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

REPLACEMENT PROSPECTUS

This replacement prospectus has been prepared for, among other things, a public offer of 120,000,000 Shares at an issue price of $0.01 per Share to raise $1,200,000, together with one (1) free attaching Option for every three (3) Shares issued, exercisable at $0.01 on or before 30 December 2018 (**Public Offer**).

The Public Offer is scheduled to close at 5:00pm (WST) on the Closing Date unless extended or withdrawn. Applications must be received before that time to be valid.

This is a replacement prospectus dated 24 November 2016 (Replacement Prospectus or Prospectus). This Replacement Prospectus replaces the original prospectus dated 31 October 2016 (Original Prospectus).

IMPORTANT NOTICE

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

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1. CORPORATE DIRECTORY

Directors

William Oliver
Non-Executive Chairman

Alistair Muir
Non-Executive Director

Ranko Matic
Non-Executive Director

Company Secretary

Ranko Matic

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CLA

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Auditor*

RSM Australia Partners
8 St Georges Terrace
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Investigating Accountant

RSM Corporate Australia Pty Ltd
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PERTH WA 6000

*These entities have been included for information purposes only. They have not been involved in the preparation of this Prospectus.

2. IMPORTANT NOTES

2.1 General

This Replacement Prospectus is dated 24 November 2016 and was lodged with the ASIC on that date. This Replacement Prospectus replaces the Original Prospectus. For the purposes of this document, this Replacement Prospectus will be referred to as the "Prospectus". The ASIC and its officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

In the event there are any inconsistencies between the Original Prospectus and the Replacement Prospectus, the Replacement Prospectus shall prevail.

No Securities may be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

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

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

2.2 Reasons for this Replacement Prospectus

The Original Prospectus was lodged by the Company with ASIC on 31 October 2016 and subsequently the Company received an interim stop order (**ISO**) from ASIC on 9 November 2016. By virtue of this Replacement Prospectus, the Company attempts to address ASIC's concerns in the ISO by way of further disclosure. These concerns have primarily been addressed as follows:

(a) upfront disclosure that the Company no longer wishes to continue with expenditure on the Carnilya Hill Joint Venture and as such, its interest will be diluted;

(b) estimate of the potential liability in relation to the costs of rehabilitation to be shared between the joint venture partners on the Carnilya Hill Joint Venture;

(c) further disclosures as to the previous work done by the Company on the Abednegno Hill Project (including further detail in the Independent Geologist's Report), further explanation as to why it had previously decided to divest its nickel projects for a nominal sum, further detail as to why the Company has decided to reinvigorate exploration on the Abednegno Hill Project and detail as to any additional costs and delays that the Company may anticipate in relation to this project;

(d) further clarification of the Company's budget and objectives on completion of the Offers and any risks imposed by miscellaneous licences affecting the Abednegno Hill Project; and

(e) further clarification in the Independent Geologist's Report in order to comply with "Table 1" of the JORC Code.

2.3 Investment Advice

This Prospectus does not provide investment advice and has been prepared without taking account of your financial objectives, financial situation or particular needs (including financial or taxation issues). You should seek professional investment advice before subscribing for Securities under this Prospectus.

2.4 Risks

Potential investors should be aware that subscribing for Securities in the Company involves a number of risks. The key risk factors of which investors should be aware are set out in Section 11 of this Prospectus. These risks together with other general risks applicable to all investments in listed securities not specifically referred to, may affect the value of the Securities in the future. Accordingly, an investment in the Company should be considered highly speculative. Investors should consider consulting their professional advisers before deciding whether to apply for Securities pursuant to this Prospectus.

2.5 Web Site – Electronic Prospectus

A copy of this Prospectus can be downloaded from the website of the Company at www.celsiuscoal.com. Any person accessing the electronic version of this Prospectus for the purpose of making an investment in the Company must be an Australian resident and must only access the Prospectus from within Australia.

There is no facility for any of the Offers to be accepted electronically or by applying online. Securities will not be issued under the electronic version of the Prospectus. The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus. Any person may obtain a hard copy of this Prospectus free of charge by contacting the Company.

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

2.6 Website

No document or information included on the Company website is incorporated by reference into this Prospectus.

2.7 Forward-looking statements

This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other

important factors, many of which are beyond the control of the Company, the Directors and management.

The Company cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

The Company has no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law.

These forward looking statements are subject to various risk factors that could cause actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Sections 4.13 and 11 of this Prospectus.

2.8 Photographs and Diagrams

Photographs used in this Prospectus which do not have descriptions are for illustration only and should not be interpreted to mean that any person shown in them endorses the Prospectus or its contents or that the assets shown in them are owned by the Company. Diagrams used in this Prospectus are illustrative only and may not be drawn to scale.

2.9 Defined terms

Unless the contrary intention appears or the context otherwise requires, words and phrases contained in this Prospectus have the same meaning and interpretation as given in the Corporations Act and capitalised terms have the meaning given in the Glossary in Section 16 of this Prospectus.

2.10 Time

All references to time in this Prospectus are references to Western Australian Standard Time.

2.11 Enquiries

If you are in any doubt as to how to deal with any of the matters raised in this Prospectus, you should consult your broker or legal, financial or other professional adviser without delay.

Should you have any questions about any of the Offers or how to accept any of the Offers, please call the Company Secretary on +61 8 9226 4500.

3. KEY OFFER INFORMATION

3.1 Key Dates - Indicative Timetable*

Events	Date
Lodgement of the Original Prospectus with the ASIC	31 October 2016
Opening Date for the Offers	31 October 2016
Lodgement of Replacement Prospectus with ASIC	24 November 2016
Closing Date for the Offers[1]	9 December 2016
Issue of Securities pursuant to the Prospectus	14 December 2016
Estimated date for Official Quotation of the Shares offered under this Prospectus Estimated date of reinstatement of the Company to ASX[2]	19 December 2016

**The above dates are indicative only and may change without notice.*

Notes:
1. *The Company reserves the right to extend the Closing Date or close the Offers early without prior notice. The Company also reserves the right not to proceed with the Offers at any time before the issue of Securities to Applicants.*
2. *Please refer to Section 4.6 of this Prospectus for details of ASX's reinstatement conditions.*

3.2 Key Statistics of the Offers

	Full Subscription
Shares currently on issue	**1,614,034**
Public Offer issue price per Share	$0.01
Options Offer issue price per Option	$0.001
Shares to be issued under the Public Offer	120,000,000
Options to be issued under the Public Offer	40,000,000
Conversion Shares to be issued to the Noteholders	90,885,500
Conversion Options to be issued to the Noteholders	45,442,750
Creditor Shares to be issued to the Creditors	31,400,400
Creditor Options to be issued to the Creditors	10,466,800
Options to be issued under the Options Offer	40,000,000
Total number of Securities on issue following the Offers[1]	**379,809,484**
Gross Proceeds of the Offers	**$1,240,000**

Notes:
1. *Comprise 243,899,934 Shares and 135,909,550 Options.*
2. *A detailed capital structure is set out in Section 6.4.*

4. INVESTMENT OVERVIEW

This Section is a summary only and is not intended to provide full information for investors intending to apply for Securities offered pursuant to this Prospectus. Investors should read this document in its entirety and, if in doubt as to any of the matters set out in the Prospectus, should consult their professional advisers.

4.1 The Company

The Company was incorporated on 20 January 1986 and was subsequently listed on the Official List of the ASX on 24 March 1988.

The Company currently holds interests in two nickel exploration projects located in Western Australia. A 100% interest in the Abednegno Hill Project located in the Eastern Goldfields region of Western Australia and a 30% joint venture interest in the Carnilya Hill Joint Venture with Mincor Resources NL (**Mincor**) (via the Company's wholly owned subsidiary View Nickel Pty Ltd (**View Nickel**)). Please note however, the Company's interest in the Carnilya Hill Joint Venture is currently being diluted as the Board views this asset as "remnant resource" and as such, the Company is no longer contributing to expenditure.

Further details relating to the Carnilya Hill Joint Venture and the Abednegno Hill Project are set out in Section 7, the Independent Geologist's Report in Section 8 and the Solicitor's Report on Tenements in Section 10.

The Company has had a long history in the resources sector both in Australia and overseas, previously holding interests in certain coal assets located in the Kyrgyz Republic. Earlier this year the Company attempted to move away from the resources sector and change its business to that of an online gambling company, via the attempted acquisition of Favourit Pty Ltd (**Favourit**). However, this transaction did not complete, and with renewed market interest in the resources sector, the Company has decided to continue with its nickel exploration projects.

The Shares of the Company have been in suspension since 28 January 2016 and remain suspended as at the date of this Prospectus.

Other than View Nickel, the Company has no other subsidiaries.

At the Company's upcoming annual general meeting scheduled to be held on 30 November 2016, the Company is proposing to change its name to "Celsius Resources Limited".

4.2 Recapitalisation overview

In March this year the Company lodged a prospectus with ASIC for the purposes of satisfying ASX's re-compliance conditions for a proposed change in the nature and scale of its activities to that of an online gambling business, as a result of the Company's proposed acquisition of Favourit.

The Company subsequently received an interim stop order on its prospectus from ASIC in April, which primarily related to concerns over the legality of Favourit's business and future strategy. Despite attempts to address these concerns, in June of this year, ASIC proceeded with a final stop order on the prospectus, ending the Company's hopes of completing the Favourit transaction.

