASX Listing Rule 10.14 and section 208 of the Corporations Act, for the issue of up to 496,727 Performance Rights (on a post-Consolidation basis) to Mr Martin Dalgleish or his nominee under the Performance Rights Plan, on the terms and conditions set out in the Explanatory Statement"*

Voting Exclusion Statement: The Company will disregard any votes cast on this Resolution by any Director who is eligible to participate in the employee incentive scheme in respect of which the approval is sought, and any associates of those Directors. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition Statement:

A vote on this Resolution must not be cast (in any capacity) by or on behalf of either of the following persons:

(a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or

(b) a Closely Related Party of such a member.

However, a person (the **voter**) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

(a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or

(b) the voter is the Chair and the appointment of the Chair as proxy:

(i) does not specify the way the proxy is to vote on this Resolution; and

(ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

16. RESOLUTION 16 – ISSUE OF PERFORMANCE RIGHTS TO DENNIS VERRIOS

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

> *"That subject to and conditional upon the passing of all Essential Resolutions, and his appointment as a Director of the Company, approval be given for all purposes, including ASX Listing Rule 10.14 and section 208 of the Corporations Act, for the issue of up to 496,727 Performance Rights (on a post-Consolidation basis) to Mr Dennis Verrios or his nominee under the Performance Rights Plan, on the terms and conditions set out in the Explanatory Statement accompanying this Notice of Meeting"*

Voting Exclusion Statement: The Company will disregard any votes cast on this Resolution by any Director who is eligible to participate in the employee incentive scheme in respect of which the approval is sought, and any associates of those Directors. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition Statement:

A vote on this Resolution must not be cast (in any capacity) by or on behalf of either of the following persons:

(a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or

(b) a Closely Related Party of such a member.

However, a person (the **voter**) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

(a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or

(b) the voter is the Chair and the appointment of the Chair as proxy:

(i) does not specify the way the proxy is to vote on this Resolution; and

(ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

17. RESOLUTION 17 – ISSUE OF PERFORMANCE RIGHTS TO RICHARD KUO

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

> *"That subject to and conditional upon the passing of all Essential Resolutions, and his appointment as a Director of the Company, approval be given for all purposes, including ASX Listing Rule 10.14 and section 208 of the Corporations Act, for the issue of up to 496,727 Performance Rights (on a post-Consolidation basis) to Mr Richard Kuo or his nominee under the Performance Rights Plan, on the terms and conditions set out in the Explanatory Statement"*

Voting Exclusion Statement: The Company will disregard any votes cast on this Resolution by any Director who is eligible to participate in the employee incentive scheme in respect of which the approval is sought, and any associates of those Directors. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition Statement:

A vote on this Resolution must not be cast (in any capacity) by or on behalf of either of the following persons:

(a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or

(b) a Closely Related Party of such a member.

However, a person (the **voter**) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

(a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or

(b) the voter is the Chair and the appointment of the Chair as proxy:

  (i) does not specify the way the proxy is to vote on this Resolution; and

  (ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

18. RESOLUTION 18 – CHANGE OF COMPANY NAME

To consider and, if thought fit, to pass the following Resolution as a **special resolution**:

> *"That, subject to and conditional upon the passing of all Essential Resolutions, for the purposes of section 157(1)(a) of the Corporations Act and for all other purposes, approval is given for the name of the Company to be changed to '**Favourit Limited**'."*

19. RESOLUTION 19 – ELECTION OF DIRECTOR – MR MARTIN DALGLEISH

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

> *"That, subject to and conditional on the passing of all Essential Resolutions, for the purpose of clause 13.3 of the Constitution and for all other purposes, Mr Martin Dalgleish, a Proposed Director who being eligible and having consented to act, be appointed as a Director of the Company on and from Settlement."*

20. RESOLUTION 20 – ELECTION OF DIRECTOR – MR TOBY SIMMONS

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

> *"That, subject to and conditional on the passing of all Essential Resolutions, for the purpose of clause 13.3 of the Constitution and for all other purposes, Mr Toby Simmons, a Proposed Director who being eligible and having consented to act, be appointed as a Director of the Company on and from Settlement."*

21. RESOLUTION 21 – ELECTION OF DIRECTOR – MR RICHARD KUO

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

> *"That, subject to and conditional on the passing of all Essential Resolutions, for the purpose of clause 13.3 of the Constitution and for all other purposes, Mr Richard Kuo, a Proposed Director who being eligible and having consented to act, be appointed as a Director of the Company on and from Settlement."*

22. RESOLUTION 22 – ELECTION OF DIRECTOR – MR DENNIS VERRIOS

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

> *"That, subject to and conditional on the passing of all Essential Resolutions, for the purpose of clause 13.3 of the Constitution and for all other purposes, Mr Dennis Verrios, a Proposed Director who being eligible and having consented to act, be appointed as a Director of the Company on and from Settlement."*

Dated: 21 December 2015

By order of the Board

MR RANKO MATIC
NON-EXECUTIVE DIRECTOR
COMPANY SECRETARY
CELSIUS COAL LIMITED

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

All Resolutions are Essential Resolutions. **If any of the Essential Resolutions are not passed, then all of the Resolutions will be taken to have been rejected by Shareholders and the Acquisition will not proceed.** All Essential Resolutions must be passed for the Acquisition to proceed.

Any reference to Shares or Options in this Explanatory Statement is on a post-Consolidation basis (unless otherwise indicated).

1. BACKGROUND TO PROPOSED ACQUISITION OF FAVOURIT GLOBAL PTY LTD

1.1 General background

In October of 2012, the Company changed its name from View Resources Limited to Celsius Coal Limited, and commenced business as an ASX listed developer of resource projects. The Company currently has nickel projects in Western Australia via its 30% joint venture interest in Carnilya Hill with Mincor Resources NL, and 100% interest in Abenego Hill. Details of the Company's most recent activities in these areas are set out in its Annual Report lodged with ASX on 30 September 2015.

Since April 2015, the Company has been evaluating alternative corporate opportunities, both in Australia and overseas.

On 26 October 2015, the Company announced that it had entered into a heads of agreement (**HOA**) with Favourit Global Pty Ltd (ACN 158 297 655) (**Favourit**) and the major shareholders of Favourit (**Major Shareholders**) under which the Company has a conditional right to acquire 100% of the issued capital of Favourit (**Acquisition**) (**Transaction**). A summary of the material terms of the HOA (as amended) is set out in Section 1.7(a) below.

This Notice of Meeting sets out the Resolutions necessary to complete the Acquisition and associated transactions. Each of the Resolutions are conditional upon the approval by Shareholders of each of the Essential Resolutions. If any of the Essential Resolutions are not approved by Shareholders, all of the Resolutions will fail and Settlement will not occur.

A summary of the Essential Resolutions is as follows:

(a) as the Company is currently a mineral exploration company, the Acquisition, if successfully completed, will represent a significant change in the nature or scale of the Company's operations to a technology company focussing on socially designed online sports betting solutions with operations in Australia and Europe, for which Shareholder approval is required under ASX Listing Rule 11.1.2 (Resolution 1);

(b) the Company will need to comply with Chapters 1 and 2 of the ASX Listing Rules and, to achieve this, must:

(i) undertake a 1:2000 Consolidation of its Shares. If approved, the Consolidation will take effect following the Meeting in accordance with the ASX timetable (Resolution 2); and

(ii) successfully undertake a capital raising by issuing a minimum of 20,000,000 Shares and up to 30,000,000 Shares (to raise no less than $4 million and up to $6 million) at an issue price of $0.20 per Share (**Capital Raising**) (Resolution 5);

(c) subject to agreement with advisers of the Company, the Company proposes to issue up to 3,636,000 Shares (**Adviser Shares**) (on a post-Consolidation basis) to Asia Principal Capital Operations Pty Limited (or its nominees) (**APCO**) (**Advisers**) in consideration for APCO introducing the Transaction to the Company and assisting with its implementation (Resolution 4);

(d) the issue of 60,600,000 Shares (**Consideration Shares**) to the Vendors in consideration for the acquisition of 100% of the Favourit shares on issue (Resolution 3);

(e) the issue of up to 3,500,000 Shares (**Conversion Shares**) and 1,750,000 Options (**Conversion Options**) to the Celsius Noteholders at Settlement in satisfaction of the Company's repayment obligations (other than interest payments) under the Celsius Convertible Notes (Resolution 6).

(f) the variation to the terms of the Performance Shares to enable the Performance Shares to expire upon the Company re-complying with Chapters 1 and 2 of the Listing Rules (Resolution 7);

(g) the adoption of the Employee Share Option Plan (Resolution 8) and the issue of up to 4,967,274 ESOP Options to Proposed Directors (Resolution 9 -12)

(h) the adoption to the Performance Rights Plan) Resolution 13) and the issue of up to 4,967,274 Performance Rights to Proposed Directors (Resolutions 14 – 17);

(i) the change of the Company's name to "Favourit Limited" at Settlement (Resolution 18); and

(j) the appointment of four (4) Proposed Directors nominated by Favourit to the Board, being Messrs Martin Dalgleish, Toby Simmons, Richard Kuo, and Dennis Verrios (Resolutions 19 to 22).

1.2 Overview of Favourit

(a) Background

Favourit is an Australian based social sports betting platform that has retail operations in both the UK and other regulated markets within Europe. The platform was initially incubated by Tote Tasmania, then acquired from the Tatts Group ("**Tatts**") by Management in 2012 (immediately following Tatts acquisition of Tote Tasmania). The platform operated under a virtual and affiliate model until late 2014 when it directly launched into the UK market as a Favourit branded bookmaker.

The Global online sports betting market was estimated to be €432B in 2014 (Source: GBGC 2015). Sports betting has evolved from physical stores or betting shops, to telephone based call centres, through to online transactional platforms (web and mobile). Favourit evolves the model further by introducing social elements into the betting

experience, which appeal to the emerging social punter who look for a betting experience beyond just a simple presentation of odds.

Favourit has operated in the UK since November 2014, with strong growth in gross turnover, gross win margin, depositing customers and bets placed. It ultimately differentiates from other online sports betting platforms through its socially designed attributes, ultimately enabling a lower cost of customer acquisition, and increased user engagement (leading to greater lifetime value of customers).

(b) **Favourit's strategy and platform**

Favourit aims to build the bookmaker of the future, offering a next generation betting platform driving higher engagement and superior returns compared to traditional "transactional" sportsbook businesses. Whilst the global gambling industry is highly competitive, Favourit's management believe it is expansive in nature, and market incumbents do not yet leverage personalisation, contextual data and social customer interactions within their offerings. Favourit's management believe the Favourit Platform can provide a unique point of difference for customers in a global market place.

Favourit's socially designed real money sports betting platform offers betting products to customers online via web and mobile applications in regulated markets. Betting products include pre-match and live betting opportunities on over fifteen different global sports, as well as horse racing betting. The Favourit Platform is differentiated by offering customers a socially designed user experience orientated around social insights, trending bets and the ability to follow and copy other punters. Favourit's Management believe this fosters a stronger relationship with customers and creates more value compared to traditional "transactional" offerings by market incumbents. The Favourit Platform user experience functionality includes:

* Pre-match and live betting on sports and racing;

* Real money wallet and virtual currency wallet;

* Integrated social betting feeds displaying betting activity;

* A "copy punter" feature allowing players to follow each other and copy bets;

* A multi-bet builder product which packages together popular single bets into a "multiple bet" offer;

* Live scores and statistics data; and

* Internationalisation in four languages including English, Spanish, Swedish and Chinese.

The objective of Favourit's user experience is to provide a more contextual, relevant and interesting offering to customers compared to traditional transactional experiences. The Favourit Platform is currently being commercialised via its deployment in the United Kingdom online gambling market. Favourit has partnered with technology and licensing partner, EveryMatrix Software Limited (**EverMatrix**), to provide transactional, pricing and risk management services. Via Favourit's

partnership with EveryMatrix, Favourit is contracted as a white label partner under both the Malta Gaming Authority (MGA) and the UK Gambling Commission, allowing it to advertise and market into the UK gambling market for sports betting services. Favourit chose to deploy its platform in the UK market due to its highly regulated and developed nature. Favourit's Management are actively seeking new, regulated market opportunities to expand the platform's operations as well as additional product additions to complement sports betting operations.

(c) **The global gambling industry**

Global gambling revenues were estimated to be €423B in 2014 (Source: GBGC. 2015). It has been estimated that the UK market generated approximately €10.3B in gross gambling revenues in 2015 (Statista. 2015). The UK gambling market is recognised as the fifth largest gambling market based on client losses (Source: H2 Gaming Capital 2014). Online sports betting's global growth is driven by in-play betting opportunities, mobile delivery and regulatory changes opening up new markets. Favourit's Management believe the business and platform is well positioned to capitalise on these industry trends.

(d) **Favourit's business model**

Favourit's business model is to attract, accept and manage customers betting risk, generating income from betting activities. Favourit markets to prospective players via digital channels using social media, affiliate and content partners. Customers are required to fund their betting accounts, and place bets with Favourit on events ranging from football to horse racing.

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

ASX has advised the Company that, given that the Company is proposing to make a change in its activities from a mineral exploration company to a technology company, it has exercised its discretion to require the Company to re-comply with Chapters 1 and 2 of the ASX Listing Rules prior to the Company completing the Acquisition.

For this purpose, the Company will be required to re-comply with the conditions to listing on ASX set out in Chapters 1 and 2 of the ASX Listing Rules in order to achieve Settlement and before it can be re-instated to trading on ASX following Settlement.

1.4 Consolidation

ASX Listing Rule 2.1 Condition 2 provides that it is a condition of quotation that the issue price or sale price of all the securities for which the entity seeks quotation must be at least $0.20 in cash. In order to meet this requirement, the Company is undertaking a consolidation of its securities on a 1:2000 basis.

1.5 Capital Raising

For the purposes of the Company re-complying with Chapters 1 and 2 of the ASX Listing Rules, the Company intends to undertake the Capital Raising to issue up to 30,000,000 Shares (on a post-Consolidation basis) at an issue price of $0.20 per Share. The raising will be undertaken pursuant to a prospectus to raise a minimum of $4 million and a maximum of $6 million (**Prospectus**).

Funds raised under the Capital Raising are intended to be used in the manner set out in Section 1.6 below.

The Company expects to lodge a prospectus for the Capital Raising with ASIC on the date of the General Meeting. The Capital Raising is intended to be completed in accordance with the timetable set out in Section 1.10 below.

1.6 Use of funds

Following Settlement, the Company expects to use its cash funds as follows:

Funds available	Minimum Subscription ($4,000,000)	Percentage of Funds (%)	Maximum Subscription ($6,000,000)	Percentage of Funds (%)
Existing cash reserves of the Company[1]	$100,000	2%	$100,000	1%
Forecast cash reserves of Favourit at Settlement	$760,000	16%	$760,000	11%
Funds raised from the Capital Raising	$4,000,000	82%	$6,000,000	88%
Total	$4,860,000	100%	$6,860,000	100%
Allocation of funds	**Minimum Subscription ($4,000,000)**	**Percentage of Funds (%)**	**Maximum Subscription ($6,000,000)**	**Percentage of Funds (%)**
Favourit business development[2]	$550,000	11%	$650,000	9%
Marketing[3]	$2,200,000	45%	$3,700,000	54%
Expenses associated with the Acquisition[4]	$592,062	12%	$714,062	11%
Maintenance of the Company's nickel projects	$0	0%	$0	0%
Working capital[5]	$1,517,938	32%	$1,795,938	26%
TOTAL	$4,860,000	100%	$6,860,000	100%

Notes

1. These funds represent existing cash held by the Company at or around the date of this Notice of Meeting. The Company expects to incur costs within the ordinary course of its business which will diminish this amount prior to Settlement.
2. Funds used for development of Favourit include:
   (a) ongoing product development for the evolution of Favourit's social engagement platform;
   (b) business development initiatives to seek to commercialise Favourit's business in other territories outside the United Kingdom, including potentially in Australia; and
   (c) potential cost associated with applying for and being granted gaming licences in other territories in which Favourit may seek to operate.