Now that the Favourit transaction has been discontinued, the Company is determined to continue with its business as an exploration company. The Board believes that the renewed market interest in the resources sector provides an opportunity for the Company to salvage some value for Shareholders by continuing exploration activities on its Abednegno Hill Project. Details in relation to the Abednegno Hill Project are set out in Section 7.3.

The Company's recapitalisation proposal (**Recapitalisation Proposal**) is set out below in Section 4.3, together with other relevant information. The Company's Recapitalisation Proposal was approved by Shareholders at the Company's General Meeting held on 3 October 2016.

Note, the Company is not required to re-comply with Chapters 1 and 2 of the ASX Listing Rules as part of its recapitalisation.

4.3 Recapitalisation Proposal

The Recapitalisation Proposal is as follows:

(a) the Company converting its convertible notes on issue (**Convertible Notes**) representing a face value of $908,855 and issuing Noteholders:

  (i) 90,885,500 Shares (**Conversion Shares**), with each Conversion Share having a deemed value of $0.01; and

  (ii) one (1) free attaching Option for every two (2) Conversion Shares issued, exercisable at $0.01 with an expiry of 30 December 2018 (the proposed terms of which are set out in Section 14.3) (being a total of approximately 45,442,750 Options) (**Conversion Options**);

(b) creditors of the Company (**Creditors**) having their debts converted into Shares (**Creditor Shares**) and Options (**Creditor Options**). At the date of this Prospectus, the Company estimates that it owes Creditors approximately $314,004 pending completion of the proposed recapitalisation, when converted equals an aggregate of 31,400,400 Creditor Shares and 10,466,800 Creditor Options, to be issued to Creditors pro-rata;

(c) the Company varying the terms of its existing 463,547 Performance Shares so that each Performance Share is cancelled upon completion of the Capital Raising. The existing Performance Share milestones are all directly connected to what were the Company's Kyrgyz coal licences, and as disclosed in April 2015, the subsidiaries which held the Company's Kyrgyz coal licences have been put into liquidation, meaning that each Performance Share milestone is no longer capable of being met;

(d) the Company raising a minimum of $1,200,000 through the issue of Shares at $0.01 per Share (together with a one (1) for three (3) free attaching Option) pursuant to a prospectus (**Capital Raising**); and

(e) the Company continuing its existing business as an exploration company.

The Recapitalisation Proposal is set out in the Company's Notice of General Meeting as released on the ASX dated 2 September 2016. Shareholders

subsequently approved the Recapitalisation Proposal at the General Meeting held on 3 October 2016.

Following completion of the Offers, the Board intends to continue exploration activities on the Abednegno Hill Project. Thereafter, the business plan going forward will focus on strategies that aim to generate the greatest returns and value for Shareholders (although no forecast is made as to whether that will occur).

Subject to the successful completion of the Capital Raising under this Prospectus and on satisfaction of certain other conditions summarised in Section 4.6 of this Prospectus (which the Company considers to be standard), the Company will seek for the suspension of trading of the Company's Shares to be lifted by the ASX.

4.4 Business Model

The Company is a mineral exploration company which aims to develop the Abednegno Hill Project, with the hope of subsequently developing mining operations on that project. Refer to Section 7.4 for a more detailed explanation of the Company's business model.

No assurances can be given that the Company will achieve commercial viability through the successful exploration and/or mining of its tenement interests.

4.5 The Objectives

The Company's main objectives on completion of the Offers are:

(a) reinstating its quoted Securities to trading on the ASX; and

(b) progressing the Company's existing exploration activities on the Abednegno Hill Project (which has the potential for both nickel and gold mineralisation); and

(c) assess acquisition opportunities adjacent to or complementary with the Abednegno Hill Project.

The Directors are satisfied that on completion of the Offers, the Company will have sufficient working capital to carry out its stated objectives.

4.6 ASX Reinstatement Conditions

ASX has provided a list of conditions which the Company must comply with in order for its Securities to be reinstated to Official Quotation on ASX. These conditions are as follows:

(a) ASX being satisfied that the Capital Raising complies with the ASX Listing Rules;

(b) confirmation that the Company has raised at least A$1,200,000 via a prospectus and has a minimum of A$1,000,000 in cash, net of all liabilities, as at the date of reinstatement, to satisfy ASX Listing Rule 12.2;

(c) completion of the Capital Raising is achieved once the Securities to be issued have been allotted and issued, and despatch of each of the following has occurred:

(i) in relation to all holdings on the CHESS subregister, a notice from the Company under ASX Settlement Operating Rule 8.9.1;

(ii) in relation to all other holdings, issuer sponsored holding statements; and

(iii) any refund money;

(d) confirmation of completion and the issue of:

(i) Conversion Shares and Conversion Options to Noteholders (together the **Conversion Securities**); and

(ii) Creditor Shares and Creditor Options (together the **Creditor Securities**) to Creditors for the conversion of debt to equity;

(e) confirmation that the Company plans to continue with its existing business activities in relation to the Abednegno Hill Project;

(f) confirmation to the satisfaction of the ASX that the Company has sufficient activities to carry out its business objectives;

(g) lodgement of all outstanding Appendix 3Bs with ASX for issues of new securities;

(h) the Company demonstrating to the satisfaction of ASX that it has commitments to spend more than 50% of its cash held at the date of reinstatement on its core business;

(i) a statement outlining the Company's capital structure;

(j) an updated pro forma balance sheet based on actual funds raised;

(k) an updated expenditure budget based on actual funds raised;

(l) a statement confirming the Company is in compliance with the Listing Rules and in particular, ASX Listing Rule 3.1;

(m) lodgement of any reports outstanding since the Company's Securities were suspended or any other documents required by ASX Listing Rule 17.5;

(n) lodgement of initial director's interest notices (Appendix 3X) for incoming directors (if any);

(o) confirmation that the Company will have the minimum number of directors as required by section 201A(2) of the Corporations Act and the names of those directors;

(p) notification of the person responsible for communication with ASX in relation to Listing Rule matters;

(q) the Company demonstrating its compliance with Listing Rules 12.1 and 12.2 to ASX's satisfaction;

(r) payment of all fees outstanding to ASX; and

(s) the provision of any other information required or requested by ASX.

The Company will use its best endeavours to satisfy each of the above conditions soon after close of the Offers.

4.7 Summary of the Offers

Pursuant to this Prospectus, the Company makes the following Offers:

Offers	
Public Offer	The Public Offer is for 120,000,000 Shares at an issue price of $0.01 per Share to raise $1,200,000, together with one (1) free attaching Option for every three (3) Shares issued, exercisable at $0.01 on or before 30 December 2018. The Public Offer is open to retail and sophisticated investors in Australia. Applications under the Public Offer must be for a minimum of $2,000 worth of Shares (200,000 Shares) and thereafter, in multiples of $200 worth of Shares (20,000 Shares). The Public Offer is subject to a Minimum Subscription of 120,000,000 Shares to raise $1,200,000. Refer to Section 14.2 for the terms of the Shares issued under the Public Offer. Refer to Section 14.3 for the terms of the Options issued under the Public Offer. The Public Offer is not underwritten. The Company is not in a position to guarantee a minimum application of Securities under the Public Offer.
Noteholder Offer	The Company is offering 90,885,500 Conversion Shares and 45,442,750 Conversion Options to the Noteholders (or their nominees) in satisfaction of amounts owing to the Noteholders. ***Accordingly, only Noteholders may accept the Noteholder Offer.*** Refer to Section 14.2 for the terms of the Conversion Shares. Refer to Section 14.3 for the terms of the Conversion Options.
Creditor Offer	The Company is offering 31,400,400 Shares and 10,466,800 Options to the Creditors (or their nominees) in satisfaction of amounts owing to the Creditors. ***Accordingly, only Creditors may accept the Creditor Offer.*** Refer to Section 14.2 for the terms of the Creditor Shares. Refer to Section 14.3 for the terms of the Creditor Options.
Options Offer	The Company is offering up to 40,000,000 Options to Options Offer Participants at an issue price of $0.001 per Option to raise up to $40,000. ***The Options Offer is a specific offer made to Options Offer Participants only.*** Refer to Section 14.3 for the terms of the Options issued under the Options Offer.

4.8 Purpose of the Offers and the Prospectus

The primary purposes of the Offers are to:

(a) fund the recapitalisation process of the Company;

(b) fund the development of the Company's existing exploration activities on the Abednegno Hill Project; and

(c) satisfy existing debts with Noteholders and Creditors.

The Company intends to apply funds raised from the Public Offer and the Options Offer, together with existing cash reserves of the Company in the manner set out in the table in Section 6.2.

A further purpose of this Prospectus is to cleanse the issue of Securities to be issued to the Noteholders and Creditors pursuant to section 708A(11) of the Corporations Act. Further information in relation to the purpose of the Offers and the Prospectus is set out in Section 6.1 of this Prospectus.

4.9 Effect of the Offers

As at the date of this Prospectus, the Company has 1,614,034 Shares on issue. Following completion of the Offers, the Company is expected to have 243,899,934 Shares on issue and 135,909,550 Options on issue, assuming $1,200,000 is raised under the Public Offer and $40,000 is raised under the Options Offer.

The effect of the Offers on the capital structure of the Company is set out in Section 6.5 of this Prospectus. The substantial Shareholders upon completion of the Offers are set out in Section 6.6 of this Prospectus.

4.10 Restricted Securities

No Securities issued pursuant to Offers will be subject to any escrow requirements by the ASX.

4.11 Quotation of Securities issued under the Offers

Application for quotation of all Securities issued under the Offers will be made to ASX no later than 7 days after the date of this Prospectus.