3. Funds used for marketing of Favourit include:

   (a) direct marketing related to acquisition of new customers and the retention of existing customers in the United Kingdom in order to continue to grow Favourit's betting turnover and business; and

   (b) costs of marketing utilising digital media.

4. Refer to the table below for the itemised costs of the expenses associated with the Acquisition:

Estimated Costs of Acquisition	Proposed minimum Capital Raising ($4 million)	Proposed maximum Capital Raising ($6 million)
ASX Fees	$72,742	$74,742
ASIC Fees	$2,320	$2,320
Legal, Accounting and Due Diligence Expenses	$245,000	$245,000
Shareholder Meeting / Share Registry Costs	$12,000	$12,000
Printing	$20,000	$20,000
Capital Raising Fees	$240,000	$360,000
TOTAL	**$592,062**	**$714,062**

5. Working capital includes the general costs associated with the management and operation of the business including administration expenses, salaries, directors' fees, rent and other associated costs.

The above tables are statements of current intentions as of the date of this Notice of Meeting. As with any budget, intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way funds are applied on this basis.

1.7 Key Contracts

(a) Heads of Agreement

(i) (**Consideration**): the consideration payable by the Company in respect of the Acquisition is a total of 60,600,000 Shares to the Vendors at a deemed issue price of $0.20 per Share which are to be issued to the Vendors in proportion to the number of Favourit Shares held by each of them;

(ii) (**Conditions Precedent**): Settlement is conditional upon the satisfaction or waiver of the following conditions precedent:

(A) completion of due diligence by the Company on Favourit and each of its subsidiaries (together the **Favourit Group**) to the satisfaction of the Company, and completion of due diligence by Favourit on the Company and its related bodies corporate (the **Company Group**) to the satisfaction of Favourit;

(B) the working capital of the Company Group (cash less current liabilities less borrowings) at the Settlement Date must not be negative;

(C) if required by ASIC, Favourit preparing audited accounts for Favourit and each of its Subsidiaries for the shorter period of three years and the date of incorporation of Favourit and delivering those accounts to the Company;

(D) the satisfaction of all of the conditions precedent for the acquisition by the Company of the Favourit shares from all of the minority shareholders of Favourit under a separate offer by the Company made under a short form agreement (**Minority Shareholder Offer**);

(E) no matter, event or circumstances exists, which would result in any warranties being given by the Company or Favourit pursuant to the heads of agreement being untrue, or have a negative impact of more than A$250,000 on the assets or liabilities of the Company Group or the Favourit Group:

(F) the Company obtaining all necessary approvals required by the Corporations Act and the ASX Listing Rules in relation to the Acquisition and Capital Raising for the issue of the Consideration Shares to the Shareholders;

(G) the Company preparing a full form prospectus (**Prospectus**), lodging the Prospectus with ASIC, and raising a minimum of A$4,000,000 under the Prospectus through the issue of Shares at a price of not less than A$0.20 each each (**Capital Raising**);

(H) both the Company and Favourit (**Parties**) obtaining all necessary regulatory approvals pursuant to the ASX Listing Rules, Corporations Act or any other law on terms acceptable to the Parties as are required to allow the Parties to lawfully complete the matters set out in this Heads of Agreement (including, but not limited to, re-compliance by the Company with Chapters 1 and 2 of the Listing Rules and the Company receiving conditional approval from ASX to reinstate the Company's quoted securities to trading on ASX following completion of the Acquisition and Capital Raising on conditions satisfactory to the Parties);

(I) if required, each of the Favourit shareholders waiving all pre-emptive and other rights over any of the Favourit Shares conferred by the constituent documents of Favourit, any shareholders' agreement relating to Favourit or in any other way (if any);

(J) the Company entering into an agreement to sell 100% of the issued shares in View Nickel Pty Ltd (ACN 102 771 871) for a nominal sum with no risk and liabilities being assumed by the Company and the only condition to the divestment being Settlement under the HOA; and

(K) to the extent required by the ASX, the ASX Listing Rules, each Favourit shareholder entering into a restriction

agreement as required by ASX imposing such restrictions on trading of those securities as mandated by the ASX Listing Rules in respect of the Consideration Shares that are provided to the Favourit shareholders by the Company,

(together the **Conditions Precedent**).

(iii) (**Settlement Date**): the date which is five (5) Business Days after satisfaction of the Conditions Precedent;

(iv) (**Board changes**): on the Settlement Date, the Company will appoint Martin Dalgleish, Toby Simmons, Richard Kuo, and Dennis Verrios as Directors, and all then current directors of the Company shall resign;

(v) (**End Date**): 5.00pm (WST) on 15 March 2016 (or such other date as Favourit or the Company may agree in writing).

The HOA otherwise contains terms, conditions and restrictions which are customary for an agreement of its nature.

(b) **Terms and Conditions of Celsius Convertible Notes**

(i) (**Face value**): Each Celsius Convertible Note has a face value of $25,000.

(ii) (**Interest**): 15% of gross proceeds payable at the Maturity Date (defined below) or on conversion. Interest is to be paid in cash or shares at the election of the Celsius Noteholder.

(iii) (**Maturity Date**): Celsius Convertible Notes are to convert on completion of a successful corporate transaction, or earlier at the election of the Celsius Noteholder.

(iv) (**Conversion Price**): Equal to the pricing of the Capital Raising.

(v) (**Conversion Options**): Conversion Shares to be issued on conversion of the Celsius Convertible Notes will have a 1:2 free attaching call option with an exercise price equal to the price of the Capital Raising, and an expiry of 30 December 2018.

1.8 Effect on Capital Structure

A pro forma capital structure following Settlement is set out below:

	Shares[5]	Options[5]
Current	1,609,488	-
Consideration Shares[1]	60,600,000	-
Capital Raising[2]	30,000,000	-
Conversion Securities[3]	3,500,000	1,750,000
Adviser Shares[4]	3,636,000	-
Performance Rights[6]	-	9,934,549

ESOP[6]	-	9,934,548
TOTAL	**99,345,488**	**21,619,097**

Note:

1. To be issued to the Vendors in consideration for the Acquisition.
2. Assuming Shares are issued at A$0.20 per Share under the capital raising and the maximum of $6,000,000 is raised.
3. Assuming Shares are issued at $0.20 per Share under the capital raising, resulting in a conversion price of $0.20 under the Celsius Convertible Notes.
4. To be issued to the Advisers of the Company as a corporate facilitation fee for introducing the Favourit transaction to the Company.
5. The Company intends to issue equity incentive securities to additional current and future senior management team and employees (in addition to the Proposed Directors). The terms upon which these equity incentive securities are to be issued are currently unknown, and will be disclosed to Shareholders in due course.
6. These numbers represent the maximum number of Performance Rights and Options that can be issued under the respective plans.

1.9 Pro Forma Statement of Financial Position

Set out below is a pro forma balance sheet of the Company assuming that all Essential Resolutions have been passed, Settlement has occurred and showing alternatively the minimum and maximum Capital Raising which is proposed to be $4 million and $6 million respectively. The historical and pro-forma information is presented in an abbreviated form, insofar as it does not include all of the disclosure required by the Australian Accounting Standards applicable to annual financial statements.

30 JUNE 2015	**Unaudited Pro Forma Minimum Raise $**	**Unaudited Pro Forma Maximum Raise $**
Assets		
Current Assets		
Cash and cash equivalents	5,195,486	7,193,486
Trade and other receivables	318,787	318,787
Non-current Assets		
Deferred exploration expenditure	137,264	137,264
Plant and equipment	10,840	10,840
Intangible assets	185,620	185,620
Total Assets	5,847,997	7,845,997
Liabilities		
Current Liabilities		
Trade and other payables	123,519	123,519
Borrowings	29,696	29,696
Total Liabilities	153,215	153,215
Net Assets	**5,694,782**	**7,692,782**

Equity

Issued capital	9,580,942	11,578,942
Reserves	135,876	135,876
Accumulated losses	(4,014,657)	(4,014,657)
FX Translation	(7,379)	(7,379)
Total Equity	**5,694,782**	**7,692,782**

Note: No adjustment has been made in the pro forma balance sheet for the Performance Rights Plan (PRP) and Employee Share Option Plan (ESOP) on the basis that, in accordance with AASB 2 – Share-based payment, the total expense in relation to the PRP and ESOP will be recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied.

1.10 Indicative timetable

An indicative timetable for Settlement and the associated transactions is set out below:

Event	Date
Lodgement of Prospectus with the ASIC	28th January 2016
General Meeting held to approve the Transaction	28th January 2016
Opening Date of the Capital Raising	1st February 2016
Closing Date of the Capital Raising	25th February 2016
Settlement of the Acquisition	29th February 2016
Despatch of holding statements	1st March 2016
Re-compliance with Chapters 1 and 2 of the ASX Listing Rules	7th March 2016
Re-quotation of Shares (including Shares issued under the Capital Raising) on ASX	8th March 2016

Please note this timetable is indicative only and the directors of the Company reserve the right to amend the timetable as required.

1.11 Board intention if Settlement occurs

In the event that Settlement occurs, the Company proposes to:

(a) continue development of the Favourit Platform;

(b) undertake marketing throughout Australia and internationally; and;

(c) pursue business development opportunities for the Favourit Platform both in Australia and internationally.

It is intended to allocate the funds raised from the Capital Raising and existing cash reserves as set out in section 1.6.

1.12 Composition of the Board of Directors

It is intended that the Board of Directors will comprise the following upon Settlement occurring:

(a) Mr Martin Dalgleish;

(b) Mr Toby Simmons;

(c) Mr Richard Kuo; and

(d) Mr Dennis Verrios.

It is currently intended that all of the current directors of the Company will retire on Settlement. Additional Board and management resources may be considered as appropriate as the Favourit Platform develops.

1.13 Advantages of the proposals in the Resolutions

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

(a) the Acquisition represents an attractive investment opportunity for the Company to change its business focus to that of a technology company;

(b) with increasing global use of social media and mobile devices, the Company will be exposed to an industry which has potential to grow significantly;

(c) the Company will obtain ownership of the Favourit Platform; and

(d) the Company will be managed by directors and officers with significant experience in the gaming and technology industries with a view to guiding the Company to be a significant player in the gaming and technology industry.

1.14 Disadvantages of the proposals in the Resolutions

The Directors are of the view that the following non-exhaustive list of disadvantages may be relevant to a Shareholder's decision on how to vote on the Essential Resolutions:

(a) the Company will be changing the nature and scale of its activities to primarily be a technology company, which may not be consistent with the objectives of all Shareholders;

(b) the Acquisition will result in the Capital Raising, the issue of Consideration Shares, Adviser Shares, and the issue of Shares upon conversion of the Celsius Convertible Notes which will have a dilutionary effect on the holdings of Shareholders;

(c) future outlays of funds from the Company may be required for the operations of Favourit; and

(d) there are additional risk factors associated with the change in nature of the Company's activities resulting from the Acquisition. Some of the key risks are summarised in Section 1.15 below.

1.15 Risk factors

Shareholders should be aware that if the Acquisition is approved and completed, the Company will be changing the nature and scale of its activities and will be subject to additional or increased risks arising from Favourit, parties contracted or associated with Favourit and the HOA. The risks and uncertainties described below are not intended to be exhaustive. There may be additional risks and uncertainties that the Company is unaware of or that the Company currently considers to be immaterial, which may affect the Company. Based on the information available, a non-exhaustive list of risk factors for the Company associated with the Company's proposal to acquire the Favourit Shares is set out below.

(a) Risks relating to the Change in Nature and Scale of Activities

(i) Re-Quotation of Shares on ASX

The acquisition of Favourit 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 of ASX.

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.

(ii) Dilution Risk

The Company currently has 1,609,488 Shares on issue. Pursuant to the Acquisition, the Company proposes to issue:

(A) the Consideration Shares;

(B) the Adviser Shares;

(C) the Conversion Securities;

(D) Shares to raise at least $4,000,000 and up to $6,000,000 as part of the Capital Raising;

(E) the ESOP Options; and

(F) the Performance Rights.

On issue of the Consideration Shares, the minimum subscription of Shares under the Capital Raising, the Adviser Shares, the Conversion Securities, the ESOP Options and Performance Rights, and assuming no exercise of Options or vesting of Performance Rights:

(G) the existing Shareholders will retain approximately 2% of the Company's issued Share capital;

(H) the Vendors will hold approximately 66.6% of the Company's issued Share capital;

(I) the advisers will hold approximately 4% of the Company's issued Share capital;

(J) the Celsius Noteholders will hold approximately 4% of the Company's issued Share capital; and

(K) the investors under the Capital Raising will hold approximately 23.4% of the Company's issued Share capital.

There is also a risk that the interests of Shareholders will be further diluted as a result of future capital raisings required in order to fund the development of the business.

(iii) **Liquidity Risk**

On Settlement, the Company proposes to issue the Consideration Shares, Adviser Shares, and the Conversion Securities. The Directors understand that ASX may treat these securities as restricted securities in accordance with Chapter 9 of the ASX Listing Rules. However, submissions will be made to the ASX to apply for cash formula relief in respect of some of these Securities.

Based on the post-offer capital structure (assuming no further Shares are issued or Options exercised), the Consideration Shares, Adviser Shares, and the Conversion Shares will equate to approximately 74.6% of the issued Share capital on an undiluted basis (assuming maximum subscription under the Capital Raising). This could be considered an increased liquidity risk as a large portion of issued capital may not be able to be traded freely for a period of time.

(iv) **Contractual Risk**

Pursuant to the HOA, Settlement is subject to the fulfilment of the Conditions Precedent.

The ability of the Company to achieve its stated objectives will depend on the performance by the parties of their obligations under the HOA. If any party defaults in the performance of their obligations, it may be necessary for the Company to approach a court to seek a legal remedy, which can be costly.

(b) **Risks in respect of Favourit's current operations**

(i) **Termination, suspension, and cancellation of licences**

In certain situations, including if Favourit were to fail to meet the terms and conditions of the sports betting licences or other compliance requirements set out in EveryMatrix's Whitelabel Agreements, there is a risk that the licence and authorisations

that Favourit has access to may be suspended, terminated or cancelled.

As at the date of this document, Favourit has not been advised of the existence of any circumstance which is likely to give rise to the termination, suspension or cancellation of any of those licences. The suspension, cancellation or termination of any of the key licences or authorisations accessed by Favourit via EveryMatrix may result in a loss of revenue and profit for Favourit, which would be likely to adversely affect Favourit's financial performance

(ii) **Computer system risk**

Favourit by necessity places, and will continue to place, significant reliance on its and EveryMatrix's computer systems and related infrastructure for ongoing operations. A prolonged failure of the computer systems and/or related infrastructure operated by Favourit and EveryMatrix and supporting any of its products or businesses may result in a loss of revenue and profit to Favourit and in such circumstances may have an adverse effect on the operational and financial performance of Favourit.

(iii) **Limited operating history**

Favourit was incorporated in May 2012 and therefore has limited operating history. Given the limited operating history of Favourit, no assurance can be given that Favourit will achieve commercial viability through the implementation of its business plan. Whilst Favourit is now earning revenue through customers paying to use its services, there is no certainty around the number of continued customers (if any) that will use the services.

(iv) **Competition and new technologies**

The industry in which Favourit is involved is subject to increasing domestic and global competition which is fast-paced and fast-changing. 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, whose activities or actions may positively or negatively affect the operating and financial performance of the Company's projects and business. For instance, new technologies could result in the Favourit Platform not being differentiated to other similar offerings.

The size and financial strength of some of Favourit's competitors may make it difficult for it to maintain a competitive position in the technology market. In particular, Favourit's ability to acquire additional technology interests could be adversely affected if it is unable to respond effectively and/or in a timely manner to the strategies and actions of competitors and potential competitors or the entry of new competitors into the market. This may in turn impede the financial condition and rate of growth of the Company.