4.12 Key dates of the Offers

The key dates of the Offers are set out in the indicative timetable in Section 3.

4.13 Key risk factors

The business, assets and operations of the Company are subject to certain risk factors that have the potential to influence the operating and financial performance of the Company in the future. These risks can impact on the value of an investment in the securities of the Company.

Potential investors should be aware that subscribing for Securities in the Company involves a number of risks. The key risk factors of which investors should be aware are set out in this Section 4.13 of this Prospectus. Further industry specific and general risk factors are set out in Section 11 of this Prospectus.

The risk factors described in this Section and Section 11 are not intended to be an exhaustive list of the risk factors to which the Company is exposed.

Risk	Description
ASX Suspension	As at the date of this Prospectus, the Company is suspended from the Official List of ASX. As such, there is no market for Shares and the Shares offered pursuant to this Prospectus are highly illiquid.
Reinstatement to Trading on ASX	At a time following completion of the Offers, the Company intends to satisfy the requirements of ASX and apply for the reinstatement to trading of its Securities on ASX. While every endeavour will be made to comply with the requirements set down by the ASX Listing Rules, there can be no guarantee the Company will be able to comply with the requirements of ASX or that the Shares will be reinstated to trading on ASX. In the event the Company is unable to comply with the requirements of ASX, the Securities will remain suspended from trading on ASX and there will be no readily available market for Securities. Please refer to Section 4.6 for further information in relation to the ASX reinstatement conditions.
Future Capital Requirements	The Company is likely to require additional funding in the future (whether by way of debt or equity or a combination of both). The ability of the Company to meet this future requirement, should it arise, will be dependent on the Company's continued access to credit markets, funding sources and financing facilities. Recent developments in global financial markets have adversely affected the liquidity of global credit markets, which has resulted in an increase in the cost of funding and in certain cases a reduction in the availability of funding sources throughout global markets. Access to credit markets on less favourable terms will impact the Company's access to financing facilities should the need arise, and may have a material adverse effect on the Company's future financial performance and position. Furthermore, any additional equity financing may be dilutive to the Company's existing Shareholders and any debt financing, if available, may involve restrictive covenants, which limit the Company's operations and business strategy. The Company's failure to raise capital if, and when, needed could delay or suspend the Company's business strategy and could have a material adverse effect onthe Company's activities and its solvency.
Dilution	Upon implementation of the Offers the number of Shares in the Company will increase from 1,614,034 currently on issue to 243,899,934 Shares. This means existing Shareholders may have their existing Shareholdings in the Company diluted by up to approximately 99.34%.
Uncertainty of future profitability	The Company has incurred losses and it is not possible to evaluate the future prospects of the Company based on past performance. Other factors that will determine the

Risk	Description
	Company's financial results are its ability to manage its costs, to execute its development and growth strategies, economic conditions in the markets the Company operates, competitive factors and regulatory developments. The Directors cannot guarantee the future financial performance of the Company and consequently give no financial forecasts.
Abednegno Hill Project	(a) Access and operations on the Abednegno Hill Project may be restricted, in part, by the presence of certain miscellaneous licenses over exploration licences E39/1641 and E39/1684. These miscellaneous licences largely relate to road, electricity and water pipelines. While the Company has the right to access all parts of these tenements, it will need to abide by the requirements of those miscellaneous licences and in doing so may result in additional costs and delays to exploration in the future. (b) The tenements which form the Abednegno Hill Project, E39/1641 and E39/1684, are due to expire on 3 April 2017 and 31 October 2017 respectively. Continuity of these tenements beyond these dates is dependent on the DMP approving the Company's application for extension of tenure. The Company believes the exploration proposed in this Prospectus will be sufficient to support such an application, either by delineating a Mineral Resource or defining areas for further exploration. However, the final determination on the application is ultimately made by the DMP. (c) Provided conditions for renewal of the Abednegno Hill Project tenements beyond their initial expiry date have been met, the Company would then be required to surrender 40% of the blocks comprising the tenements on the sixth anniversary from the grant date, which in this case (provided an extension is granted) would mean compulsory surrender would occur on and from 3 April 2018 and 31 October 2018.
Exploration	The Company's tenements are at an early stage of exploration, and potential investors should understand that mineral exploration and development are high-risk undertakings. There can be no assurance that exploration of the Company's tenements, or any other tenements that may be acquired in the future, will result in the discovery of an economic ore deposit. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited.
Failure to satisfy expenditure commitments	The Company's interests in tenements in Western Australia are governed by legislation and regulations that are current in Western Australia and are evidenced by the granting of licences or leases. Each licence or lease is for a specific term and carries with it annual expenditure and

Risk	Description
	reporting commitments, as well as other conditions requiring compliance. Consequently, the Company could lose title to or its interest in the Company's tenements if licence conditions are not met or if insufficient funds are available to meet expenditure commitments.
Carnilya Hill Project	(a) **Maintenance of the Carnilya Hill Tenements**: Mincor is the manager of the Carnilya Hill Joint Venture and is responsible for, amongst other things, meeting the annual expenditure and reporting commitments in relation to the Carnilya Hill Tenements. Should Mincor fail to maintain the tenements in good standing, both parties could subsequently lose their interest in the Carnilya Hill Tenements, which may adversely affect the overall performance and operations of the Company; (b) **Dilution Risk**: the Company is required to contribute to Joint Venture expenditure in proportion to its Joint Venture interest. All cash calls are, in accordance with the Joint Venture Agreement, required to be paid within 14 days of receipt. If the Company defaults in the payment of a cash call for more than 10 days thereafter, Mincor has the option to either elect to recover the outstanding amount owing or dilute the Company's joint venture interest at 150% of the rate as prescribed according to a standard Joint Venture dilutionary formula. Currently the Company has elected to dilute its interest and has advised Mincor of this fact; (c) **Material Breach**: if the Company commits a material breach of the Joint Venture Agreement and such material breach continues for 30 days after having received notice of the breach, then the Company shall be deemed to have withdrawn from the joint venture and will lose all interest in the Carnilya Hill Project; and (d) **Rehabilitation Costs**: rehabilitation costs associated with the Carnilya Hill mine are estimated to be approximately A$570,000, to be shared between View Nickel and Mincor pro-rata to their Joint Venture interests. The timing of any rehabilitation works is at the election of the Joint Venture. Depending on its Joint Venture interest at the time, there is a risk that View Nickel may be required to contribute (in whole or in part) to the costs of rehabilitation under the original Joint Venture.

The above list of risk factors ought not to be taken as exhaustive of the key risks faced by the Company and you should refer to the additional risk factors in Section 11 of this Prospectus before deciding whether to apply for Securities pursuant to this Prospectus.

4.14 Market price of Shares

The Company is a disclosing entity for the purposes of the Corporations Act and its ASX quoted Shares are enhanced disclosure securities. As the Company's Shares have been suspended from trading on ASX since 28 January 2016, there are no market sale prices of the Company's Shares on ASX during the 3 months immediately preceding the date of lodgement of this Prospectus with the ASIC.

The highest and lowest market sale prices of the Company's Shares on ASX during the three months immediately preceding the suspension of the Company's Shares were as follows (**Note**: the prices below were prior to the 2000:1 consolidation of the Company's issued capital):

Highest	$0.001	6 January 2016
Lowest	$0.001	6 January 2016

The last recorded closing sale price of the Shares on ASX prior to the suspension and lodgement of this Prospectus with the ASIC was $0.001, which was also prior to the 2000:1 consolidation of the Company's issued capital. This is not a reliable indicator as to the potential value of Shares after implementation of the Offers or reinstatement to trading on ASX.

4.15 Directors

The Company's Board comprises the following Directors.

(a) **Mr William Oliver – Non-Executive Chairman**

Mr Oliver was appointed to the position of Director on 23 December 2011. Mr Oliver has 12 years' experience in the international resources industry working for both major and junior companies. He holds an honours degree in Geology from the University of Western Australia as well as a post-graduate diploma in finance and investment from FINSIA.

Mr Oliver has led large scale resource definition projects for Rio Tinto and previously worked in near mine exploration/resource definition roles for New Hampton Goldfields and Harmony Gold. He managed exploration in Portugal for Iberian Resources Limited including target generation and grassroots exploration across a range of commodities.

More recent roles include exploration manager for Bellamel Mining and BC Iron and Mr Oliver is currently technical director of Orion Gold NL (ASX:ORN) and non-executive director of Minbos Resources Ltd (ASX:MNB). He has wide-ranging exploration experience including expertise in near-mine exploration/resource extension and resource definition as well as significant experience in the technical and economic evaluation of resources projects.

The Board considers Mr Oliver to be an independent Director.

(b) **Mr Alistair Muir – Non-Executive Director**

Mr Muir has over 20 years' experience in senior geological roles and leading major exploration and development projects. These have primarily been in the bulk commodity areas of steaming/coking coal and iron ore but with some significant experience in the sedimentary hosted uranium environment.

Mr Muir's coal experience extends over some 15 years initially working with major steaming coal development projects at the feasibility and operation level and later in a consulting capacity looking at a number of eastern seaboard steaming and coking coal projects both open pit and underground. His experience extends to all aspects of mine evaluation including optimisation of mining method, environmental, geotechnical, hydrogeological and financial evaluation. Mr. Muir is well versed in managing the regulatory environment including occupational health and safety. He has a strong track record in effective community engagement with a major focus on environmental sustainability. Mr Muir has considerable experience in the building and management of a multi-discipline team in overseas environments.

The Board considers that Mr Muir is not an independent Director given his substantial holding in the Company.

(c) **Mr Ranko Matic – Non-Executive Director**

Mr Matic has over 25 years' experience in the areas of financial and executive management, accounting, audit, business and corporate advisory. Mr Matic has considerable experience in a range of industries with particular exposure to public listed companies and large private enterprises. He is a director of a Chartered Accounting firm and a corporate advisory company based in Perth, Western Australia and has specialist expertise and exposure in the areas of audit, corporate services, due diligence, mergers and acquisitions, and valuations. Through these positions Mr Matic has been involved in an advisory capacity in over 40 initial public offerings on the ASX in the last 15 years, as well as several recapitalisations of public listed companies.

Mr Matic is currently a non-executive director of East Energy Resources Ltd (ASX:EER), Valmec Limited (ASX:VMX), Argosy Minerals Limited (ASX:AGY) and Antilles Oil and Gas NL (ASX:AVD).

The Board considers Mr Matic to be an independent Director.

4.16 Director interests

Directors are not required under the Company's constitution to hold any Shares to be eligible to act as a director.

Details of the Directors' relevant interest in the Securities of the Company as well as annual remuneration are set out in Section 14.5.

4.17 Agreements with Directors or Related Parties

The Company's policy in respect of related party arrangements is:

(a) a Director with a material personal interest in a matter is required to give notice to the other Directors before such a matter is considered by the Board; and

(b) for the Board to consider such a matter, the Director who has a material personal interest is not present while the matter is being considered at the meeting and does not vote on the matter.

The following related party transactions were approved by the Board (excluding any Director with a material personal interest) on the basis of the Board's decision that they each trigger one or more of the exceptions to the requirement in Chapter 2E of the Corporations Act to obtain the prior approval of Shareholders for such transactions.

Deeds of indemnity, insurance and access

The Company has entered into a deed of indemnity, insurance and access with each of its Directors. Under these deeds, the Company agrees to indemnify each officer to the extent permitted by the Corporations Act against any liability arising as a result of the officer acting as an officer of the Company. The Company is also required to maintain insurance policies for the benefit of the relevant officer and must also allow the officers to inspect board papers in certain circumstances.

Non-Executive Directors' Appointment Letters

The Company has entered into a letter agreement with each of its Directors, being Messrs William Oliver, Alistair Muir and Ranko Matic, confirming the terms of their appointment and their roles and responsibilities. Pursuant to the terms of the letter agreements, the Company has agreed to pay to the Directors the fees outlined in Section 14.5 of this Prospectus.

The appointment of Messrs William Oliver, Alistair Muir or Ranko Matic will cease if the relevant Non-Executive Director:

(a) is not re-elected as a Director by the Shareholders of the Company;

(b) resigns as a Director by written notice to the Company;

(c) becomes disqualified or prohibited by law from being a company director or from being involved in the management of a company; or

(d) as otherwise required in accordance with the Constitution or the Corporations Act.

4.18 Financial information

The Company is currently listed on ASX and its financial history, including its 2014, 2015 and 2016 Annual Reports are accessible from ASX's website at www.asx.com.au under the ASX code "CLA". The Company's securities have been suspended from trading since 28 January 2016.

The financial position of the Company along with other key financial information is set out in the Investigating Accountant's Report in Section 9 of this Prospectus.

Given the previous period of suspension and limited business operations of the Company (largely as a result of the previous transaction with Favourit, which did not complete), the Company is not in a position to disclose any key financial ratios.

4.19 Taxation

Holders of Securities may be subject to Australian tax on dividends and possibly capital gains tax on a future disposal of Securities issued under this Prospectus.

The tax consequences of any investment in Securities will depend upon an investor's particular circumstances. Applicants should obtain their own tax advice prior to deciding whether to subscribe for Securities offered under this Prospectus.

4.20 Corporate Governance

To the extent the Board considers applicable or appropriate, in light of the Company's size and nature, the Company has adopted *The Corporate Governance Principles and Recommendations (3rd Edition)* as published by ASX Corporate Governance Council (**Recommendations**).

The Company's main corporate governance policies and practices as at the date of this Prospectus are outlined in Section 12.1 of this Prospectus. In addition, the Company's completed Corporate Governance Plan is available from the Company's website (www.celsiuscoal.com).

The Company's compliance and departures from the Recommendations will be announced to ASX prior to the Company's reinstatement to trading.

5. DETAILS OF THE OFFERS

5.1 The Offers

The Offers under this Prospectus consist of the Public Offer, the Noteholder Offer, the Creditor Offer and the Options Offer.

All of the Shares offered under this Prospectus (being the Shares, Conversion Shares and Creditor Shares) will rank equally with the existing Shares on issue at the date of this Prospectus. Please refer to Section 14.2 of this Prospectus for further information regarding the rights and liabilities attaching to the Shares.

The terms and conditions of all of the Options offered under this Prospectus (being, the Options offered under the Public Offer and Options Offer, the Conversion Options and Creditor Options) are set out in Section 14.3 of this Prospectus.

All Shares issued on conversion of the Options, Conversion Options and Creditor Options will rank equally with the Shares on issue at the date of this Prospectus.

The purpose of the Offers and the intended use of funds raised are set out in Section 6 of this Prospectus.

5.2 Public Offer

Pursuant to this Prospectus, the Company is inviting applications under the Public Offer for 120,000,000 Shares at an issue price of $0.01 per Share to raise $1,200,000, together with one (1) free attaching Option for every three (3) Shares issued, exercisable at $0.01 on or before 30 December 2018.

(a) **Minimum subscription**

The Public Offer is subject to a Minimum Subscription of 120,000,000 Shares at an issue price of $0.01 per Share to raise $1,200,000.

If the Minimum Subscription has not been raised within four months after the date of this Prospectus, the Company will not issue any Securities and will repay all Application monies for the Securities within the timeframe prescribed under the Corporations Act, without interest.

The Public Offer is not underwritten.

(b) **Minimum application amount**

Applications under the Public Offer must be for a minimum of $2,000 worth of Shares (200,000 Shares) and thereafter, in multiples of $200 worth of Shares (20,000 Shares).

(c) **No Oversubscriptions**

No oversubscriptions for the Public Offer will be accepted by the Company.

(d) **Eligible participants**

To participate in the Public Offer, you must be a resident of Australia. See Section 5.8 for further details.

(e) **Quotation and trading**

Application for quotation of all Securities issued under the Public Offer will be made to ASX no later than 7 days after the date of this Prospectus. See Section 5.6 for further details.

No Securities issued pursuant to the Public Offer will be subject to any escrow requirement by the ASX.

5.3 Additional Offers

(a) **Noteholder Offer**

The Noteholder Offer consists of the issue of 90,885,500 Conversion Shares and 45,442,750 Conversion Options for nil cash consideration. The consideration to be provided for the Conversion Securities is satisfaction of amounts owing by the Company to the Noteholders as summarised in Section 4.3. ***Accordingly, only the Noteholders may accept the Noteholder Offer.***

Securities subscribed for pursuant to the Noteholder Offer will only be placed to the Noteholders.

(b) **Creditor Offer**

The Creditor Offer consists of the issue of 31,400,400 Creditor Shares and 10,466,800 Creditor Options for nil cash consideration. The consideration to be provided for the Creditor Securities is satisfaction of amounts owing by the Company to the Creditors as summarised in Section 4.3. ***Accordingly, only the Creditors may accept the Creditor Offer.***

Securities subscribed for pursuant to the Creditor Offer will only be placed to the Creditors.

(c) **Options Offer**

The Options Offer consists of the issue of up to 40,000,000 Options to the Options Offer Participants at an issue price of $0.001 per Option to raise up to $40,000. ***Accordingly, only the Options Offer Participants may accept the Options Offer.***

Options subscribed for pursuant to the Options Offer will only be placed to the Options Offer Participants.

The allocation of the Options Offer will be at the discretion of the Company.

5.4 Applications

Applications for Securities under the Offers must be made using the relevant Application Form.

A personalised Application Form in relation to the Noteholder Offer will be issued to the Noteholders, together with a copy of this Prospectus. **Only the Noteholders (or their nominees) may apply for Securities under the Noteholder Offer.**

A personalised Application Form in relation to the Creditor Offer will be issued to the Creditors, together with a copy of this Prospectus. **Only the Creditors (or their nominees) may apply for Securities under the Noteholder Offer.**

A personalised Application Form in relation to the Options Offer will be issued to the Options Offer Participants, together with a copy of this Prospectus. **Only the Options Offer Participants (or their nominees) may apply for Options under the Options Offer.**

By completing an Application Form, you will be taken to have declared that all details and statements made by you are complete and accurate and that you have received personally the Application Form together with a complete and unaltered copy of the Prospectus.

Completed Application Forms and accompanying cheques (for the Public Offer and Options Offer only), made payable to "**Celsius Coal Limited**" and crossed "**Not Negotiable**" must be mailed or delivered to the address set out on the Application Form, with sufficient time to be received by or on behalf of the Company by **no later than 5.00pm (WST) on the Closing Date.**

Applications for the Public Offer and Options Offer must be accompanied by payment in full in Australian currency.

The Company reserves the right to close the Offers early.

If you require assistance in completing an Application Form, please contact the Company Secretary on +61 8 9226 4500.

5.5 Issue of Securities and Allocation Policy

Subject to the Minimum Subscription being achieved, the issue of Securities offered by this Prospectus will take place as soon as possible after the Closing Date.