The key competition risk is in achieving appreciable market share and differentiation from its key competitors.

(v) **Sales and marketing success**

Following Settlement, the Company intends to focus on development and marketing of the Favourit Platform. By its nature, there is no guarantee that the Favourit Platform's development and marketing campaign will be successful. In the event that it is not, the Company may encounter difficulty creating market awareness of the Favourit Platform and acquiring customers at the targeted acquisition cost. This would likely have an adverse impact on the Company's potential profitability and required funding for operations.

Even if the Company does successfully commercialise the Favourit Platform, there is a risk the Company will not achieve a commercial return. For example, new technology may overtake the Company's technology.

(vi) **Attracting customers to the Platform**

The Company's revenue will be affected by its ability to attract customers to the Favourit Platform. Various factors can affect the level of customers using the Favourit Platform, including:

(A) Marketing and promotions: If the Company's marketing and promotion efforts are not effective this may result in fewer customers using the Favourit Platform.

(B) Brand damage: If the Company or Favourit suffer from reputational damage, customer numbers could be affected.

(C) Licencing images: If a domestic regulator blocks Favourit's access to a particular market, Favourit may suffer from continuing to engage customers.

(vii) **Key supplier risks**

Favourit uses Romanian based technology and whitelabel licencing provider EveryMatrix Software Limited to provide the core transactional operating system for our European sportsbook operations. EveryMatrix as a software supplier is a private company, supplying a number of international operators technology solutions. EveryMatrix may be purchased by another market competitor, or be subject to legal action which renders its performance as a service supplier limited. This would adversely impact Favourit's operations, and may force Favourit to identify and engage an alternative supplier at a higher cost or difference commercial arrangement.

(viii) **Regulatory risks**

The activities of Favourit are conducted in a highly regulated industry. The sports betting activities that Favourit conducts and the level of competition that it experiences, depend to a significant extent on the licences granted to EveryMatrix and

made available to Favourit and government policy and the manner in which the relevant governments exercise their powers in relation to the Company and the gambling industry in general.

Changes in legislation, regulation or government policy may have an adverse impact on Favourit's operational and financial performance. Uncertainty and conflict between the laws of different regions and jurisdictions that apply to Favourit may also have an adverse effect on the operation of Favourit. Court decisions concerning the interpretation of legislation, regulations or government policy may also have an adverse effect on the operational and financial performance of Favourit.

Potential changes, which could affect the value of the licences granted and available to Favourit via EveryMatrix, and potentially Favourit's operating and financial performance, include changes in regional wagering, gambling or other sports betting and gambling tax rates and levies; the introduction of product fees by the relevant regulator and the terms and conditions that apply under racing approvals and sporting agreements; changes in regional advertising rules and promotional restrictions; changes in the distribution of sports betting products, including through particular channels; variations to arrangements with racing and sporting industry organisations in various regions; the introduction of additional legislation or policy to control money laundering in various regions; the introduction of further legislation or policy to encourage responsible gambling and changes or decisions by government concerning wagering, or other forms of gambling in various regions.

Any cancellation, suspension, termination or non-renewal of any of the licences and permits utilized currently by Favourit via EveryMatrix, would potentially result in Favourit not generating the revenue it currently generates from its licences accessed via EveryMatrix, which would be likely to impact adversely on Favourit's financial performance.

Changes to the regulatory environment in any of the jurisdictions in which Favourit operates, including race fields or sports product fees, may have an adverse effect on the operational and financial performance of Favourit.

Moreover, the legality of certain online betting and gambling services is subject to uncertainty arising from conflicting laws in various regions and jurisdictions.

(ix) **Hacker attacks**

Favourit will rely upon the availability of its Favourit Platform to provide services to customers and attract new customers. Hackers could render the Favourit Platform unavailable or cause customers' personal information being compromised.

Although Favourit has strategies in place to minimise such attacks, these strategies may not be successful. Unavailability of

the Favourit Platform could lead to a loss of revenue for the Company while compromising customers' information could hinder the Company's abilities to retain existing customers or attract new customers, which would have a material adverse impact on the Company's growth.

(x) **Domain name risk**

The Favourit Platform will depend to some extent on customers being attracted to the Favourit website. Favourit has registered a domain name for the purposes of its website. However, should the Company not renew or otherwise lose control of its domain name, it would lose all website traffic direct to that domain. This would likely adversely affect the Company's revenue.

(xi) **Staff Risk**

There is a risk that, where there is a turnover of development staff who have knowledge of the technology and business, that knowledge will be lost in the event that those staff resign or retire. This involves the risk that those staff will have information in respect of Favourit's intellectual property which has a commercial value to Favourit as well as an opportunity cost for replacement of those staff and subsequent training.

This risk is mitigated as Favourit has historically had low levels of staff turnover in the development teams. In addition, all staff contracts contain express provisions with respect to ownership of intellectual property and restraints of trade to limit any potential loss suffered by Favourit to the maximum extent possible.

(xii) **Intellectual property rights**

Favourit currently holds trademarks in respect of its brand in Australia, the United Kingdom and the United States. Favourit does not have any patent protection over its intellectual property.

The Company may be required to incur significant expenses in monitoring and protecting its intellectual property rights. It may initiate or otherwise be involved in litigation against third parties for infringement, or to establish the validity, of its rights. Any litigation, whether or not it is successful, could result in significant expense to the Company and cause a distraction to management.

(xiii) **Dependence on the internet**

The successful continuation of the Favourit Platform will depend to some extent on the continued acceptance of the internet as a communications and commerce platform for individuals and enterprises. The internet could become less viable as a business tool due to delays in the development or adoption of new standards and protocols to handle increased demands of internet activity, security, reliability, cost, ease-of-use, accessibility and quality-of-service.

The performance of the internet and its acceptance as a business tool have been harmed by "viruses," "worms" and similar malicious programs, and the internet has experienced a variety of outages and other delays as a result of damage to portions of its infrastructure. If for any reason the internet does not remain a widespread communications medium and commercial platform, the demand for the Company's products would be significantly reduced, which would harm its business.

(xiv) **Taxation risks**

International markets that Favourit operates in continue experience ongoing taxation changes by gambling regulators. Taxation must be assessed on a market by market basis to ensure there is adequate margin flexibility to provide promotional strategies enough scope to acquire players. Markets that Favourit operates within may have taxation changes made by the regulator which results in the market not being profitable for Favourit in the long run, and may require it to abandon operations within that market.

(xv) **Group structure risks**

Favourit has structured its group entity so that the sportsbook operations remain at arms-length to the system IP ownership by the parent company (Favourit Global Pty Ltd) using an Isle of Man registered subsidiary (Favourit Enterprises Ltd). Should regulatory or taxation changes occur in the Isle of Man, Favourit may need to reconsider its group structure, and incur expenses in both professional advisory and corporate structuring.

(xvi) **Foreign exchange risks**

Favourit's earnings are generated in Euro from operations with partner EveryMatrix Software Limited by an entity within the Isle of Man which manages its accounts in GBP. Further, the business operates by offering players multiple currencies which they can deposit and withdraw. Favourit is therefore exposed to foreign exchange risk both in translation of subsidiary accounts, and transaction risks relating to obligations to client accounts.

(xvii) **Operational sportsbook risk management**

Favourit operates its sportsbook business by accepting bets from players and either receiving the stake as winnings to the sports book ("gross win" for customers losing bets), or paying back the customer their stake plus winnings (for customers winning bets). The nature of Favourit's business is therefore directly linked to (a) the outcome of sporting events and (b) client risk based on betting activity. Whilst Favourit employs an active risk management function, it cannot influence the outcome of sporting events, and therefore any negative run of winning events could have a material impact on Favourit's sportsbook performance. Further, whilst Favourit actively profiles customers, it does not intercept its customers bets, and therefore, has a limited degree of risk management control which may result in clients having large winning bets which Favourit must pay out winnings to the client.

(c) **General Risks Relating to the Company**

(i) **Reliance on Key Management**

The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and directors. There can be no assurance that there will be no detrimental impact on the performance of the Company or its growth potential if one or more of these employees cease their employment and suitable replacements are not identified and engaged in a timely manner.

(ii) **Risk of High Volume of Share Sales**

If Settlement occurs, the Company will have issued a significant number of new Securities to various parties. Some of the Vendors and others that receive Shares as a result of the Acquisition or the Capital Raising may not intend to continue to hold those Shares and may wish to sell them on ASX (subject to any applicable escrow period). There is a risk that an increase in the amount of people wanting to sell Shares may adversely impact on the market price of the Company's Shares.

There can be no assurance that there will be, or continue to be, an active market for Shares or that the price of Shares will increase. As a result, Shareholders may, upon selling their Shares, receive a market price for their securities that is less than the price of Shares offered pursuant to the Capital Raising.

(iii) **Foreign operations**

Favourit conducts business in countries outside Australia and there exists risks inherent in doing business in other countries. These risks include changes in regulatory requirements, tariffs, customs, duties and other trade barriers, difficulties in staffing and managing foreign operations and monetary exchange rates, longer payment cycles, problems in collecting amounts receivable, political instability, expropriation, nationalisation and war.

(iv) **Trading Price of Shares**

The Company's operating results, economic and financial prospects and other factors will affect the trading price of the Shares. In addition, the price of Shares is subject to varied and often unpredictable influences on the market for equities, including, but not limited to general economic conditions including the performance of the Australian dollar on world markets, inflation rates, foreign exchange rates and interest rates, variations in the general market for listed stocks in general, changes to government policy, legislation or regulation, industrial disputes, general operational and business risks and hedging or arbitrage trading activity that may develop involving the Shares.

In particular, the share prices for many companies have been and may in the future be highly volatile, which in many cases

may reflect a diverse range of non-company specific influences such as global hostilities and tensions relating to certain unstable regions of the world, acts of terrorism and the general state of the global economy. No assurances can be made that the Company's market performance will not be adversely affected by any such market fluctuations or factors.

(v) **Additional Requirements for Capital**

The capital requirements of the Company depend on numerous factors. Depending on the ability of the Company to generate income from its operations, the Company may require further financing in addition to amounts raised under the Capital Raising. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations.

(vi) **Litigation Risks**

The Company is exposed to possible litigation risks including intellectual property claims, contractual disputes, occupational health and safety claims and employee claims. Further, the Company may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on the Company's operations, financial performance and financial position. Neither the Company nor Favourit are currently engaged in any litigation.

(vii) **Economic Risks**

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.

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

(A) general economic outlook;

(B) interest rates and inflation rates;

(C) currency fluctuations;

(D) changes in investor sentiment toward particular market sectors;

(E) the demand for, and supply of, capital; and

(F) terrorism or other hostilities.

(viii) **Force Majeure**

The Company, now or in the future may be adversely affected by risks outside the control of the Company including labour unrest, civil disorder, war, subversive activities or sabotage, extreme weather conditions, fires, floods, explosions or other catastrophes, epidemics or quarantine restrictions.

(ix) **Acquisitions**

As part of its business strategy, the Company may make acquisitions of, or significant investments in, companies, products, technologies and/or products that are complementary to Favourit's business. Any such future transactions are accompanied by the risks commonly encountered in making acquisitions of companies, products and technologies, such as integrating cultures and systems of operation, relocation of operations, short term strain on working capital requirements, achieving the sales and margins anticipated and retaining key staff and customer and supplier relationships.

(d) **Investment Speculative**

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above may, in the future, materially affect the financial performance of the Company and the value of the Company's securities.

1.16 Plans for the Company if the Resolutions are not passed

If the Essential Resolutions are not passed and the HOA is not completed, the Company will continue to focus on mineral resource exploration and look for potential business acquisitions to take the Company forward.

1.17 Directors' interests in the HOA

None of the Company's existing Directors have any interest in the proposed Acquisition, other than as disclosed in this Notice.

1.18 Vendors

None of the Vendors or their associates are related parties of the Company (other than by virtue of becoming Directors upon Settlement) and they have no existing interest in the Company's Securities.

2. RESOLUTION 1 – CHANGE TO NATURE AND SCALE OF ACTIVITIES

2.1 General

This Resolution seeks approval from Shareholders for a change in the nature and scale of the activities of the Company to change the focus to technology, gambling operations and marketing.

As outlined in Section 1.1 of this Explanatory Statement, the Company has entered into the HOA pursuant to which the Company shall acquire all of the Favourit Shares.

A summary of the terms and conditions of the HOA is set out in Section 1.7(a) above and a detailed description of Favourit and its business is outlined in Section 1.2 above.

2.2 ASX Listing Rule 11.1

ASX Listing Rule 11.1 provides that where an entity proposes to make a significant change, either directly or indirectly, to the nature or scale of its activities, it must provide full details to ASX as soon as practicable (and before making the change) and comply with the following:

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

(b) if ASX requires, obtain the approval of holders of its shares and comply with any requirements of ASX in relation to the notice of meeting; and

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

ASX has indicated to the Company that the change in the nature and scale of the Company's activities as a result of Acquisition requires the Company in accordance with ASX Listing Rule 11.1.2 to obtain Shareholder approval and the Company must comply with any requirements of ASX in relation to the Notice of Meeting.

ASX has also indicated to the Company that the change in the nature and scale of the Company's activities is a back-door listing of Favourit which consequently requires the Company to (in accordance with ASX Listing Rule 11.1.3) re-comply with the admission requirements set out in Chapters 1 and 2 of the ASX Listing Rules (including any ASX requirement to treat the Company's securities as restricted securities).

Accordingly, it is anticipated that the Company's securities will be subjected to a trading halt or suspension and thereby cease trading on ASX's Official List prior to market open on the day of the Meeting. If the Essential Resolutions are approved at the Meeting, it is expected that the Company's Securities will remain suspended from quotation until the Company has acquired Favourit pursuant to the HOA and re-complied with Chapters 1 and 2 of the Listing Rules, including by satisfaction of ASX's conditions precedent to reinstatement.

If the Essential Resolutions are not approved at the Meeting, it is expected that the Company's Securities will be reinstated to quotation on ASX's Official List after the Company announces the results of the Meeting in accordance with the Listing Rules and Corporations Act.

3. RESOLUTION 2 – CONSOLIDATION OF CAPITAL

3.1 Background

If this Resolution is passed and excluding any Securities issued pursuant to the other Resolutions, the number of:

(a) Shares on issue will be reduced from 3,218,976,874 to 1,609,488 subject to rounding); and

(b) Options on issue will be cancelled.

3.2 Legal requirements

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

3.3 Fractional entitlements

Not all Security Holders will hold that number of Shares or Options (as the case may be) which can be evenly divided by 2000. Where a fractional entitlement occurs, the Company will round that fraction up to the nearest whole Security.

3.4 Taxation

It is not considered that any taxation implications will exist for Security holders arising from the Consolidation. However, Security holders are advised to seek their own tax advice on the effect of the Consolidation and neither the Company, nor the Deed Administrator (nor the Deed Administrator's advisers) accept any responsibility for the individual taxation implications arising from the Consolidation.

3.5 Holding statements

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

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

It is the responsibility of each Security Holder to check the number of Securities held prior to disposal or exercise (as the case may be).

3.6 Effect on capital structure

The effect which the Consolidation will have on the Company's capital structure is set out in the table below.

Capital Structure	Shares	Performance Shares	Unlisted Options	Performance Rights
Pre-Consolidation Securities	3,218,976,864	927,000,000	84,500,000	-
Sub-total	**3,218,976,874**	**927,000,000**	**84,500,000**	**-**
Post 2000:1 Consolidation of Securities (Resolution 2)	1,609,488	463,500[2]	42,250[1]	-
Consideration Shares (Resolution 3)	60,600,000	-	-	
Capital Raising (Resolution 5)[3]	30,000,000	-	-	
Conversion Securities (Resolution 6)	3,500,000	-	1,750,000	
Adviser Shares (Resolution 4)	3,636,000	-	-	
ESOP Options (Resolutions 9-12)	-	-	4,967,274	-
Performance Rights (Resolutions 13 – 17)	-	-	-	4,967,274
Completion of all Resolutions and Settlement occurring	**99,345,488**	**-**	**6,717,274**	**4,967,274**

1. The Company has entered into agreements with all current optionholders of the Company upon which each optionholder has agreed to cancel their Options for nil consideration upon Settlement occurring.
2. Performance Shares shall expire at Settlement subject to the passing of Resolution 7 and Settlement occurring.
3. Assumes that a maximum of $6,000,000 is raised pursuant to the Capital Raising.

3.7 Indicative timetable*

If this Resolution is passed, the reduction of capital will take effect in accordance with the following timetable (as set out in Appendix 7A (paragraph 5) of the ASX Listing Rules):

Action	Date
Company tells ASX that Shareholders have approved the Consolidation.	28 January 2016
Last day for pre-Consolidation trading.	29 January 2016
Post-Consolidation trading starts on a deferred settlement basis.	1 February 2016
Last day for Company to register transfers on a pre-Consolidation basis.	3 February 2016
First day for Company to send notice to each holder of the change in their details of holdings.	4 February 2016
First day for the Company to register Securities on a post-Consolidation basis and first day for issue of holding statements.	
Change of details of holdings date. Deferred settlement market ends.	10 February 2016
Last day for Securities to be entered into holders' Security holdings.	
Last day for the Company to send notice to each holder of the change in their details of holdings.	

4. RESOLUTION 3 – ISSUE OF CONSIDERATION SHARES

4.1 General

This Resolution seeks Shareholder approval for the issue of the Consideration Shares in consideration for the acquisition by the Company of 100% of the Favourit Shares on issue.

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

The effect of this Resolution will be to allow the Company to issue the Consideration Shares during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

4.2 Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the issue of the Consideration Shares:

(a) the maximum number of Consideration Shares to be issued at Settlement is 60,600,000 Consideration Shares;

(b) the Consideration Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that the issue of the Consideration Shares will occur on the same date;

(c) the Consideration Shares will be issued to the Vendors, who are not related parties of the Company (other than as a result of the Acquisition), in consideration for their respective Favourit Shares (pro rata to the number of Favourit Shares held by each Vendor);

(d) the Consideration Shares to be issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;

(e) no funds will be raised from the proposed issue as the Consideration Shares are proposed to be issued in consideration for the acquisition by the Company of all of the Favourit Shares in accordance with the terms of the HOA.

5. RESOLUTION 4 – PLACEMENT – ADVISER SHARES

5.1 General

This Resolution seeks Shareholder approval for the issue of 3,636,000 Adviser Shares to ACPO (or its nominees) in consideration for ACPO introducing the Transaction to the Company and assisting with its implementation.

A summary of ASX Listing Rule 7.1 is set out in section 4.1 above.

The effect of this Resolution will be to allow the Company to issue the Adviser Shares during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

5.2 Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the Adviser Shares:

(a) the maximum number of Adviser Shares to be issued is 3,636,000;

(b) the Adviser Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Adviser Shares will occur on the same date;

(c) the Adviser Shares will be issued for nil cash consideration in satisfaction of ACPO introducing the Transaction to the Company and assisting with its implementation;

(d) the Adviser Shares will be issued to ACPO (or its nominees), none of whom are a related party of the Company;

(e) the Adviser Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and

(f) no funds will be raised from the issue of Adviser Shares as the Adviser Shares are being issued in consideration of ACPO introducing the Transaction to the Company and assisting with its implementation.

6. RESOLUTION 5 – CAPITAL RAISING

6.1 General

This Resolution seeks Shareholder approval for the issue of up to that number of Shares, when multiplied by the issue price (which will be no less than $0.20 per Share), will raise at least $4,000,000 and up to $6,000,000 under the Capital Raising. Approval is sought for the issue of these Shares pursuant to this Resolution.

For the purposes of the Listing Rules, none of the subscribers for the Shares to be issued under this Resolution will be related parties of the Company.

The Capital Raising offer will be conditional on the following:

(a) Shareholders passing all of the Essential Resolutions; and

(b) the Shares to be issued under the Capital Raising being issued contemporaneously with Settlement.

Further details of the Capital Raising will be set out in the Prospectus.

A summary of ASX Listing Rule 7.1 is set out in Section 4.1 above.

The effect of this Resolution will be to allow the Company to issue Shares under the Capital Raising during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity under ASX Listing Rule 7.1.

6.2 Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the Capital Raising:

(a) the maximum number of Shares to be issued is up to that number of Shares which, when multiplied by the issue price, equals $6,000,000;

(b) the Shares will be issued no later than 3 months after the date of the General Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Shares will occur on the same date;

(c) the issue price will be not less than $0.20 per Share;

(d) the Shares are proposed to be issued to the applicants under the Capital Raising. None of these subscribers will be related parties of the Company;

(e) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares on issue; and

(f) the Company intends to use the funds raised under the Capital Raising as set out in Section 1.6.

7. RESOLUTION 6 – CONVERSION UNDER CONVERTIBLE NOTES

7.1 General

This Resolution seeks Shareholder approval for the issue of up to 3,500,000 Shares and 1,750,000 Options to the Celsius Noteholders upon conversion of the Celsius Convertible Notes, the terms and conditions of which are summarised and set out in Section 1.7(b).

A summary of ASX Listing Rule 7.1 is set out in Section 4.1 above.

The effect of this Resolution will be to allow the Company to issue the Conversion Securities to the Celsius Noteholders in discharge of the Company's obligations under the Celsius Convertible Note deed, during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

7.2 Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the Conversion Securities:

(a) the maximum number of Shares to be issued is 3,500,000 and the maximum number of Options to be issued is equal to 50% of the number of Shares to be issued as the Options will be issued free attaching with the Shares on a 1:2 basis (i.e., 1,750,000 Options);

(b) the Shares and Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Shares and Options will occur on the same date;

(c) the Shares will be issued for nil cash consideration in satisfaction of amounts owing to the Celsius Noteholders;

(d) the issue price of the Options will be nil as they will be issued free attaching with the Shares on a 1:2 basis;

(e) the Shares and Options will be issued to Celsius Noteholders, none of whom are related party's of the Company;

(f) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;

(g) the Options will be issued on the terms and conditions set out in Schedule 1; and

(h) no funds will be raised from the Placement as the Shares and Options are being issued in consideration for amounts owing to the Celsius Noteholders.

8. RESOLUTION 7 – VARIATION TO TERMS OF PERFORMANCE SHARES

Clause 2.4 of the Constitution provides that the rights attaching to a class of shares may only be varied with the consent in writing of holders of three-quarters of the issued shares of that class or with a special resolution passed at a meeting

of holders of the shares of that class. Any variation under this clause is subject to section 246B of the Corporations Act.

Section 246B of the Corporations Act provides that if a company has a constitution that sets out the procedure for varying rights attached to shares in a class, those rights may only be varied in accordance with the procedure in the constitution. Further, if a constitution does not set out the procedure for varying the rights attaching to shares in a class, the rights may only be varied by a special resolution of the company and either by special resolution of the class of members holding shares in the class or with the written consent of members with at least 75% of the votes in the class.

The variation sought to the terms of the Performance Shares is to enable the Performance Shares to expire upon the Company re-complying with Chapters 1 and 2 of the Listing Rules. The existing terms of the Performance Shares are set out in Schedule 2. The terms of the Performance Shares after the variation (if approved) are set out in Schedule 3. The only difference is to amend the definition of Expiry Date in relation to the Performance Shares from:

> "*that date which is five (5) years from the date of issue of the Performance Shares*",

to

> "*that date which is the earlier of five (5) years from the date of issue of the Performance Shares, or that date on which the Company re-complies with Chapters 1 and 2 of the Listing Rules*".

The reason for the variation is that the Performance Share milestones are all directly connected to what were the Company's Kyrgyz coal licences, and as disclosed in the ASX release dated 21 April 2015, the subsidiaries which held the Company's Kyrgyz coal licences are currently being liquidated, and therefore each of the Performance Share milestones are no longer capable of being met.

The Performance Shares have been issued to the following parties:

HOLDERS NAME	CLASS A PERFORMANCE SHARES	CLASS B PERFORMANCE SHARES	CLASS C PERFORMANCE SHARES	CLASS D PERFORMANCE SHARES	CLASS E PERFORMANCE SHARES
ATIRAC PTY LTD	327,273	327,273	327,273	245,455	245,455
CITY ROAD HOLDINGS PTY LTD	1,600,000	1,600,000	1,600,000	1,200,000	1,200,000
DESA CAPITAL LIMITED	49,090,911	49,090,911	49,090,911	36,818,182	36,818,182
DRAGON GAS LIMITED	2,727,273	2,727,273	2,727,273	2,045,455	2,045,455
ELBOW & CO PTY LTD	6,272,727	6,272,727	6,272,727	4,704,545	4,704,545
ELBOW & CO PTY LTD	1,363,636	1,363,636	1,363,636	1,022,727	1,022,727
GOLDSHORE INVESTMENTS PTY LTD	3,181,818	3,181,818	3,181,818	2,386,364	2,386,364

HOLDERS NAME	CLASS A PERFORMANCE SHARES	CLASS B PERFORMANCE SHARES	CLASS C PERFORMANCE SHARES	CLASS D PERFORMANCE SHARES	CLASS E PERFORMANCE SHARES
HARINDRA DEVA GOONATILLAKE &	800,000	800,000	800,000	600,000	600,000
GREENSEA INVESTMENTS PTY LTD	3,181,818	3,181,818	3,181,818	2,386,364	2,386,364
JANA LIMITED	19,090,909	19,090,909	19,090,909	14,318,182	14,318,182
MS MARGARET LAU	254,545	254,545	254,545	190,909	190,909
PETRA LORENZ	854,545	854,545	854,545	640,909	640,909
MR DAVID PATRICK MARTINUS	163,636	163,636	163,636	122,727	122,727
MS APRIL MARIE OATES	800,000	800,000	800,000	600,000	600,000
MR JAYSON WAYNE OATES	1,690,909	1,690,909	1,690,909	1,268,182	1,268,182
QM & AS SUPERANNUATION PTY LTD	2,509,091	2,509,091	2,509,091	1,881,818	1,881,818
QUINTERO GROUP LIMITED	15,909,091	15,909,091	15,909,091	11,931,818	11,931,818
MR AARON RADDOCK &	2,727,273	2,727,273	2,727,273	2,045,455	2,045,455
SAKA RESOURCES LIMITED	43,363,636	43,363,636	43,363,636	32,522,727	32,522,727
MR DOMINIC KA KUEN SUM	454,545	454,545	454,545	340,909	340,909
TUKOMIKA LIMITED	21,818,182	21,818,182	21,818,182	16,363,636	16,363,636
MR ROBERT JONATHAN WALL	5,400,000	5,400,000	5,400,000	5,400,000	5,400,000
Y T PROSPERITY LIMITED	21,818,182	21,818,182	21,818,182	16,363,636	16,363,636
Total	**205,400,000**	**205,400,000**	**205,400,000**	**155,400,000**	**155,400,000**
TOTAL	**927,000,000**				

The Directors recommend that Shareholders vote in favour of this Resolution.

9. RESOLUTION 8 – APPROVAL OF EMPLOYEE SHARE OPTION PLAN

Resolution 8 seeks Shareholders approval for the adoption of the employee incentive scheme titled Employee Share Option Plan (**ESOP**) in accordance with ASX Listing Rule 7.2 (Exception 9(b)).

A summary of ASX Listing Rule 7.1 is set out at section 4.1 above. ASX Listing Rule 7.2 (Exception 9(b)) sets out an exception to ASX Listing Rule 7.1 which provides that issues under an employee incentive scheme are exempt for a period of 3 years from the date on which shareholders approve the issue of securities under the scheme as an exception to ASX Listing Rule 7.1.

If Resolution 8 is passed, the Company will be able to issue Options under the ESOP to eligible participants over a period of 3 years without impacting on the Company's ability to issue up to 15% of its total ordinary securities without Shareholder approval in any 12 month period.

Shareholders should note that no Options have previously been issued under the ESOP.

The objective of the ESOP is to attract, motivate and retain key Directors, employees and contractors and it is considered by the Company that the adoption of the ESOP and the future issue of Options under the ESOP will provide selected participants with the opportunity to participate in the future growth of the Company.

Any future issues of Options under the ESOP to a related party or a person whose relation with the Company or the related party is, in ASX's opinion, such that approval should be obtained will require additional Shareholder approval under ASX Listing Rule 10.14 at the relevant time. For this reason, the Company is also seeking approval under Resolutions 9 to 12 for the issue of Options to certain related parties.

A summary of the key terms and conditions of the ESOP is set out in Schedule 4. In addition, a copy of the ESOP is available for review by Shareholders at the registered office of the Company until the date of the Meeting. A copy of the ESOP can also be sent to Shareholders upon request to the Company Secretary. Shareholders are invited to contact the Company if they have any queries or concerns.

10. RESOLUTIONS 9 TO 12– ISSUE OF ESOP OPTIONS TO TOBY SIMMONS, MARTIN DALGLEISH, DENNIS VERRIOS AND RICHARD KUO

10.1 General

Pursuant to Resolution 8, the Company is seeking approval to adopt the ESOP. The terms of the ESOP are summarised in Schedule 4.

Subject to obtaining Shareholder approval and to the adoption of the ESOP, the Company is seeking to issue a total of up to 2,483,637 Class A ESOP Options and 2,483,637 Class B ESOP Options to Mr Simmons, Mr Dalgleish, Mr Verrios and Mr Kuo (**Related Parties**) under the ESOP as an incentive to further motivate and reward their performances with the Company, in accordance with the terms and conditions set out below.

Under the ESOP rules, the Board in its absolute discretion may from time-to-time determine that eligible persons (which includes directors and employees) be invited to participate in the ESOP.

The ESOP has been used as part of the remuneration planning for executive Directors and employees. The Corporate Governance Council Principles and Recommendations recommend that executive remuneration packages involve a balance between fixed and incentive pay reflecting short and long-term

performance objectives appropriate to the Company's circumstances and goals.

The Company considers that the issue of the Options is an appropriate method to:

(a) reward Directors and employees for their past performance;

(b) provide long term incentives for participation in the Company's future growth;

(c) motivate Directors and generate loyalty from senior employees; and

(d) assist to retain the services of valuable Directors and employees.

The terms and conditions of the ESOP Options are contained in Schedule 5 of this Notice.

10.2 Chapter 2E of the Corporations Act

Chapter 2E of the Corporations Act requires that for a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

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

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

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

The grant of the ESOP Options constitutes giving a financial benefit and Mr Simmons, Mr Dalgleish, Mr Verrios and Mr Kuo are related parties of the Company by virtue of being proposed Directors.

The Directors consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of ESOP Options to the Related Parties because the "arm's length" exception in Section 210 of the Corporations Act applies.

10.3 ASX Listing Rule 10.14

ASX Listing Rule 10.14 requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities under an employee incentive scheme to a director of the entity, an associate of the director, or a person whose relationship with the entity, director or associate of the director is, in ASX's opinion, such that approval should be obtained.

If Resolutions 9 - 12 are passed, ESOP Options will be issued to the Related Parties. Therefore, the Company requires Shareholder approval to issue the ESOP Options to the Related Parties.

Approval pursuant to ASX Listing Rule 7.1 is not required in order to issue the Options as approval is being obtained under ASX Listing Rule 10.14 and Exception 9(b) of ASX Listing Rule 7.2. The issue of ESOP Options to the Related Parties will not be included in the 15% calculation for the purposes of ASX Listing Rule 7.1.