Pending the issue of the Securities or payment of refunds pursuant to this Prospectus, all application monies will be held by the Company in trust for the Applicants in a separate bank account as required by the Corporations Act. The Company, however, will be entitled to retain all interest that accrues on the bank account and each Applicant waives the right to claim interest.

The allocation of Securities under the Public Offer will be determined by the Board. There is no guaranteed allocation of Securities under the Public Offer.

The Board reserves the right to reject any Application or to allocate any Applicant fewer Securities than the number applied for. Where the number of Securities issued is less than the number applied for, or where no issue is made, surplus Application monies will be refunded (without interest) to the Applicant as soon as practicable after the Closing Date. The Company's decision on the number of Securities to be allocated to an Applicant will be final.

If an Application Form is not completed correctly or if the accompanying payment is the wrong amount, the Company may, in its discretion, still treat the Application Form to be valid. The Company's decision to treat an Application as valid, or how to construe, amend or complete it, will be final.

Noteholder Offer

The Noteholder Offer is a specific offer made to Celsius Noteholders. As such, Securities offered under the Noteholder Offer will be allocated and issued to those Noteholders (or their nominees) only.

Creditor Offer

The Creditor Offer is a specific offer made to Creditors. As such, Securities offered under the Creditor Offer will be allocated and issued to those Creditors (or their nominees) only.

Options Offer

The Options Offer is a specific offer made to Options Offer Participants. As such, Options offered under the Options Offer will be allocated and issued to the Options Offer Participants (or their nominees) only.

5.6 Quotation of Securities

Application for Official Quotation of the Securities offered pursuant to this Prospectus will be made within 7 days after the date of this Prospectus.

If ASX does not grant Official Quotation of the Securities offered pursuant to this Prospectus before the expiration of 3 months after the date of issue of the Prospectus, (or such period as varied by the ASIC), none of the Securities will be issued pursuant to the Offers and the Company will repay all application monies for the Securities within the time prescribed under the Corporations Act, without interest.

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

5.7 Clearing House Electronic Sub-Register System and Issuer Sponsorship

The Company participates in the Clearing House Electronic Sub-register System ("**CHESS**"). ASX Settlement Pty Ltd, a wholly owned subsidiary of ASX, operates CHESS. Investors who do not wish to participate through CHESS will be issuer sponsored by the Company.

Electronic sub-registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with holding statements (similar to a bank account statement) that set out the number of Securities issued to them under this Prospectus. The holding statements will also advise holders of their Holder Identification Number (if the holder is broker sponsored) or Security Holder Reference Number (if the holder is issuer sponsored) and explain, for future reference, the sale and purchase procedures under CHESS and issuer sponsorship.

Electronic sub-registers also mean ownership of Securities can be transferred without having to rely upon paper documentation. Further, monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month. Shareholders may request a holding statement at any other time, however a charge may be made for such additional statements.

5.8 Applicants outside Australia

This Prospectus does not, and is not intended to, constitute an offer of, or invitation to apply for, Securities in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer, invitation or to issue this Prospectus. The distribution of this Prospectus outside of Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any of these restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

No action has been taken to register or qualify the Securities or otherwise permit a public offering of the Securities the subject of this Prospectus in any jurisdiction outside Australia. Residents of countries outside Australia should consult their professional advisers as to whether any government or other consents are required, or whether any formalities need to be observed should they wish to make an application to take up Securities on the basis of this Prospectus.

If you are outside Australia it is your responsibility to obtain all necessary approvals for the issue of the Securities pursuant to this Prospectus. The return of a duly completed Application Form will be taken to constitute a representation and warranty that there has been no breach of such laws and that all approvals and consents have been obtained.

5.9 Taxation

The acquisition and disposal of Securities will have tax consequences, which will differ depending on the individual financial affairs of each investor.

It is not possible to provide a comprehensive summary of the possible taxation positions of all potential Applicants. As such, all potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Securities from a taxation viewpoint and generally.

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

5.10 Privacy Act

By completing and returning an Application Form, you will be providing personal information directly or indirectly to the Company, the Share Registry, and related bodies corporate, agents, contractors and third party service providers of the foregoing (**Collecting Parties**). The Collecting Parties collect, hold and will use that information to assess your Application, service your needs as a Shareholder and to facilitate distribution payments and corporate communications to you as a Shareholder.

By submitting an Application Form, you authorise the Company to disclose any personal information contained in your Application Form (**Personal Information**) to the Collecting Parties where necessary, for any purpose in connection with the Offers, including processing your acceptance of the Offers and complying with applicable law, the ASX Listing Rules, the ASX Settlement Operating Rules and any requirements imposed by any Public Authority.

If you do not provide the information required in the Application Form, the Company may not be able to accept or process your acceptance of the Offers.

If the Offers are successfully completed, your Personal Information may also be used from time to time and disclosed to persons inspecting the register of Shareholders, including bidders for your securities in the context of takeovers, Public Authorities, authorised securities brokers, print service providers, mail houses and the Share Registry.

Any disclosure of Personal Information made for the above purposes will be on a confidential basis and in accordance with the Privacy Act 1988 (Cth) and all other legal requirements. If obliged to do so by law or any Public Authority, Personal Information collected from you will be passed on to third parties strictly in accordance with legal requirements. Once your Personal Information is no longer required, it will be destroyed or de-identified. As at the date of this Prospectus, the Company does not anticipate that Personal Information will be disclosed to any overseas recipient.

Subject to certain exemptions under law, you may have access to Personal Information that the Collecting Parties hold about you and seek correction of such information. Access and correction requests, and any other queries regarding this privacy statement, must be made in writing to the Share Registry at the address set out in the Corporate Directory in Section 1 of this Prospectus. A fee may be charged for access.

5.11 Commissions payable

The Company reserves the right to pay a commission of 6% (exclusive of goods and services tax) of amounts subscribed through any licensed securities dealers or Australian financial services licensee in respect of any valid applications lodged and accepted by the Company and bearing the stamp of the licensed securities dealer or Australian financial services licensee. Payments will be subject to the receipt of a proper tax invoice from the licensed securities dealer or Australian financial services licensee.

5.12 Enquiries

Should you have any questions about any of the Offers or how to accept any of the Offers, please call the Company Secretary on +61 8 9226 4500.

6. PURPOSE AND EFFECT OF THE OFFERS

6.1 Purpose of the Offers

The purpose of the Public Offer is to raise $1,200,000 (before expenses of the Public Offer). Funds raised under the Public Offer will be used, among other purposes, to continue and develop the Company's Abednegno Hill Project (as summarised in Sections 4.8 and 7.3) and to allow the Company to satisfy the requirements of ASX and apply for the reinstatement to trading of its Securities on ASX.

The purpose of the Public Offer is also to carry out the Recapitalisation Proposal as approved by the Company's Shareholders at the General Meeting.

The purpose of the Noteholder Offer is to provide consideration for the satisfaction of amounts owing to the Noteholders by the Company as described in Section 4.3.

The purpose of the Creditor Offer is to provide consideration for the satisfaction of amounts owing to the Creditors by the Company as described in Section 4.3.

The purpose of the Options Offer is to raise up to $40,000 for general working capital purposes.

6.2 Use of Funds

The Company intends to apply funds raised from the Offers, together with existing cash reserves, in accordance with the table set out below:

	Full Subscription ($)	Percentage of Funds (%)
Funds available		
Existing cash reserves[1]	$20,000	1.6%
Funds raised from the Offers	$1,240,000	98.4%
Total	**$1,260,000**	**100%**
Allocation of funds in relation to the Abednegno Hill Project[2]		
Field reconnaissance and mapping	$25,000	2.0%
Aeromagnetic survey including planning and interpretation	$65,000	5.1%
Gravity survey including modelling and interpretation	$225,000	17.9%
EM survey including planning and interpretation	$165,000	13.1%
Drilling – RAB / air core including planning and supervision	$95,000	7.5%
Drilling to test conductors including planning and supervision	$215,000	17.1%
Assess acquisition opportunities adjacent to / complementary with the Abednegno Hill Project	$100,000	7.9%
General		

Working capital[3]	$219,387	17.4%
Expenses of the Offers[4]	$150,613	12.0%
Total	**$1,260,000**	**100%**

Notes:

1. The Company's estimated cash position as at 27 October 2016.
2. The Company does not propose to incur any expenditure in relation to its 30% interest in the Carnilya Hill Joint Venture located in Western Australia with Mincor as that asset contains what the Board views as a "remnant resource" and as such, the Company's holding in the joint venture is currently being diluted by a fraction of a percentage each year. If the nickel price were to adjust favourably, the Company will reconsider its position in relation to Carnilya Hill expenditure.
3. Working capital costs include general costs associated with the management and operation of the Company including administration expenses, directors' fees, compliance costs and other associated costs.
4. Refer to Section 14.8 for details in respect of the estimated expenses of the Offers.

On completion of the Offers, the Board believes the Company will have sufficient working capital to achieve the objectives described in Section 4.4.

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

Actual expenditure may differ significantly from the above estimates due to a change in market conditions, the development of new opportunities and other factors (including the risk factors outlined in Section 11).

Refer to the Independent Geologist's Report at Section 8 for further information relating to the Company's proposed exploration expenditure.

6.3 Effect of the Offers

The principal effect of the Offers, assuming the Offers are fully subscribed and no Options are exercised, will be to:

(a) increase the cash reserves by $1,089,387 (after deducting the estimated expenses of the Offers) immediately after completion of the Offers;

(b) increase the number of Shares on issue from 1,614,034 to 243,899,934 Shares following completion of the Offers (assuming no Options are exercised); and

(c) increase the number of Options on issue from nil to up to 135,909,550 Options following completion of the Offers.