10.4 Technical Information required by ASX Listing Rule 10.15

Pursuant to and in accordance with ASX Listing Rule 10.15, the following information is provided in relation to the proposed issue of the Options to the Related Parties:

(a) the Related Parties are Mr Simmons, Mr Dalgleish, Mr Verrios and Mr Kuo by virtue of being proposed Directors;

(b) a maximum number of up to 4,967,274 ESOP Options will be issued to related parties as follows:

(i) up to 1,738,546 Class A ESOP Options and 1,738,546 Class B ESOP Options to Mr Toby Simmons (or his nominee);

(ii) up to 248,364 Class A ESOP Options and 248,364 Class B ESOP Options to Mr Martin Dalgleish (or his nominee);

(iii) up to 248,364 Class A ESOP Options and 248,364 Class B ESOP Options to Mr Dennis Verrios (or his nominee);and

(iv) up to 248,364 Class A ESOP Options and 248,364 Class B ESOP Options to Mr Richard Kuo (or his nominee);

(c) the ESOP Options will be issued for nil cash consideration under the terms of the ESOP and no cash consideration will be payable upon the exercising of the ESOP Options or the subsequent issue of Shares (if any);

(d) no ESOP Options have previously been issued under the ESOP;

(e) as at the date of this Notice, Mr Simmons, Mr Dalgleish, Mr Verrios and Mr Kuo are the only persons covered by ASX Listing Rule 10.14 that the Board has declared to be eligible to be issued ESOP Options under the ESOP (i.e. a Director, proposed Director, an associate of the Director, or a person whose relationship with the Company, Director or associate of the Director is, in ASX's opinion, such that approval should be obtained);

(f) no loans have been provided to the Related Parties in relation to the acquisition of the ESOP Options;

(g) the ESOP Options will be issued to the Related Parties no later than 12 months after the date of the Meeting;

(h) the Class A ESOP Options and Class B ESOP Options will be issued on the terms and conditions set out in Schedule 5 in accordance with the terms of the ESOP as set out in Schedule 4; and

(i) no funds will be raised from the issue of the ESOP Options as they are being issued for nil consideration.

11. RESOLUTION 13 – ADOPTION PERFORMANCE RIGHTS PLAN

Resolution 13 seeks Shareholders approval for the adoption of the employee incentive scheme titled Performance Rights Plan in accordance with ASX Listing Rule 7.2 (Exception 9(b)).

A summary of ASX Listing Rule 7.1 is set out in Section 4.1 above.

ASX Listing Rule 7.2 (Exception 9(b)) sets out an exception to ASX Listing Rule 7.1 which provides that issues under an employee incentive scheme are exempt for a period of 3 years from the date on which shareholders approve the issue of securities under the scheme as an exception to ASX Listing Rule 7.1.

If Resolution 13 is passed, the Company will be able to issue Performance Rights under the Performance Rights Plan to eligible participants over a period of 3 years without impacting on the Company's ability to issue up to 15% of its total ordinary securities without Shareholder approval in any 12 month period.

Shareholders should note that no Performance Rights have previously been issued under the Performance Rights Plan.

The objective of the Performance Rights Plan is to attract, motivate and retain key Directors, employees and contractors and it is considered by the Company that the adoption of the Performance Rights Plan and the future issue of Performance Rights under the Performance Rights Plan will provide selected participants with the opportunity to participate in the future growth of the Company.

Any future issues of Performance Rights under the Performance Rights Plan to a related party or a person whose relation with the Company or the related party is, in ASX's opinion, such that approval should be obtained will require additional Shareholder approval under ASX Listing Rule 10.14 at the relevant time. Accordingly the Company is seeking Shareholder approval under Resolutions 14, 15, 16 and 17 to issue Performance Rights to related parties.

A summary of the key terms and conditions of the Performance Rights Plan is set out in Schedule 6. In addition, a copy of the Performance Rights Plan is available for review by Shareholders at the registered office of the Company until the date of the Meeting. A copy of the Performance Rights Plan can also be sent to Shareholders upon request to the Company Secretary. Shareholders are invited to contact the Company if they have any queries or concerns.

12. RESOLUTIONS 14 TO 17– ISSUE OF PERFORMANCE RIGHTS TO MR SIMMONS, MR DALGLEISH, MR VERRIOS AND MR KUO

12.1 General

Pursuant to Resolution 13, the Company is seeking approval to adopt the Performance Rights Plan. The terms of the Performance Rights Plan are summarised in Schedule 6.

Subject to obtaining Shareholder approval and to the adoption of the Performance Rights Plan, the Company is seeking to issue a total of 4,967,274 Performance Rights to Mr Simmons, Mr Dalgleish, Mr Verrios and Mr Kuo (**Related Parties**) under the Performance Rights Plan as an incentive to further motivate and reward their performances with the Company, in accordance with the terms and conditions set out below.

Under the Performance Rights Plan rules, the Board in its absolute discretion may from time-to-time determine that eligible persons (which includes directors and employees) be invited to participate in the Performance Rights Plan.

The Performance Rights Plan has been used as part of the remuneration planning for executive Directors and employees. The Corporate Governance Council Principles and Recommendations recommend that executive remuneration packages involve a balance between fixed and incentive pay

reflecting short and long-term performance objectives appropriate to the Company's circumstances and goals.

The Company considers that the issue of the Performance Rights is an appropriate method to:

(a) reward Directors and employees for their past performance;

(b) provide long term incentives for participation in the Company's future growth;

(c) motivate Directors and generate loyalty from senior employees; and

(d) assist to retain the services of valuable Directors and employees.

The terms and conditions of the Performance Rights are contained in Schedule 7 of this Notice.

12.2 Chapter 2E of the Corporations Act

Chapter 2E of the Corporations Act requires that for a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

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

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

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

The grant of the Performance Rights constitutes giving a financial benefit and Mr Simmons, Mr Dalgleish, Mr Verrios and Mr Kuo are related parties of the Company by virtue of being proposed Directors.

The Directors consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of Performance Rights to the Related Parties because of the "arm's length" exception in Section 210 of the Corporations Act applies.

12.3 ASX Listing Rule 10.14

ASX Listing Rule 10.14 requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities under an employee incentive scheme to a director of the entity, an associate of the director, or a person whose relationship with the entity, director or associate of the director is, in ASX's opinion, such that approval should be obtained.

If Resolutions 14- 17 are passed, Performance Rights will be issued to the Related Parties. Therefore, the Company requires Shareholder approval to issue the Performance Rights to the Related Parties.

Approval pursuant to ASX Listing Rule 7.1 is not required in order to issue the Performance Rights as approval is being obtained under ASX Listing Rule 10.14 and Exception 9(b) of ASX Listing Rule 7.2. The issue of Performance Rights to the Related Parties will not be included in the 15% calculation for the purposes of ASX Listing Rule 7.1.

12.4 Technical Information required by ASX Listing Rule 10.15

Pursuant to and in accordance with ASX Listing Rule 10.15, the following information is provided in relation to the proposed issue of the Performance Rights to the Related Parties:

(a) the Related Parties are Mr Simmons, Mr Dalgleish, Mr Verrios and Mr Kuo by virtue of being proposed Directors.

(b) a maximum number of up to 4,967,274 Performance Rights will be issued to related parties as follows:

(i) up to 3,477,092 Performance Rights to Mr Toby Simmons (or his nominee);

(ii) up to 496,727 Performance Rights to Mr Martin Dalgleish (or his nominee);

(iii) up to 496,727 Performance Rights to Mr Dennis Verrios (or his nominee);and

(iv) up to 496,727 Performance Rights to Mr Richard Kuo (or his nominee);

(c) the Performance Rights will be issued for nil cash consideration under the terms of the Performance Rights Plan and no cash consideration will be payable upon the exercising of the Performance Rights or the subsequent issue of Shares (if any);

(d) no Performance Rights have previously been issued under the Performance Rights Plan;

(e) as at the date of this Notice, Mr Simmons, Mr Dalgleish, Mr Verrios and Mr Kuo are the only persons covered by ASX Listing Rule 10.14 that the Board has declared to be eligible to be issued Performance Rights under the Performance Rights Plan (i.e. a Director, an associate of the Director, or a person whose relationship with the Company, Director or associate of the Director is, in ASX's opinion, such that approval should be obtained);

(f) no loans have been provided to the Related Parties in relation to the acquisition of the Performance Rights;

(g) the Performance Rights will be issued to the Related Parties no later than 12 months after the date of the Meeting;

(h) the Performance Rights will be issued on the terms and conditions set out in Schedule 7 in accordance with the terms of the Performance Rights Plan as set out in Schedule 6; and

(i) no funds will be raised from the issue of the Performance Rights as they are being issued for nil consideration.

13. RESOLUTION 18 – CHANGE OF COMPANY NAME

Section 157(1)(a) of the Corporations Act provides that a company may change its name if the company passes a special resolution adopting a new name.

This Resolution seeks the approval of Shareholders for the Company to change its name to "**Favourit Limited**". The Board proposes this change of name on the basis that it more accurately reflects the proposed operations of the Company following Settlement.

If this Resolution is passed the change of name will take effect after ASIC alters the details of the Company's registration.

The proposed name has been reserved by the Company and if this Resolution is passed, the Company will lodge a copy of the special resolution with ASIC following Settlement in order to effect the change.

14. RESOLUTIONS 19 TO 22 – ELECTION OF DIRECTORS

Clause 13.3 of the Constitution allows the Company to appoint at any time a person to be a Director in general meeting, but only where the total number of Directors does not at any time exceed the maximum number specified by the Constitution.

In order for the Proposed Directors to be eligible for election, a Shareholder intending to propose their nomination, must deliver to the Company's registered office at least 30 Business Days before the Meeting, a written notice from the Shareholder nominating the Proposed Director as a Director of the Company and a document under which each of the Proposed Directors consent to their nomination for the office.

Pursuant to Resolutions 19 to 22, Messrs Martin Dalgleish, Toby Simmons, Richard Kuo and Dennis Verrios seek election from Shareholders to be appointed upon Settlement occurring.

The qualifications and experience of the Proposed Directors are set out below:

Mr Martin Dalgleish

Martin Dalgleish is an experienced Australian Technology, Media & Telco Director and Technology Investor. He has over thirty years Executive experience working with leading global brands including PBL, Optus, IBM, Dixons, PepsiCo and the Rank Group, and has has served as a Non-executive Director or Alternate Director on the Boards of FOXTEL, Fox Sports, PBL Media, Ticketek, Ninemsn, Hoyts Group, Carsales, Seek, iSelect and Betfair Australia. Martin is and private investor in a number of Australian technology firms including Ratesetter Australia, Temando, Ingogo, Literacy Planet, Collinear Networks (US), Bubblegum Interactive, and Vantage Media (US). He is currently Chairman of Ingogo Limited and Favourit Global Pty ltd, and a director of Ratesetter Australia Pty Ltd, and Mediaworks Group Holdings (NZ). He holds a Bachelor of Business from the Western Australian Institute of Technology, an MBA from Cranfield University (UK), and is a Graduate of the Australian Institute of Company Directors (GAICD). The Board considers that Mr Martin Dalgleish will be a non-independent Director. The Board supports the election of Mr Martin Dalgleish.

Mr Toby Simmons

Toby Simmons has been an executive of digital companies for over 8 years. Toby was a core part of the team responsible for the initial concept at incubation stage of Favourit as the General Manager of Agility Interactive, a subsidiary of TOTE Tasmania. Toby leads daily management of company, business development and partnerships. Toby holds a Bachelor of Business from the University of Tasmania and is currently completing the final stages of a Masters of

Finance from the Royal Melbourne Institute of Technology (RMIT). The Board considers that Mr Toby Simmons will be a non-independent Director. The Board supports the election of Mr Toby Simmons.

Mr Richard Kuo

Richard Kuo is the founder and CEO of Pier Capital, a boutique investment banking firm specialising in the technology sectors. He is a non-executive director of Probiotec Limited, Animoca Brands Limited and SCEGGS Darlinghurst Limited and has held directorships of Equity Capital Markets Limited, Glenorchy Arts & Sculpture Park and Australian Events Foundation. Mr Kuo initially practiced as a lawyer specialising in corporate law in a large national law firm before moving into investment banking as a corporate financier. His technology experience includes a senior management role in Open Telecommunications during a period when it grew to become one of Australia's largest software companies. He has advised on a wide range of domestic and cross-border transactions involving technology and digital media companies and manages a portfolio of emerging Australian and international technology companies. Mr Kuo is a fellow of the Australian Institute of Company Directors and holds qualifications in accounting, finance and law together with post graduate qualifications in applied finance and investment.

The Board considers that Mr Richard Kuo will be a non-independent Director. The Board supports the election of Mr Richard Kuo.

Mr Dennis Verrios

Dennis Verrios has been involved in information technology, media and gaming businesses for over 25 years. He is non-executive director of Go Fetch Pty Ltd as well as founder and executive board member of Centurion Solutions Pty ltd a service provider to the some of the world's largest wagering clearing hub processors, with operations in Australia, UK, USA and Western Europe. Mr Verrios was the CEO of Agility Interactive Pty Ltd where Favourit was originally conceived and developed before being acquired by the current entity in a management buyout.

Mr Verrios formerly worked with Accenture in Australia and KPMG in the UK, and since 2000 moved to being a founder and supporter/investor of start-up companies in Australia and internationally.

The Board considers that Mr Dennis Verrios will be a non-independent Director. The Board supports the election of Mr Dennis Verrios.

GLOSSARY

$ means Australian dollars.

Acquisition has the meaning given in Section 1.1.

Adviser or **ACPO** means Asia Principal Capital Operations Pty Ltd (or its nominees).

Adviser Shares means the Shares to be issued to ACPO pursuant to Resolution 4.

ASIC means the Australian Securities & Investments Commission.

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

ASX Listing Rules means the Listing Rules of ASX.

Board means the current board of directors of the Company.

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

Capital Raising has the meaning given at Section 1.7(a)(ii)(I).

Celsius Convertible Note means a convertible note, the terms and conditions of which are summarised at Section 1.7(b).

Celsius Noteholder means the holder of a Celsius Convertible Note.

Chair means the chair of the Meeting.

Class A ESOP Options means Options exercisable at $0.20 within 5 years from the date of issue on the terms and conditions set out in Schedule 5.

Class B ESOP Options means Options exercisable at $0.25 within 5 years from the date of issue on the terms and conditions set out in Schedule 5.

Company means Celsius Coal Limited (ACN 009 162 949).

Company Group means the Company and its related bodies corporate.

Consideration Share means the Shares issued pursuant to Resolution 4.

Constitution means the Company's constitution.

Conversion Securities means Conversion Shares and Conversion Options.

Conversion Shares means the Shares to be issued Celsius Noteholders in relation to the Celsius Convertible Notes.

Conversion Options means the Options to be issued Celsius Noteholders in relation to the Celsius Convertible Notes, with the terms and conditions set out in Schedule 1.

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

Directors means the current directors of the Company.

Employee Share Option Plan or **ESOP** means the employee share option plan to be adopted under Resolution 8 (the terms of which are summarised in Schedule 4).

ESOP Options means the Options to be issued under the ESOP on the terms and conditions set out in Schedule 5 and includes Class A ESOP Options and Class B ESOP Options as the context requires.

Essential Resolution means all resolutions.

EveryMatrix means EveryMatrix Software Limited (a company incorporated in Malta with company number C51832).

Expiry Date has the meaning as set out at Schedule 2.

Explanatory Statement means the explanatory statement accompanying the Notice.

Favourit means Favourit Global Pty Ltd (ACN 158 297 566).

Favourit Australia means Favourit Australia Pty Ltd ACN 602 262 644.

Favourit Enterprises means Favourit Enterprises Ltd (a company incorporated in the Isle of Man with registration number 128937C).

Favourit Group means Favourit, Favourit Australia, and Favourit Enterprises.

Favourit Platform has the meaning given in Section 1.2.

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

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

HOA has the meaning given at Section 1.1, a summary of which is included at Section 1.7(a).

Key Management Personnel has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

Minority Shareholders has the meaning given at Section 1.7(a)(ii)(E).

Minority Shareholder Offer has the meaning given at Section 1.7(a)(ii)(E).

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

Option means an option to acquire a Share.

Optionholder means a holder of an Option.

Performance Rights means the performance rights to be issued under the Performance Rights Plan on the terms and conditions set out in Schedule 7.