6.4 Dividend Policy

The Board anticipates that significant expenditure will be incurred in the exploration and evaluation of the Company's Abednegno Hill Project. These activities, together with the possible acquisition of interests in other projects, are expected to dominate at least, the two year period following the date of this Prospectus. Accordingly, the Company does not expect to declare any dividends during that period.

Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend on the availability of

distributable earnings and operating results and financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.

6.5 Capital structure

The capital structure of the Company following completion of the Offers (assuming all Offers are fully subscribed) is summarised below:

Shares

	Number
Shares currently on issue	1,614,034
Shares offered pursuant to the Public Offer	120,000,000
Shares offered pursuant to the Noteholder Offer	90,885,500
Shares offered pursuant to the Creditor Offer	31,400,400
Shares offered pursuant to the Options Offer	Nil
Total Shares on issue after completion of the Offers	**243,899,934**

Options

	Number
Options currently on issue	Nil
Options issued pursuant to the Public Offer[1]	40,000,000
Conversion Options issued pursuant to the Noteholder Offer[1]	45,442,750
Creditor Options issued pursuant to the Creditor Offer[1]	10,466,800
Options issued pursuant to the Options Offer[1]	40,000,000
Total Options on issue after completion of the Offers	**135,909,550**

Notes:

1. Quoted Options exercisable at $0.01 each on or before 30 December 2018. Refer to Section 14.3 for the terms and conditions of the Options, Conversion Options and Creditor Options.

Convertible Notes

	Number
Convertible Notes currently on issue[1]	28
Total Convertible Notes on issue after completion of the Offers	**Nil**

Notes

1. All Convertible Notes currently on issue are being converted into 90,885,500 Conversion Shares and 45,442,750 Conversion Options as per the terms and conditions of the Convertible Notes which are summarised at Section 14.4. Refer to the Company's Notice of Meeting and Section 4.3 of this Prospectus for further information.

Performance Shares

	Number
Performance Shares currently on issue[1]	463,547
Total Performance Shares on issue after completion of the Offers	**Nil**

Notes

1. The Company has obtained approval from the holders of Performance Shares to vary the terms of the Performance Shares so that each Performance Share is cancelled upon completion of the Offers. The terms and conditions of the Performance Shares (as varied) are set out in Schedule 2 of the Performance Share Notice of Meeting. Refer to the Performance Share Notice of Meeting for further information.

The capital structure on a fully diluted basis on completion of the Offers (assuming all Offers are fully subscribed and no Performance Shares are converted) would be 379,809,484 Shares.

6.6 Substantial Shareholders

As at the date of this Prospectus, the following Shareholders hold 5% or more of the total number of Shares on issue:

Shareholder	Shares	%
Holdex Nominees Pty Ltd <No 431 A/C>	113,637	7.04
Alistair Muir and his associated entities	97,094	6.02
Blumont Group Ltd	88,576	5.49

On completion of the Offers (assuming all Offers are fully subscribed), no Shareholder is expected to hold 5% or more of the total number of Shares on issue.

6.7 Top 20 Shareholders

The Company will announce to the ASX details of its top 20 Shareholders following completion of the Offers and prior to the Securities re-commencing trading on ASX.

6.8 Restricted Securities

No Securities issued under the Offers will be subject to escrow.

7. COMPANY OVERVIEW

7.1 Background

A general background on the Company and the recapitalisation is set out in Section 4 of this Prospectus.

7.2 Western Australian Nickel Assets Overview

The Company has two major assets in Western Australia, the Carnilya Hill Project and the Abednegno Hill Project.

As set out in the Solicitor's Report on Tenements (Section 10 of this Prospectus) and the Independent Geologist's Report (Section 8 of this Prospectus), the Company's projects consist of the following tenements:

(a) Carnilya Hill Project M26/47, M26/48, M26/49, M26/453 and L26/0241; and

(b) Abednegno Hill Project E39/1641 and E39/1684,

(together, the **Tenements**).

(a) **Carnilya Hill Project**

The Carnilya Hill Project is located in the Eastern Goldfields region of Western Australia, approximately 40 kilometres south of Kalgoorlie and 25 kilometres northeast of Kambalda. Celsius (via its wholly owned subsidiary View Nickel Pty Ltd) owns a 30% interest in the Carnilya Hill Project through its Joint Venture with Mincor Resources NL (ACN 072 745 692) (**Mincor**).

Mincor, the operator of the Joint Venture, ceased mining at the Carnilya Hill Project in the first quarter of 2012. Whilst mining operations ceased, access to and mine infrastructure was maintained so that the opportunity to recommence mining remained intact.

The Company does not propose to incur any expenditure in relation to its 30% interest in the Joint Venture with Mincor as the Carnilya Hill Project contains what the Board views as a "remnant resource" and as such, the Company's holding in the Joint Venture is being diluted by a fraction of a percentage each year. If the nickel price were to adjust favourably, the Company will reconsider its position in relation to Carnilya Hill Project expenditure.

(b) **Abednegno Hill Project**

The Abednegno Hill Project is located approximately 50km west-southwest from Laverton and 60km east of Leonora in the Eastern Goldfields region of Western Australia and is adjacent to the Minara Resources' Murrin Murrin nickel mine and the NiWest operation currently under development by GME Resources. The Company believes there is potential for gold and nickel mineralisation at the Abednegno Hill Project.

7.3 Abednegno Hill Project

The Abednegno Hill Project comprises two granted exploration licences, namely E39/1641 and E39/1684. Both of the Abednegno Hill Tenements are held in the name of View Nickel Pty Ltd, a wholly owned subsidiary of the Company.

The Abednegno Hill Project is located approximately 50km west-southwest from Laverton and 60km east of Leonora. Project access is initially via the sealed Laverton – Leonora Road which passes between the two Abednegno Hill Tenements.

Geologically the Abednegno Hill Project is located within the Eastern Goldfields Superterrane, part of the Archaean Yilgarn Craton. Within the Eastern Goldfields Superterrane, the project is located in the Murrin Domain of the Kurnalpi Terrane, the terranes and domains being defined on the basis of geological characteristics such as chronological, lithostratigraphic, or structural criteria. The Murrin Domain is underlain by the Minara Group, a calc-alkaline–tholeiite–komatiite succession. The lowermost Welcome Well Formation, consists of volcanic and volcaniclastic rocks that are predominantly andesitic in composition. These are overlain by the Minerie Formation where tholeiitic to komatiitic basalts, with large-scale gabbroic intervals are interlayered with epiclastic sedimentary units. The uppermost Murrin Murrin Formation, which forms the deepest part of the Kilkenny Syncline, consists of komatiitic basalts associated with layered mafic–ultramafic cumulates and felsic volcaniclastic rocks.

Andesitic units with minor, but magnetically obvious, ultramafic horizons comprise the central part of E39/1684. The ground immediately west of the tenement is underlain by the Benalla Anticline consisting of a felsic volcanic core overlain by basalts and dolerites. Basalts and dolerites with minor fine-grained sediments are interpreted to the east. The Federation Fault, a major northeast trending structure splaying off the Keith-Kilkenny Tectonic Zone, occurs immediately southeast of the property and separates predominantly north and north-northwest trending stratigraphy. Outcrop is largely confined to the west of the tenement.

Within E39/1641, the bedrock geology comprises a greenstone sequence, which strikes consistently to the northeast throughout the area. Ultramafic rocks are restricted to the northwest of the area with some adjacent sediments. Except for the southern part of the tenement where basalts and dolerites and gabbros outcrop, most of the remainder of the tenement is covered by younger Cainozoic sediments. These are interpreted to conceal other sediments, some basalts and more dominant, felsic volcanics and volcanoclastics rocks, variably intruded by dolerite sills.

The area has previously been explored for nickel as well as copper and zinc by a number of companies. Work has ranged from early stage soil sampling to auger and diamond drilling. However there has only been limited exploration in recent times and it is likely that several modern exploration techniques have not been applied in the area. Much of the tenement is covered by alluvial cover which is likely to have hampered historical exploration**.**

Celsius completed a review of the Abednegno Project in 2014 based on a compilation of all historical exploration and open file geophysical data from the project area. A summary of the conclusions from the review was as follows:

(a) gold exploration on E39/1684 was deemed to be reasonably systematic however no conclusions could be drawn as to whether the anomalies

detected in surface geochemistry had been adequately tested as no clear mineralisation or geological model had been developed for these prospects based on data from drilling and surface surveys. As outlined in Section 2 of the Independent Geologist's Report at Section 8 of this Prospectus, a number of significant intersections had been returned from the Sligo Creek group of prospects and, while no substantial mineralisation had been defined to date, the Company recognised that the area remained prospective for gold mineralisation; and

(b) exploration for nickel mineralisation (sulphide and laterite) had focussed on the ultramafic units within E39/1684. However, exploration had solely used geochemical methods (surface surveys, shallow drilling) and no geophysical surveys, specifically electromagnetic (EM) surveys, had been carried out. In addition, no nickel analyses were completed for surface geochemical surveys save for a soil geochemical survey covering 4.5km^2 within E39/1684. There are a number of gabbroic units mapped within both tenements which were likely to be prospective for "Type II" nickel sulphide mineralisation (refer to Section 2 of the Independent Geologist's Report at Section 8 of this Prospectus).

Although historical data has successfully identified a number of areas that upon review by the Company were deemed to be prospective, the review also concluded that no immediate targets were available for drill testing. This conclusion was reached based on a number of factors:

(a) the absence of a detailed geological framework for the tenement areas, and the lack of detailed datasets (aeromagnetics, bottom of hole petrology);

(b) inconsistency in surface sampling methods (lag, soil, vacuum, auger) as well as analysis methods; and

(c) the presence of recent cover at surface acting to mask potential anomalism in surveys.

It was felt that the appropriate action to resolve these factors was to complete first pass geochemical surveys and acquiring "base" datasets such as high resolution aeromagnetic data. These would enable a geological model for the project area to be completed and the historical results to be placed in a context. From this more robust conclusions could then be drawn about the prospectivity of the targets delineated to date as well as more clearly identifying untested targets requiring further follow up.

Due to the Company's financial resources and the prevailing market sentiment towards exploration, especially greenfields exploration, in 2014 the board decided that substantial expenditure on such early stage exploration would be not be an appropriate use of the limited funds available to it. For this reason the Company actively sought investment opportunities elsewhere within, and outside of, the resources sector culminating in the Favourit transaction (which ultimately did not complete).

During this year market sentiment in the resources space has changed substantially. Key external factors influencing the decision making of the Company included the continued strengthening of the spot gold price in Australian dollar terms and the emergence of battery materials such as lithium and cobalt as commodities in demand. The Company continues to feel that these tenements are prospective and, with market sentiment more positive

towards early stage exploration, has determined to try to attract funding to advance the Abednegno Hill Project.

The Company notes that in April this year (prior to the termination of the Favourit transaction) it had flagged to the market that it was planning to divest its Australian nickel interests for $1.00. For the sake of clarity, the divestment of the nickel assets had been agreed with Favourit as a condition precedent to the Heads of Agreement signed in October 2015 when sentiment for resources was still low and had been negotiated as a means to expedite completion and to hand over a clean 'shell' to be used for the online gambling tech space.

During this time however the Company attempted to market the nickel assets to try and secure a strategic partner or a buyer in parallel to advancing the Favourit transaction (as planned in its announcement on 26 October 2015). Although market sentiment for resources had shown signs of improvement by April this year, the Company was by this stage heavily focused on completion of the Favourit transaction (including its capital raising) and was not in a position to re-negotiate terms. As a result the Company had to accept the offer presented.

A number of cobalt occurrences have been mapped to the north of E39/1641 and the Waite Kauri nickel-cobalt laterite deposit is located to the north of E39/1684. Within the tenement area no systematic exploration for cobalt has been carried out. However, cobalt was analysed for in soil geochemical surveys completed within both tenements as well as in RAB drilling within E39/1641 and RAB testing of ultramafic units within E39/1684. Drilling returned an average of 100ppm Co (refer to Section 2 of the Independent Geologist's Report in Section 8 of this Prospectus) and the Company plans further investigations to determine whether these levels are "background" or "anomalous" and whether there are any areas within the ultramafic units where Co levels are elevated. Supergene enrichment of cobalt may also have occurred and exploration will review the potential for this process to have occurred.

Refer to Section 2 of the Independent Geologists Report (at Section 8 of this Prospectus) for further information in relation to the Abednegno Hill Project.

7.4 Business Model

The Company has proposed an exploration program and budget to advance the Abednegno Hill Project.

The exploration strategy is primarily aimed at nickel sulphide mineralisation, and uses geophysical techniques previously unused within the project area. It is felt that adequate geochemical data can be sourced from compilation and validation of the historical exploration work.

There have been substantial advances in geophysical techniques under cover in recent years, partly due to exploration in terranes such as the Fraser Range and West Musgraves. These techniques and processing have not been applied to the Abednegno Hill Project.

The work proposed comprises:

(a) field check of historical mapping including reconnaissance to verify the location of historical drill hole collars;

(b) acquisition and interpretation of high resolution aeromagnetic data to enable improved geological interpretation, specifically around the location of ultramafic units;

(c) ground gravity surveys and inversion modelling to define denser bodies both within the ultramafic unit and potentially thin, unmapped ultramafic units;

(d) ground EM surveys over targets delineated by the above; and

(e) diamond core drilling to test any conductors defined by the EM survey,

in addition,

(f) air core or reverse circulation drilling in and adjacent to areas where laterite nickel mineralisation has previously been intersected will be carried out to determine the extent and grade of this mineralisation; and

(g) air core/ RAB and reverse circulation drilling will be carried out on targets identified to have the potential to host gold mineralisation.

Refer to Section 6.1 for the proposed expenditure for the area on completion of the Offers.

Subject to completion of the Offers, the Board believes it will have sufficient working capital to carry out its operations going forward and will also seek out complementary acquisitions or new acquisitions in other areas that will generate additional shareholder value.

At this stage, the Directors have not identified nor given any consideration to any other business sector or complementary opportunities but reserve the right to direct any capital raised under this Prospectus to pursue that objective and strategy.

The future funding requirements of the Company will be dependent on its success in exploiting its existing assets and also the costs of acquiring any additional projects or business opportunities for investment as and when identified (which is likely to require additional funding in the form of debt, equity or a combination of both) and investors must take this risk into account when determining whether to invest pursuant to this Prospectus.

7.5 Competent Person's Statement

The information in this Prospectus that relates to Exploration Results of the Company is based on information compiled by Ms Felicity Repacholi-Muir who is a member of the Australasian Institute of Geoscientists and is bound by and follows the Institute's codes and recommended practices. Ms Repacholi-Muir has over 15 years geological experience and is an employee of FRM Geological Services. Ms Repacholi-Muir has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity to which she is undertaking to qualify as an expert and competent person as defined in the VALMIN Code and JORC Code (2012 Edition). Ms Repacholi-Muir consents to the inclusion in this Prospectus of the matters based on her information in the form and context in which it appears.

7.6 Directors

Messrs William Oliver, Alistair Muir and Ranko Matic will remain on the Board as Directors of the Company as a result of the Recapitalisation Proposal. Summaries of the background and experience of the Directors are set out in Section 4.15 of this Prospectus.

The Company is aware of the need to have sufficient management to properly supervise the exploration and (if successful) for the development of the projects in which the Company has, or will in the future have, an interest and the Board will continually monitor the management roles in the Company. As the Company's projects require an increased level of involvement the Board will look to appoint additional management and/or consultants when and where appropriate to ensure proper management.

7.7 Additional Information

Prospective investors are referred to and encouraged to read in its entirety both:

(a) the Independent Geologist's Report in Section 8 for further details about the geology, location and mineral potential of the Company's projects; and

(b) the Solicitor's Report on Tenements in Section 10 for further details in respect to the Company's interests in the Tenements.

8. INDEPENDENT GEOLOGIST'S REPORT

FRM
GEOLOGICAL SERVICES

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56 London St, North Perth, WA, 6006
ABN: 77 823 685 882

INDEPENDENT GEOLOGIST'S REPORT

Prepared for

CELSIUS COAL LIMITED

Prepared by:
F Repacholi-Muir
BSc (Geol & Soil Sc), GradCertAppFin, MAIG
October 2016

24th November 2016

The Directors
Celsius Coal Limited
Level 3, London House
216 St Georges Terrace
Perth, WA, 6000

Dear Directors,

Preamble

INDEPENDENT GEOLOGIST'S REPORT ON EXPLORATION PROPERTIES OF CELSIUS COAL LIMITED

FRM Geological Services (**FRM**) has been engaged by Celsius Coal Limited (**Celsius** or the **Company**) to prepare an Independent Geologist's Report ("IGR" or the "Report") on the Company's two nickel project, namely the Abednegno Project and the Carnilya Hill Joint Venture.

The Abednegno Project is located within the Mt Margaret Mineral Field, approximately 50km west-southwest of Laverton, Western Australia. The Company owns a 100% interest in the Project. The Abednegno Project includes two granted Exploration Licences which cover an area of approximately 150 km^2.

Celsius (through View Nickel Pty Ltd) owns a 30% joint venture interest in the Carnilya Hill Joint Venture in Western Australia with Mincor Resources NL (**Joint Venture**). The Carnilya Hill Joint Venture is located in the Eastern Goldfields Province of Western Australia, approximately 40 kilometres south of Kalgoorlie and 25 kilometres northeast of Kambalda. Mincor Resources NL (**Mincor**, ASX:MCR) is the operator of the Carnilya Hill JV. The Carnilya Hill site is currently on care and maintenance. The Joint Venture incurs nominal running costs to ensure the site is kept secure, safe and well maintained.

This Report is to be included in a Replacement Prospectus to be lodged by Celsius with the Australian Securities and Investment Commission ("ASIC") on or about the 24th November 2016, offering for subscription 120,000,000 fully paid ordinary shares in the capital of Celsius ("Shares") at an issue price of one (1) cents per Share to raise $1,200,000. The funds raised will be used for the purpose of exploration and evaluation of the Abednegno Project.

Celsius's Abednegno Project is considered to be sufficiently prospective, subject to varying degrees of risk, to warrant further exploration and development of their economic potential, consistent with the programs proposed by Celsius. No resources have been previously reported within the tenement area.

The current ownership and legal standing of Celsius's Project is subject to a separate Independent Solicitor's Report which is set out in the Prospectus and these matters have not been independently verified by FRM. The present status of tenements listed this Report is based on information provided by Celsius and the Report has been prepared on the assumption that the tenements will prove lawfully accessible for evaluation and development.

In the course of the preparation of this Report, access has been provided to all relevant data held by Celsius and various other technical reports and information quoted in the bibliography. The information used to prepare this Report is drawn from:

- discussions with consultants, directors and management of Celsius;
- reports prepared by previous tenement holders and their consultants; and
- scientific and technical research reports and papers publicly available.