Performance Rights Plan means the performance rights plan to be adopted under Resolution 13 (the terms of which are summarised in Schedule 6).

Performance Share has the meaning as set out at Schedule 2.

Proposed Directors means Messrs Martin Dalgleish, Toby Simmons, Richard Kuo and Dennis Verrios.

Prospectus has the meaning given in Section 1.7(a)(ii)(I).

Proxy Form means the proxy form accompanying the Notice.

Resolutions means the resolutions set out in the Notice, or any one of them, as the context requires.

Settlement means the settlement of the Acquisition in accordance with the terms of the HOA.

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

Shareholder means a registered holder of a Share.

Vendors means each and every shareholder of Favourit.

Whitelabel Agreement means the agreement executed on 28th January 2014 between Favourit Global Pty Ltd and EveryMatrix N.V. which specifies the nature of the commercial relationship between the parties being the provision of a whitelabel sports betting solution and administrative service.

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

SCHEDULE 1 – TERMS AND CONDITIONS OF CONVERSION OPTIONS

(a) Entitlement

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

(b) Exercise Price

Subject to paragraph (j), the amount payable upon exercise of each Option will be $0.20 (**Exercise Price**)

(c) Expiry Date

Each Option will expire at 5:00 pm (WST) on 30 December 2018 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) Exercise Period

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

(e) Notice of Exercise

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

(f) Exercise Date

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

(g) Timing of issue of Shares on exercise

Within 15 Business Days after the Exercise Date, the Company will:

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

(ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and

(iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

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

(h) Shares issued on exercise

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

(i) Quotation of Shares issued on exercise

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

(j) Reconstruction of capital

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

(k) Participation in new issues

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

(l) Change in exercise price

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

(m) Unquoted

The Company will not apply for quotation of the Options on ASX.

(n) Transferability

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

SCHEDULE 2 – EXISTING TERMS AND CONDITIONS OF PERFORMANCE SHARES

1. DEFINITIONS

In these terms and conditions:

A Performance Share means a Performance Share issued by the Company in accordance with the Agreement that is subject to the A Performance Share Milestone and these terms.

A Performance Share Expiry Date means five (5) years from the date of issue of the A Performance Shares.

A Performance Share Milestone will be taken to have been satisfied if, on or prior to the A Performance Share Expiry Date:

(a) the Vendors have exercised their put option under the Agreement; or

(b) the Company has satisfied the Stage 2 Commitment and the Stage 3 Commitment,

and the Company, Kokkia or one of their subsidiaries successfully defines either:

(c) a JORC Resource of 100mt of Coking Coal; or

(d) a JORC Resource of 300mt of thermal coal that meets the Minimum Specifications; or

(e) a combination of (c) and (d) such the calculation of "X" in the formula below equals or exceeds 300mt:

X = (3 x CC) + TC

Where:

CC = the Coking Coal JORC Resource that is delineated; and

TC = the thermal coal JORC Resource that is delineated (satisfying the Minimum Specifications),

within the area covered by the Licences.

Agreement means the binding farm-in agreement executed between the Company, Kokkia Coal Limited, Baidamar Ltd, Panj-Sher Ank Ltd and the Vendors dated on or about 15 June 2012 (as varied).

Applications means the applications for exploration licences made by Kokkia Coal Limited (or one of its subsidiaries) prior to the date of issue of the Performance Shares over the areas covered by the coordinates set out below:

(a) South East License #1:

(i) 40®57'38.00MN; 73®52'59.00MN;

(ii) 40®57'37.00MN; 73®50'50.00MN;

(iii) 40®52'50.00MN; 73®50'50.00MN;

(iv) 40®52'10.00MN; 73®54'5.00MN; and

(v) 40®52'10.00MN; 74®5'55.00MN;

(b) South East License #2:

(i) 40®52'10.00MN; 73®54'5.00MN;

(ii) 40®44'10.00MN; 73®54'5.00MN;

(iii) 40®44'10.00MN; 73®14'50.00MN; and

(iv) 40®52'10.00MN; 74®5'55.00MN; and

(c) South East License #3:

(i) 13406673.8275 4543813.5153;

(ii) 13412170.6841 4541479.3360;

(iii) 13416266.9287 4540080.6506;

(iv) 13418648.4975 4537227.2344;

(v) 13420339.4728 4536604.9270;

(vi) 13421746.4134 4534708.3263;

(vii) 13422523.5812 4532584.4012;

(viii) 13418135.2410 4531017.7336; and

(ix) 13405049.1766 4539253.5182.

ASX means ASX Limited (ABN 98 009 624 691) and, where the context permits, the Australian Securities Exchange operated by ASX Limited.

B Performance Share means a Performance Share issued by the Company in accordance with the Agreement that is subject to the B Performance Share Milestone and these terms.

B Performance Share Expiry Date means five (5) years from the date of issue of the B Performance Shares.

B Performance Share Milestone will be taken to have been satisfied if, on or prior to the B Performance Share Expiry Date:

(a) the Vendors have exercised their put option under the Agreement; or

(b) the Company has satisfied the Stage 2 Commitment and the Stage 3 Commitment,

and the Company, Kokkia or one of their subsidiaries successfully defines either:

(c) a JORC Resource of 200mt of Coking Coal; or

(d) a JORC Resource of 600mt of thermal coal that meets the Minimum Specifications; or

(e) a combination of (c) and (d) such the calculation of "X" in the formula below equals or exceeds 600mt:

X = (3 x CC) + TC

Where:

CC = the Coking Coal JORC Resource that is delineated; and

TC = the thermal coal JORC Resource that is delineated (satisfying the Minimum Specifications),

within the area covered by the Licences.

C Performance Share means a Performance Share issued by the Company in accordance with the Agreement that is subject to the C Performance Share Milestone and these terms.

C Performance Share Expiry Date means five (5) years from the date of issue of the C Performance Shares.

C Performance Share Milestone will be taken to have been satisfied if, on or prior to the C Performance Share Expiry Date:

(a) the Vendors have exercised their put option under the Agreement; or

(b) the Company has satisfied the Stage 2 Commitment and the Stage 3 Commitment,

and the Company, Kokkia or one of their subsidiaries successfully defines either:

(c) a JORC Resource of 300mt of Coking Coal; or

(d) a JORC Resource of 900mt of thermal coal that meets the Minimum Specifications; or

a combination of (c) and (d) such the calculation of "X" in the formula below equals or exceeds 900mt:

CC = the X = (3 x CC) + TC

Where:

Coking Coal JORC Resource that is delineated; and

TC = the thermal coal JORC Resource that is delineated (satisfying the Minimum Specifications),

within the area covered by the Licences.

Change in Control Event means the occurrence of:

(a) the offeror under a takeover offer in respect of all Shares announcing that it has achieved acceptances in respect of 50.1% or more of the Shares; and

(b) that takeover bid has become unconditional; or

(c) the announcement by the Company that shareholders of the Company have at a court convened meeting of shareholders voted in favour, by the necessary majority, of a proposed scheme of arrangement under which all Shares are to be either:

(i) cancelled; or

(ii) transferred to a third party; and

(iii) the court, by order, approves the proposed scheme of arrangement.

Coking Coal means coal that a Competent Person determines is coking coal on the basis that it would be acceptable for use by steel mills in China as coking coal used for steel making.

Company means View Resources Ltd (ABN 95 009 162 949).

Competent Person means an independent competent person appointed by the Company in agreement with Kokkia or, in the absence of agreement, by the Chief Executive Officer for the time being of The Australasian Institute of Mining and Metallurgy at the request of the Company or Kokkia.

Conditions Precedent means the conditions precedent to the Agreement.

Corporations Act means the Corporations Act 2001 (Cth).

D Performance Share means a Performance Share issued by the Company in accordance with the Agreement that is subject to the D Performance Share Milestone and these terms.

D Performance Share Expiry Date means five (5) years from the date of issue of the D Performance Shares.

D Performance Share Milestone will be taken to have been satisfied if, on or prior to the D Performance Share Expiry Date:

(a) the Vendors have exercised their put option under the Agreement; or

(b) the Company has satisfied the Stage 2 Commitment and the Stage 3 Commitment,

the Company, Kokkia or one of their subsidiaries successfully defines either:

(c) a JORC Resource of 400mt of Coking Coal; or

(d) a JORC Resource of 1200mt of thermal coal that meets the Minimum Specifications; or

(e) a combination of (c) and (d) such the calculation of "X" in the formula below equals or exceeds 1200mt:

X = (3 x CC) + TC

Where:

CC = the Coking Coal JORC resource that is delineated; and

TC = the thermal coal JORC Resource that is delineated (satisfying the Minimum Specifications),

within the area covered by the Licences.

Directors mean the directors from time to time of the Company.

E Performance Share means a Performance Share issued by the Company in accordance with the Agreement that is subject to the E Performance Share Milestone and these terms.

E Performance Share Expiry Date means five (5) years from the date of issue of the E Performance Shares.

E Performance Share Milestone will be taken to have been satisfied if, on or prior to the E Performance Share Expiry Date:

(a) the Vendors have exercised their put option under the Agreement; or

(b) the Company has satisfied the Stage 2 Commitment and the Stage 3 Commitment,

and the Company successfully defines either:

(c) a JORC Resource of 500mt of Coking Coal; or

(d) a JORC Resource of 1500mt of thermal coal that meets the Minimum Specifications; or

(e) a combination of (c) and (d) such the calculation of "X" in the formula below equals or exceeds 1500mt:

X = (3 x CC) + TC

Where:

CC = the Coking Coal JORC Resource that is delineated; and

TC = the thermal coal JORC Resource that is delineated (satisfying the Minimum Specifications),

within the area covered by the Licences.

Expiry Date means the A Performance Share Expiry Date, the B Performance Share Expiry Date, the C Performance Share Expiry Date, the D Performance Share Expiry Date or the E Performance Share Expiry Date (as the case may be).

JORC Code means the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.

JORC Resource means a resource that complies with the JORC Code and, in relation to which, at least 10% is in the 'measured' category, 20% is in the 'indicated' category and the balance in the 'inferred' category.

Kokkia means Kokkia Coal Limited (a company incorporated in Hong Kong).

Licences means the following licences owned by Kokkia or its subsidiaries as at the date of the Agreement (or, in the case of subparagraphs 1.1.1(d) and 1.1.1 (e), as at the date of issue of the relevant lease, licence, claim or permit):

(a) License No. 2593 CP for exploration of Kokiinskaya field (coal) dated March 29, 2010, stated to be valid until March 29, 2012 the integral part of which is License Agreement No. 2 between the Company and the Ministry of Natural Resources of the Kyrgyz Republic dated July 15, 2010, and stated to be valid until March 29, 2012;

(b) License No. 2397 CE for development of coal at the Minteke deposit dated February 16, 2010, stated to be valid until September 28, 2019, the integral part of which is License Agreement No. 2 between the Company and the Ministry dated June 1, 2011 and stated to be valid until September 28, 2019;

(c) License No. 1963 CP for exploration of Tuyuk-Kargasha deposit (coal) as last extended on March 10, 2012, stated to be valid until December 31, 2013 the integral part of which is License Agreement No. 4 between the Company and the State Agency for Geology and Mineral Resources under the Government of the Kyrgyz Republic dated May 10, 2012, and stated to be valid until December 31, 2013;

(d) any lease, licence, claim or permit issued to Kokkia or its subsidiaries in relation to the Applications; and

(e) any lease, licence, claim or permit issued or to be issued under applicable mining laws of the Republic of Kyrgyzstan to Kokkia, Baidamar Limited or Panj-Sher Ank Ltd which confers or may confer a right to prospect, explore for or mine any mineral in the area covered by the above licences, or which may facilitate the enjoyment of such right and includes any application for, and any extension, renewal, conversion or substitution of these licences.

Listing Rules means the official listing rules of ASX, as amended, added to or replaced from time to time.

Milestone means the A Performance Share Milestone, the B Performance Share Milestone, the C Performance Share Milestone, the D Performance Share Milestone or the E Performance Share Milestone (as the case may be).

Minimum Specifications means coal that has the following minimum characteristics (on an as received basis):

(a) >5500kcal/kg;

(b) <15% Ash; and

(c) <1% Sulphur,

except as otherwise agreed to by the Company.

Performance Share means an A Performance Share, a B Performance Share, a C Performance Share, a D Performance Share or an E Performance Share (as the case may be).

Performance Shareholder means the holder of a Performance Share.

Project means the area of land covered by the Licences.

Section 606(1) means section 606(1) of the Corporations Act.

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

Stage 2 Commitment has the meaning provided in the Agreement.

Stage 3 Commitment has the meaning provided in the Agreement.

Vendors means the shareholders of Kokkia as at the date of the Agreement.

2. DIVIDEND

Performance Shareholders are not entitled to a dividend.

3. CONVERSION

(a) **Conversion**

The Performance Shares will convert into Shares in accordance with this clause 3.

(b) **Conversion Milestones and Ratio**

Subject to clause 3(e), upon the satisfaction of the Milestone in respect of a particular class of Performance Shares prior to the Expiry Date, each Performance Share of that class will automatically convert into one (1) Share.

(c) **Conversion on Change in Control**

Subject to clause 3(e), upon the occurrence of a Change of Control Event:

(i) that number of Performance Shares that, after conversion, is equal to 10% of the issued Share capital of the Company (as at the date of the Change of Control Event) shall automatically convert into Shares;

(ii) the Company shall ensure a pro-rata allocation of Shares issued under this clause to all holders of Performance Shares; and

(iii) any Performance Shares that are not converted into Shares in accordance with clause 3(c)(i) will continue to be held by the holder on the same terms and conditions.

(d) **Lapse after Expiry Date**

If on the relevant Expiry Date:

(i) the Milestone affecting the A Performance Shares has not been satisfied, then all of A Performance Shares held by each holder shall convert into one Share;

(ii) the Milestone affecting the B Performance Shares has not been satisfied, then all of B Performance Shares held by each holder shall convert into one Share;

(iii) the Milestone affecting the C Performance Shares has not been satisfied, then all of C Performance Shares held by each holder shall consolidate into one Share;

(iv) the Milestone affecting the D Performance Shares has not been satisfied, then all of D Performance Shares held by each holder shall consolidate into one Share; and

(v) the Milestone affecting the E Performance Shares has not been satisfied, then all of E Performance Shares held by each holder shall consolidate into one Share.

(e) **Takeover Provisions**

(i) If the conversion of Performance Shares (or part thereof) under clauses 3(b) or 3(c) would result in any person being in contravention of Section 606(1) then the conversion of each Performance Share that would cause the contravention shall be deferred until such time or times thereafter that the conversion would not result in a contravention of Section 606(1).

(ii) The Performance Shareholders shall give notification to the Company in writing if they consider that the conversion of Performance Shares (or part thereof) under clauses 3(b) or 3(c) may result in the contravention of Section 606(1) failing which the Company shall assume that the conversion of Performance Shares (or part thereof) under clauses 3(b) or 3(c) will not result in any person being in contravention of Section 606(1).

(iii) The Company may (but is not obliged to) by written notice request the Performance Shareholders to give notification to the Company in writing within seven (7) days if they consider that the conversion of Performance Shares (or part thereof) under clauses 3(b)or 3(c) may result in the contravention of Section 606(1). If the Performance Shareholders do not give notification to the Company within seven (7) days that they consider the conversion of Performance Shares (or part thereof) under clauses 3(b) or 3(c) may result in the contravention of Section 606(1) then the Company shall assume that the conversion of Performance Shares (or part thereof) under clauses 3(b) or 3(c) will not result in any person being in contravention of Section 606(1).

(f) **After Conversion**

The Shares issued on conversion of any Performance Share will, as and from 5.00pm (WST) on the date of allotment, rank equally with and confer rights identical with all other Shares then on issue and application will be made by the Company to ASX for official quotation of the Shares issued upon conversion.

4. ISSUE OF SHARES FOR NO CONSIDERATION

The Company shall allot and issue Shares upon conversion of the Performance Shares as soon as practicable (and, in any event, no later than 10 business days after the conversion event has occurred) for no consideration to the holder of the Performance Shares or its nominees and shall record the allotment and issue in the manner required by the Corporations Act and the Listing Rules.

5. RECONSTRUCTION

In the event of any reconstruction, consolidation or division of the issued capital of the Company, the Shares, the Performance Shares and their terms of conversion shall be reconstructed, consolidated or divided in the same manner such that no additional benefits are conferred on the Performance Shareholders by virtue of such reconstruction, consolidation or division.

6. WINDING UP

If the Company is wound up prior to conversion of all of the Performance Shares into Shares then the Performance Shareholders will have no right to participate in surplus assets or profits of the Company on winding up.

7. NON-TRANSFERABLE

The Performance Shares are not transferable.

8. COPIES OF NOTICES AND REPORTS

The Performance Shareholders have the same right as Shareholders to receive notices, reports and audited accounts.

9. VOTING RIGHTS

The Performance Shareholders shall have no right to vote, subject to the Corporations Act.

10. PARTICIPATION IN NEW ISSUES

There are no participation rights or entitlements inherent in the Performance Shares and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Performance Shares.

11. QUOTATION

The Performance Shares are unquoted. No application for quotation of the Performance Shares will be made by the Company.

SCHEDULE 3 – TERMS OF PERFORMANCE SHARES AFTER THE VARIATION THE SUBJECT OF RESOLUTION 7

1. DEFINITIONS

In these terms and conditions:

A Performance Share means a Performance Share issued by the Company in accordance with the Agreement that is subject to the A Performance Share Milestone and these terms.

A Performance Share Expiry Date means that date which is the earlier of five (5) years from the date of issue of the A Performance Shares, or that date on which the Company re-complies with Chapters 1 and 2 of the Listing Rules.

A Performance Share Milestone will be taken to have been satisfied if, on or prior to the A Performance Share Expiry Date:

(a) the Vendors have exercised their put option under the Agreement; or

(b) the Company has satisfied the Stage 2 Commitment and the Stage 3 Commitment,

and the Company, Kokkia or one of their subsidiaries successfully defines either:

(c) a JORC Resource of 100mt of Coking Coal; or

(d) a JORC Resource of 300mt of thermal coal that meets the Minimum Specifications; or

(e) a combination of (c) and (d) such the calculation of "X" in the formula below equals or exceeds 300mt:

X = (3 x CC) + TC

Where:

CC = the Coking Coal JORC Resource that is delineated; and

TC = the thermal coal JORC Resource that is delineated (satisfying the Minimum Specifications),

within the area covered by the Licences.

Agreement means the binding farm-in agreement executed between the Company, Kokkia Coal Limited, Baidamar Ltd, Panj-Sher Ank Ltd and the Vendors dated on or about 15 June 2012 (as varied).

Applications means the applications for exploration licences made by Kokkia Coal Limited (or one of its subsidiaries) prior to the date of issue of the Performance Shares over the areas covered by the coordinates set out below:

(a) South East License #1:

(i) 40®57'38.00MN; 73®52'59.00MN;

(ii) 40®57'37.00MN; 73®50'50.00MN;

(iii) 40®52'50.00MN; 73®50'50.00MN;

(iv) 40®52'10.00MN; 73®54'5.00MN; and

(v) 40®52'10.00MN; 74®5'55.00MN;

(b) South East License #2:

(i) 40®52'10.00MN; 73®54'5.00MN;

(ii) 40®44'10.00MN; 73®54'5.00MN;

(iii) 40®44'10.00MN; 73®14'50.00MN; and

(iv) 40®52'10.00MN; 74®5'55.00MN; and

(c) South East License #3:

(i) 13406673.8275 4543813.5153;

(ii) 13412170.6841 4541479.3360;

(iii) 13416266.9287 4540080.6506;

(iv) 13418648.4975 4537227.2344;

(v) 13420339.4728 4536604.9270;

(vi) 13421746.4134 4534708.3263;

(vii) 13422523.5812 4532584.4012;

(viii) 13418135.2410 4531017.7336; and

(ix) 13405049.1766 4539253.5182.

ASX means ASX Limited (ABN 98 009 624 691) and, where the context permits, the Australian Securities Exchange operated by ASX Limited.

B Performance Share means a Performance Share issued by the Company in accordance with the Agreement that is subject to the B Performance Share Milestone and these terms.

B Performance Share Expiry Date means that date which is the earlier of five (5) years from the date of issue of the B Performance Shares, or that date on which the Company re-complies with Chapters 1 and 2 of the Listing Rules.

B Performance Share Milestone will be taken to have been satisfied if, on or prior to the B Performance Share Expiry Date:

(a) the Vendors have exercised their put option under the Agreement; or

(b) the Company has satisfied the Stage 2 Commitment and the Stage 3 Commitment,

and the Company, Kokkia or one of their subsidiaries successfully defines either:

(c) a JORC Resource of 200mt of Coking Coal; or

(d) a JORC Resource of 600mt of thermal coal that meets the Minimum Specifications; or

(e) a combination of (c) and (d) such the calculation of "X" in the formula below equals or exceeds 600mt:

X = (3 x CC) + TC

Where:

CC = the Coking Coal JORC Resource that is delineated; and

TC = the thermal coal JORC Resource that is delineated (satisfying the Minimum Specifications),

within the area covered by the Licences.

C Performance Share means a Performance Share issued by the Company in accordance with the Agreement that is subject to the C Performance Share Milestone and these terms.

C Performance Share Expiry Date means that date which is the earlier of five (5) years from the date of issue of the C Performance Shares, or that date on which the Company re-complies with Chapters 1 and 2 of the Listing Rules.

C Performance Share Milestone will be taken to have been satisfied if, on or prior to the C Performance Share Expiry Date:

(a) the Vendors have exercised their put option under the Agreement; or

(b) the Company has satisfied the Stage 2 Commitment and the Stage 3 Commitment,

and the Company, Kokkia or one of their subsidiaries successfully defines either:

(c) a JORC Resource of 300mt of Coking Coal; or

(d) a JORC Resource of 900mt of thermal coal that meets the Minimum Specifications; or

(e) a combination of (c) and (d) such the calculation of "X" in the formula below equals or exceeds 900mt:

CC = the X = (3 x CC) + TC

Where:

Coking Coal JORC Resource that is delineated; and

TC = the thermal coal JORC Resource that is delineated (satisfying the Minimum Specifications),

within the area covered by the Licences.

Change in Control Event means the occurrence of:

(a) the offeror under a takeover offer in respect of all Shares announcing that it has achieved acceptances in respect of 50.1% or more of the Shares; and

(b) that takeover bid has become unconditional; or

(c) the announcement by the Company that shareholders of the Company have at a court convened meeting of shareholders voted in favour, by the necessary majority, of a proposed scheme of arrangement under which all Shares are to be either:

(i) cancelled; or

(ii) transferred to a third party; and

(iii) the court, by order, approves the proposed scheme of arrangement.

Coking Coal means coal that a Competent Person determines is coking coal on the basis that it would be acceptable for use by steel mills in China as coking coal used for steel making.

Company means Celsius Coal Limited (ACN 009 162 949).

Competent Person means an independent competent person appointed by the Company in agreement with Kokkia or, in the absence of agreement, by the Chief Executive Officer for the time being of The Australasian Institute of Mining and Metallurgy at the request of the Company or Kokkia.

Conditions Precedent means the conditions precedent to the Agreement.

Corporations Act means the Corporations Act 2001 (Cth).

D Performance Share means a Performance Share issued by the Company in accordance with the Agreement that is subject to the D Performance Share Milestone and these terms.

D Performance Share Expiry Date means that date which is the earlier of five (5) years from the date of issue of the D Performance Shares, or that date on which the Company re-complies with Chapters 1 and 2 of the Listing Rules.

D Performance Share Milestone will be taken to have been satisfied if, on or prior to the D Performance Share Expiry Date:

(a) the Vendors have exercised their put option under the Agreement; or

(b) the Company has satisfied the Stage 2 Commitment and the Stage 3 Commitment,

the Company, Kokkia or one of their subsidiaries successfully defines either:

(c) a JORC Resource of 400mt of Coking Coal; or

(d) a JORC Resource of 1200mt of thermal coal that meets the Minimum Specifications; or

(e) a combination of (c) and (d) such the calculation of "X" in the formula below equals or exceeds 1200mt:

$X = (3 \times CC) + TC$

Where:

CC = the Coking Coal JORC resource that is delineated; and

TC = the thermal coal JORC Resource that is delineated (satisfying the Minimum Specifications),

within the area covered by the Licences.

Directors mean the directors from time to time of the Company.

E Performance Share means a Performance Share issued by the Company in accordance with the Agreement that is subject to the E Performance Share Milestone and these terms.

E Performance Share Expiry Date means that date which is the earlier of five (5) years from the date of issue of the E Performance Shares, or that date on which the Company re-complies with Chapters 1 and 2 of the Listing Rules.

E Performance Share Milestone will be taken to have been satisfied if, on or prior to the E Performance Share Expiry Date:

(a) the Vendors have exercised their put option under the Agreement; or

(b) the Company has satisfied the Stage 2 Commitment and the Stage 3 Commitment,

and the Company successfully defines either:

(c) a JORC Resource of 500mt of Coking Coal; or

(d) a JORC Resource of 1500mt of thermal coal that meets the Minimum Specifications; or

(e) a combination of (c) and (d) such the calculation of "X" in the formula below equals or exceeds 1500mt:

X = (3 x CC) + TC

Where:

CC = the Coking Coal JORC Resource that is delineated; and

TC = the thermal coal JORC Resource that is delineated (satisfying the Minimum Specifications),

within the area covered by the Licences.

Expiry Date means the A Performance Share Expiry Date, the B Performance Share Expiry Date, the C Performance Share Expiry Date, the D Performance Share Expiry Date or the E Performance Share Expiry Date (as the case may be).

JORC Code means the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.

JORC Resource means a resource that complies with the JORC Code and, in relation to which, at least 10% is in the 'measured' category, 20% is in the 'indicated' category and the balance in the 'inferred' category.

Kokkia means Kokkia Coal Limited (a company incorporated in Hong Kong).

Licences means the following licences owned by Kokkia or its subsidiaries as at the date of the Agreement (or, in the case of subparagraphs 1.1.1(d) and 1.1.1 (e), as at the date of issue of the relevant lease, licence, claim or permit):

(a) License No. 2593 CP for exploration of Kokiinskaya field (coal) dated March 29, 2010, stated to be valid until March 29, 2012 the integral part of which is License Agreement No. 2 between the Company and the Ministry of Natural Resources of the Kyrgyz Republic dated July 15, 2010, and stated to be valid until March 29, 2012;

(b) License No. 2397 CE for development of coal at the Minteke deposit dated February 16, 2010, stated to be valid until September 28, 2019, the integral part of which is License Agreement No. 2 between the Company and the Ministry dated June 1, 2011 and stated to be valid until September 28, 2019;

(c) License No. 1963 CP for exploration of Tuyuk-Kargasha deposit (coal) as last extended on March 10, 2012, stated to be valid until December 31, 2013 the integral part of which is License Agreement No. 4 between the Company and the State Agency for Geology and Mineral Resources under the Government of the Kyrgyz Republic dated May 10, 2012, and stated to be valid until December 31, 2013;

(d) any lease, licence, claim or permit issued to Kokkia or its subsidiaries in relation to the Applications; and

(e) any lease, licence, claim or permit issued or to be issued under applicable mining laws of the Republic of Kyrgyzstan to Kokkia, Baidamar Limited or Panj-Sher Ank Ltd which confers or may confer a right to prospect, explore for or mine any mineral in the area covered by the above licences, or which may facilitate the enjoyment of such right and includes any application for, and any extension, renewal, conversion or substitution of these licences.

Listing Rules means the official listing rules of ASX, as amended, added to or replaced from time to time.

Milestone means the A Performance Share Milestone, the B Performance Share Milestone, the C Performance Share Milestone, the D Performance Share Milestone or the E Performance Share Milestone (as the case may be).

Minimum Specifications means coal that has the following minimum characteristics (on an as received basis):

(a) >5500kcal/kg;

(b) <15% Ash; and

(c) <1% Sulphur,

except as otherwise agreed to by the Company.

Performance Share means an A Performance Share, a B Performance Share, a C Performance Share, a D Performance Share or an E Performance Share (as the case may be).

Performance Shareholder means the holder of a Performance Share.

Project means the area of land covered by the Licences.

Section 606(1) means section 606(1) of the Corporations Act.

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

Stage 2 Commitment has the meaning provided in the Agreement.

Stage 3 Commitment has the meaning provided in the Agreement.

Vendors means the shareholders of Kokkia as at the date of the Agreement.

2. DIVIDEND

Performance Shareholders are not entitled to a dividend.

3. CONVERSION

(a) **Conversion**

The Performance Shares will convert into Shares in accordance with this clause 3.

(b) **Conversion Milestones and Ratio**

Subject to clause 3(e), upon the satisfaction of the Milestone in respect of a particular class of Performance Shares prior to the Expiry Date, each Performance Share of that class will automatically convert into one (1) Share.

(c) **Conversion on Change in Control**

Subject to clause 3(e), upon the occurrence of a Change of Control Event:

(i) that number of Performance Shares that, after conversion, is equal to 10% of the issued Share capital of the Company (as at the date of the Change of Control Event) shall automatically convert into Shares;

(ii) the Company shall ensure a pro-rata allocation of Shares issued under this clause to all holders of Performance Shares; and

(iii) any Performance Shares that are not converted into Shares in accordance with clause 3(c)(i) will continue to be held by the holder on the same terms and conditions.

(d) **Lapse after Expiry Date**

If on the relevant Expiry Date:

(i) the Milestone affecting the A Performance Shares has not been satisfied, then all of A Performance Shares held by each holder shall convert into one Share;

(ii) the Milestone affecting the B Performance Shares has not been satisfied, then all of B Performance Shares held by each holder shall convert into one Share;

(iii) the Milestone affecting the C Performance Shares has not been satisfied, then all of C Performance Shares held by each holder shall consolidate into one Share;

(iv) the Milestone affecting the D Performance Shares has not been satisfied, then all of D Performance Shares held by each holder shall consolidate into one Share; and

(v) the Milestone affecting the E Performance Shares has not been satisfied, then all of E Performance Shares held by each holder shall consolidate into one Share.

(e) **Takeover Provisions**

(i) If the conversion of Performance Shares (or part thereof) under clauses 3(b) or 3(c) would result in any person being in contravention of Section 606(1) then the conversion of each Performance Share that would cause the contravention shall be deferred until such time or times thereafter that the conversion would not result in a contravention of Section 606(1).

(ii) The Performance Shareholders shall give notification to the Company in writing if they consider that the conversion of Performance Shares (or part thereof) under clauses 3(b) or 3(c) may result in the contravention of Section 606(1) failing which the Company shall assume that the conversion of Performance Shares (or part thereof) under clauses 3(b) or 3(c) will not result in any person being in contravention of Section 606(1).

(iii) The Company may (but is not obliged to) by written notice request the Performance Shareholders to give notification to the Company in writing within seven (7) days if they consider that the conversion of Performance Shares (or part thereof) under clauses 3(b)or 3(c) may result in the contravention of Section 606(1). If the Performance Shareholders do not give notification to the Company within seven (7) days that they consider the conversion of Performance Shares (or part thereof) under clauses 3(b) or 3(c) may result in the contravention of Section 606(1) then the Company shall assume that the conversion of Performance Shares (or part thereof) under clauses 3(b) or 3(c) will not result in any person being in contravention of Section 606(1).

(f) **After Conversion**

The Shares issued on conversion of any Performance Share will, as and from 5.00pm (WST) on the date of allotment, rank equally with and confer rights identical with all other Shares then on issue and application will be made by the Company to ASX for official quotation of the Shares issued upon conversion.

4. ISSUE OF SHARES FOR NO CONSIDERATION

The Company shall allot and issue Shares upon conversion of the Performance Shares as soon as practicable (and, in any event, no later than 10 business days after the conversion event has occurred) for no consideration to the holder of the Performance Shares or its nominees and shall record the allotment and issue in the manner required by the Corporations Act and the Listing Rules.

5. RECONSTRUCTION

In the event of any reconstruction, consolidation or division of the issued capital of the Company, the Shares, the Performance Shares and their terms of conversion shall be reconstructed, consolidated or divided in the same manner such that no additional benefits are conferred on the Performance Shareholders by virtue of such reconstruction, consolidation or division.

6. WINDING UP

If the Company is wound up prior to conversion of all of the Performance Shares into Shares then the Performance Shareholders will have no right to participate in surplus assets or profits of the Company on winding up.

7. NON-TRANSFERABLE

The Performance Shares are not transferable.

8. COPIES OF NOTICES AND REPORTS

The Performance Shareholders have the same right as Shareholders to receive notices, reports and audited accounts.

9. VOTING RIGHTS

The Performance Shareholders shall have no right to vote, subject to the Corporations Act.

10. PARTICIPATION IN NEW ISSUES

There are no participation rights or entitlements inherent in the Performance Shares and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Performance Shares.

11. QUOTATION

The Performance Shares are unquoted. No application for quotation of the Performance Shares will be made by the Company.

SCHEDULE 4 – SUMMARY OF EMPLOYEE SHARE OPTION PLAN

Background	The Favourit Employee Share Option Plan (**ESOP**) aims to incentivise key senior management to achieve the Company's long term objectives by offering eligible employees of the Company an opportunity to receive equity interests in the form of options.
Offer	The Board may offer to issue options under the ESOP on terms it may determine to key senior management. The exercise price, option period, exercise and vesting conditions of the options granted under the ESOP will be specified in the offer to the eligible employee.
Price	Options offered under the ESOP will be issued by the Company for nil consideration.
Eligibility	All permanent employees or directors of the Group are eligible to participate in the ESOP. Additionally, the Board may authorise certain casual employees or consultants of the Group to participate in the ESOP.
Lapse	An option will lapse on the earlier of the option expiry date, the end date by which certain offer conditions are to be fulfilled or the date on which the option holder ceases to be an eligible employee (subject to certain exceptions).
Exercise	Option holders may exercise their options to subscribe for shares in the capital of the Company on a 1:1 basis. Shares allotted upon exercise of the options will rank equally with shares previously issued by the Company.
Limits	The issue of options and the shares to be received on exercise of the options must not cause the Company to exceed any thresholds prescribed by ASIC or the ASX Listing Rules.
Restrictions	Options issued under the ESOP and shares allotted to an option holder upon exercise of an option may be subject to certain restrictions including restrictions upon disposal.
Termination	The ESOP may be terminated at any time or suspended for any period by resolution of the Board.
Administration	The Board is responsible for the administration of the ESOP. A copy of the full ESOP will be tabled at the meeting and is available on the Company's website.

SCHEDULE 5 – TERMS AND CONDITIONS OF THE ESOP OPTIONS

CLASS A ESOP OPTIONS

(a) Entitlement

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

(b) Exercise Price

Subject to paragraph (j), the amount payable upon exercise of each Option will be $0.20 (**Exercise Price**)

(c) Expiry Date

Each Option will expire at 5:00 pm (WST) on the day 5 years from the date of issue (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) Exercise Period

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

(e) Notice of Exercise

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

(f) Exercise Date

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

(g) Timing of issue of Shares on exercise

Within 15 Business Days after the Exercise Date, the Company will:

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

(ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and

(iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

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

(h) Shares issued on exercise

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

(i) Quotation of Shares issued on exercise

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

(j) Reconstruction of capital

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

(k) Participation in new issues

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

(l) Change in exercise price

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

(m) Unquoted

The Company will not apply for quotation of the Options on ASX.

(n) Transferability

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

CLASS B ESOP OPTIONS

(a) Entitlement

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

(b) Exercise Price

Subject to paragraph (j), the amount payable upon exercise of each Option will be $0.25 (**Exercise Price**)

(c) Expiry Date

Each Option will expire at 5:00 pm (WST) on the day 5 years from the date of issue (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) Exercise Period

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

(e) Notice of Exercise

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

(f) Exercise Date

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

(g) Timing of issue of Shares on exercise

Within 15 Business Days after the Exercise Date, the Company will:

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

(ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and

(iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

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

(h) Shares issued on exercise

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

(i) Quotation of Shares issued on exercise

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

(j) Reconstruction of capital

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

(k) Participation in new issues

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

(l) Change in exercise price

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

(m) Unquoted

The Company will not apply for quotation of the Options on ASX.

(n) Transferability

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

SCHEDULE 6 – SUMMARY OF PERFORMANCE RIGHTS PLAN

Background	The Favourit Employee Performance Rights Plan (**PRP**) encourages participation by key staff in the growth and success of the Company by offering eligible employees an opportunity to receive equity interests in the form of performance rights.
Offer	The Board may offer to grant performance rights on terms it may determine, to eligible employees under the PRP. The offer period and vesting conditions attaching to the performance rights granted under the PRP will be specified in the offer to the eligible employee.
Price	Performance rights offered under the PRP will be granted by the Company for nil consideration.
Eligibility	All permanent employees or directors of the Group are eligible to participate in the PRP. Additionally, the Board may authorise certain casual employees or consultants of the Group to participate in the PRP.
Lapse	A performance right will lapse on the earlier of: • its expiry date; • the end date by which certain offer conditions are to be fulfilled; • the date on which the right has been subject to an unauthorised disposal or dealing; • the date on which the right holder ceases to be an eligible employee (subject to certain exceptions); or • the date on which the Board determines there has been a material breach in the right holder's duties or obligations to the Company.
Exercise	A performance right will be automatically exercised upon vesting and entitle the right holders to receive shares (or a cash amount calculated by reference to the market value of a share at the time of vesting of the right) in the capital of the Company on a 1:1 basis. Shares allotted upon exercise of the performance rights will rank equally with shares previously issued by the Company.
Limits	The grant of performance rights and the shares to be received on the exercise of the performance rights must not cause the Company to exceed any thresholds prescribed by ASIC or the ASX Listing Rules.
Restrictions	Rights issued under the PRP and shares allotted to a right holder upon exercise of a right may be subject to certain restrictions including restrictions upon disposal.
Termination	The PRP may be terminated at any time or suspended for any period by resolution of the Board.
Administration	The Board is responsible for the administration of the PRP. A copy of the full PRP will be tabled at the meeting and is available on the Company's website.

SCHEDULE 7 – TERMS AND CONDITIONS OF PERFORMANCE RIGHTS

The terms of Performance Rights are set out as follows:

(a) (**Milestones**):

(i) Gross gaming revenue (**GGR**) exceeding AUD$3.75M calculated over the last twelve months for any three consecutive month period, within five years of the settlement date of the acquisition of Favourit by the Company (**Transaction**) (**Settlement Date**); and

(ii) Net gaming revenue (**NGR**) exceeding AUD$1.125M calculated over the last twelve months for any three consecutive month period, within five years of the Settlement Date.

For these purposes, "*GGR*" means all sports book winnings less all sums paid out as losses, and "*NGR*" means GGR minus bonuses, gaming taxes and license fees.

(b) (**Notification to holder**): The Company shall notify the holder in writing when the relevant Milestones have been satisfied.

(c) (**Vesting**): The Company's Performance Rights will vest on the date the Milestone relating to that the Company Performance Right has been satisfied.

(d) (**Consideration**): The Company's Performance Rights will be issued for no consideration.

(e) (**Conversion**): Upon vesting, each Performance Right will, at the election of the holder, convert into one fully paid ordinary share in the Company (**Share**).

(f) (**Trading restriction**): Subject always to any mandatory ASX imposed escrow restrictions, any Share issued on conversion of a Performance Right within 12 months of the Company being reinstated to official quotation after Settlement of the Transaction (**Re-Listing Date**) cannot be traded until the date which is 12 months after the Re-Listing Date unless otherwise permitted by the Board.

(g) (**Lapse**): Any Performance Right that has not vested within 5 years from the Settlement Date will automatically lapse.

(h) (**Share ranking**): All Shares issued upon the vesting of Performance Rights will upon issue rank pari passu in all respects with other Shares.

(i) (**Listing of shares on ASX**): the Company will not apply for quotation of the Performance Rights on ASX. However, the Company will apply for quotation of all Shares issued pursuant to the vesting of Performance Rights on ASX within the period required by ASX.

(j) (**Transfer of the Company's Performance Rights**): the Company's Performance Rights are not transferable.

(k) (**Participation in Entitlements and Bonus Issues**): Subject always to the rights under item (m) (**Reorganisation of Capital**), Holders of the Company's Performance Rights will not be entitled to participate in new issues of capital offered to holders of the Company Shares such as bonus issues and entitlement issues.

(l) (**Adjustment for bonus issue**): If securities are issued pro-rata to shareholders generally by way of bonus issue (other than an issue in lieu of dividends by way of dividend reinvestment), the number of Performance Rights to which each holder is entitled will be increased by that number of securities which the holder would have been entitled if the Performance Rights held by the holder were vested immediately prior to the record date of the bonus issue, and in any event in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the bonus issue.

(m) (**Reorganisation of Capital**): In the event that the issued capital of the Company is reconstructed, all rights of a Holder will be changed to the extent necessary to comply with the ASX Listing Rules at the time of reorganisation provided that, subject to compliance with the ASX Listing Rules, following such reorganisation the economic and other rights of the holder are not diminished or terminated.

(n) (**Dividend and Voting Rights**): the Company's Performance Rights do not confer on the holder an entitlement to vote or receive dividends.

(o) (**Change in Control**): Upon:

(i) a takeover bid under Chapter 6 of the Corporations Act having been made in respect of the Company and:

(A) having received acceptances for not less than 50.1% of the Company's shares on issue; and

(B) having been declared unconditional by the bidder; or

(ii) a Court granting orders approving a compromise or arrangement for the purposes of or in connection with a scheme of arrangement for the reconstruction of the Company or its amalgamation with any other the Company or companies,

then, to the extent the Company's Performance Rights have not converted into the Company Shares due to satisfaction of a Milestone, the Company's Performance Rights will automatically convert to that number of the Company Shares which when issued together with all the Company Shares issued under any other class of Performance Rights then on issue in the Company, is equal to the lesser of one the Company Share per the Company Performance Right and 10% of the total the Company Shares on issue at that time. the Company's Performance Rights that are not converted into the Company Shares will continue to be held by the holder on the same terms and conditions.

CELSIUS COAL LIMITED
ABN 95 009 162 949

All registry communications to:
Automic Registry Services
PO Box 223
West Perth WA 6872

Holder Number

Security Holder Appointment of Proxy –General Meeting

I/We being a Shareholder entitled to attend and vote at the Meeting, hereby appoint

	OR	The Chair as my/our proxy

(Name of Proxy)

or failing the person so named or, if no person is named, the Chair, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit, at the General Meeting to be held at 10:00am (WST) on 28 January 2016 at Bentleys, Level 1, 12 Kings Park Road, West Perth and at any adjournment thereof.

CHAIR'S VOTING INTENTION IN RELATION TO UNDIRECTED PROXIES

The Chair intends to vote undirected proxies in favour of all Resolutions. In exceptional circumstances the Chair may change his/her voting intention on any Resolution. In the event this occurs an ASX announcement will be made immediately disclosing the reasons for the change.

Unless indicated otherwise by ticking the "for"," against" or "abstain" box you will be authorising the Chair to vote in accordance with the Chair's voting intention.

VOTING ON BUSINESS OF THE MEETING

Resolutions		For	Against	Abstain	Resolutions		For	Against	Abstain
1	Change to nature and scale of activities	☐	☐	☐	12	Issue of ESOP Options – Mr Richard Kuo	☐	☐	☐
2	Consolidation of capital	☐	☐	☐	13	Adoption of Performance Rights Plan	☐	☐	☐
3	Issue of Consideration Shares	☐	☐	☐	14	Issue of Performance Rights – Mr Toby Simmons	☐	☐	☐
4	Placement – Adviser Shares	☐	☐	☐	15	Issue of Performance Rights – Mr Martin Dalgleish	☐	☐	☐
5	Capital Raising	☐	☐	☐	16	Issue of Performance Rights – Mr Dennis Verrios	☐	☐	☐
6	Conversion under Convertible Notes	☐	☐	☐	17	Issue of Performance Rights Mr Richard Kuo	☐	☐	☐
7	Variation to terms of Performance Shares	☐	☐	☐	18	Change of Company name	☐	☐	☐
8	Adoption of Employee Share Option Plan	☐	☐	☐	19	Election of Director – Mr Martin Dalgleish	☐	☐	☐
9	Issue of ESOP Options – Mr Toby Simmons	☐	☐	☐	20	Election of Director – Mr Toby Simmons	☐	☐	☐
10	Issue of ESOP Options – Mr Martin Dalgleish	☐	☐	☐	21	Election of Director – Mr Richard Kuo	☐	☐	☐
11	Issue of ESOP Options – Mr Dennis Verrios	☐	☐	☐	22	Election of Director – Mr Dennis Verrios	☐	☐	☐

Please note: If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

SIGNATURE OF SHAREHOLDER(S):

Individual or Shareholder 1	**Shareholder 2**	**Shareholder 3**
Sole Director or Sole Director / Company Secretary	Director	Director / Company Secretary

INSTRUCTIONS FOR COMPLETING 'APPOINTMENT OF PROXY' FORM

APPOINTING A PROXY

A Shareholder entitled to attend and cast a vote at the Meeting is entitled to appoint a proxy to attend and vote on their behalf at the Meeting. The appointed proxy may be an individual or body corporate.

If a Body Corporate is appointed to act as your proxy then a representative of that Body Corporate must be appointed to act as its representative. When attending the meeting, the representative must bring a formal notice of appointment as per section 250D of the Corporations Act. Such notice must be signed as required by section 127 of the Corporations Act or the Body Corporate's Constitution.

If a Shareholder is entitled to cast 2 or more votes at the Meeting, the Shareholder may appoint a second proxy to attend and vote on their behalf at the Meeting. However, where both proxies attend the Meeting, voting may only be exercised on a poll.

The appointment of a second proxy must be done on a separate copy of the Proxy Form. A Shareholder who appoints 2 proxies may specify the proportion or number of votes each proxy is appointed to exercise. If a Shareholder appoints 2 proxies and the appointments do not specify the proportion or number of the Shareholder's votes each proxy is appointed to exercise, each proxy may exercise one-half of the votes. Any fractions of votes resulting from the application of these principles will be disregarded. A duly appointed proxy need not be a Shareholder.

Note: If you wish to appoint a second proxy, you may copy this form but you must return both forms together.

VOTING ON BUSINESS OF MEETING

A Shareholder may direct a proxy how to vote by marking one of the boxes opposite each item of business. The direction may specify the number of votes that the proxy may exercise by writing the number of Shares next to the box marked for the relevant item of business.

Where a box is not marked the proxy may vote as they choose subject to the relevant laws.

Where more than one box is marked on an item the vote will be invalid on that item.

SIGNING INSTRUCTIONS

- **Individual**: Where the holding is in one name, the Shareholder must sign.
- **Joint holding**: Where the holding is in more than one name, all of the Shareholders should sign.
- **Power of attorney**: If you have not already lodged the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Form when you return it.
- **Companies**: To be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held by you.

ATTENDING THE MEETING

Completion of a Proxy Form will not prevent individual Shareholders from attending the Meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy Form and attends the Meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the Meeting.

Proxy appointments can be lodged by:

a) **Post** - to Celsius Coal Limited, PO Box 44, West Perth 6872; or
b) **Facsimile** - to Company on facsimile number +61 8 9226 4300; or
c) **Email** – Company at abetti@perth.bentleys.com.au

so that it is received not less than 48 hours prior to commencement of the Meeting.

Proxy Forms received later than this time will be invalid