FRM does not doubt the authenticity or substance of previous investigating reports. FRM has not however, carried out a complete audit of the information but has relied on previous reporting and documentation where applicable and has used this for research purposes with qualifications applied, where necessary. Details in respect of environmental and native title considerations are beyond the scope of this Report and readers are directed to the Solicitor's Report within the Celsius Prospectus for additional information regarding the Company's Project.

This IGR has been prepared in accordance with the rules and guidelines issued by such bodies as the Australian Securities and Investments Commission (**ASIC**) and the Australian Securities Exchange (**ASX**). Where exploration results, mineral resources or ore reserves have been referred to in this IGR, the classifications are consistent with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (**JORC Code**), prepared by the Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, the Australian Institute of Geoscientists and the Minerals Council of Australia, effective December 2012.

The author of this Report, Felicity Repacholi-Muir; BSc (Geol & Soil Sc), GradCertAppFin; who has compiled the information used in the Report, is a Member of the Australasian Institute of Geoscientists with over 15 years of experience. Felicity Repacholi-Muir has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which she is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.' Felicity Repacholi-Muir consents to the inclusion in this Report of the matters based on her information in the form and content in which it appears.

This Report has been prepared by FRM strictly in the role of an independent expert. Professional fees payable for the preparation of this Report constitutes FRM's only commercial interest in Celsius. Payment of fees is in no way contingent upon the conclusions of this Report.

FRM is of the opinion that Celsius has satisfactory and clearly defined exploration and expenditure programs which are reasonable having regard to the stated objectives of the Company. Celsius's exploration programs are included in the report, they may be altered in view of results gained which could revise the emphasis of current priorities.

Yours faithfully



Felicity Repacholi-Muir
BSc (Geol & Soil Sc)
GradCertAppFin
MAIG

EXECUTIVE SUMMARY

This Independent Geologist's Report (**IGR** or the **Report**) has been prepared by FRM Geological Services (**FRM**) at the request of Celsius Coal Limited (**Celsius** or the **Company**) to provide an opinion of the current potential of Celsius's nickel projects.

Celsius has two nickel projects in the Eastern Goldfields of Western Australia, namely the Abednegno Project and the Carnilya Hill Joint Venture (Figure 1). The Abednegno Project is located approximately 50km west-southwest from Laverton and 60km east of Leonora and the Carnilya Hill Joint Venture is located approximately 25km north north-east of the township of Kambalda

The Abednegno Project is located to the south and west of Glencore's Murrin Murrin nickel cobalt mine and adjacent to the NiWest nickel deposit currently under development by GME Resources Limited. Celsius considers the Project to be prospective for nickel laterite and nickel sulphide mineralisation.

The Abednegno Project area has historically been explored for nickel as well as copper and zinc by several companies. Previous exploration work has ranged from early stage soil sampling to auger, RAB, Aircore, Reverse Circulation and diamond drilling. There has only been limited exploration in recent times and it is likely that several modern exploration techniques have not been applied in the area. Much of the tenement is covered by alluvial cover which is likely to have hampered historical exploration.

Celsius aims to commence exploration activities on the tenement following a comprehensive review of recently compiled historical data.

Celsius (through View Nickel Pty Ltd) owns a 30% joint venture interest in the **Carnilya Hill Joint Venture** with Mincor Resources NL (**Joint Venture**, **JV**). Mincor Resources NL (**Mincor**) is the operator of the Carnilya Hill JV. The Carnilya Hill site is currently on care and maintenance. The Joint Venture incurs nominal running costs to ensure the site is kept secure, safe and well maintained.



Figure 1:Celsius Coal Limited's Projects Location

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2.0 ABEDNEGNO PROJECT

2.1 Introduction

The Abednegno Project is located approximately 50km west-southwest from Laverton and 60km east of Leonora, comprising of two granted Exploration Licences, namely E39/1641 and E39/1684. The tenement is located within the Mt Margaret Mineral Field and lies on the Laverton 1:250,000 (SH51-02), and the Minerie 1:100,000 (3240) map sheets.

The Project is located to the south of Glencore International plc's (**Glencore**) Murrin Murrin Nickel Cobalt mine and adjacent to the NiWest operation currently under development by GME Resources Limited. The area is believed to have potential for both nickel laterite and nickel sulphide mineralisation.

The area has previously been explored for nickel as well as copper and zinc by a number of companies. Work has ranged from early stage soil sampling to auger and diamond drilling. However there has only been limited exploration in recent times and it is likely that several modern exploration techniques have not been applied in the area. Much of the tenement is covered by alluvial cover which is likely to have hampered historical exploration.

Celsius aims to commence exploration activities on the tenement following a comprehensive review of recently compiled historical data.

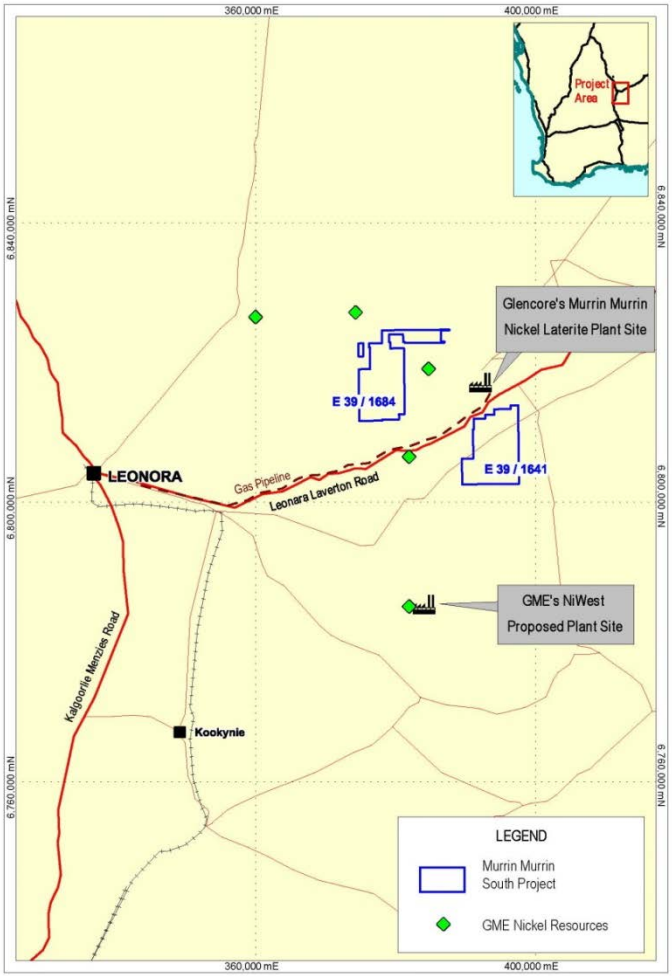

Figure 2: Abednegno Project with Neighbouring Deposits

2.2 Location, Access and Tenure

The Abednegno Project comprises two granted Exploration Licences, namely E39/1641 and E39/1684. Both tenements are held in the name of View Nickel Pty Ltd, a wholly owned subsidiary of Celsius Coal Limited.

The Abednegno Project is located approximately 50km west-southwest from Laverton and 60km east of Leonora. The tenements are located within the Mt Margaret Mineral Field and lie on the Laverton 1:250,000 (SH51-02) and the Minerie 1:100,000 (3240) map sheets.

Project access is initially via the sealed Laverton – Leonora Road which passes between the two tenements.

Access to the northern tenement (E39/1684) is possible by three station tracks:

- From a tum-off north from the sealed Leonora to Laverton road some 43 km east of Leonora. Hence northerly through Federation Well to the southeast sector of the tenement.
- Through Woolshed Well via a track north from the Leonora to Laverton Road some 39 km east of Leonora.
- From Mertondale on the Leonora - Nambi Road, southerly through the Randwick Mining Centre and hence along station tracks to Minara Well in the centre north of the tenement.

Access to the southern tenement (E39/1641) is via the Old Laverton Road which traverses the tenement.

The tenements are generally open grasslands with denser vegetation in the drainage lines, there are numerous station tracks throughout.

E39/1684 lies within the Minara Pastoral Lease and E39/1641 lies within the Glenorn Pastoral Lease.

The Exploration Licenses are also covered by Miscellaneous Licences, namely L39/0070, L39/0089, L39/0121, L39/0136 and L39/0204 over E39/1641 and L39/0215 over E39/1684, relating largely to road, electricity and water pipelines. Celsius has the right to access all parts of these tenements. It is a condition of the Exploration Licences that Celsius ensures that access to the Miscellaneous Licences is not compromised during Celsius' exploration of the Project.

Table 1: Tenement Details for the Abednegno Project

Licence	Grant Date	Expiry Date	Expenditure	Area
E39/1641	4th April 2012	3rd April 2017	$40,500	27 sub blocks
E39/1684	1st November 2012	31st October 2017	$43,500	29 sub blocks

2.3 Abednegno Geology

2.3.1 Regional Geology

The Eastern Goldfields Superterrane has three major tectonic subdivisions – the Kalgoorlie, the Kurnalpi and the Burtville Terranes (Groenewald et al., 2006). These terranes are defined on the basis of the distinctive geochemistry and age of intermediate to silicic volcanic rocks. Each terrane comprises a number of domains distinguished in terms of chronological, lithostratigraphic, or structural characteristics. The Kurnalpi Terrane comprises at least six domains; from west to east, the Gindalbie, Menangina, Murrin, Laverton, Edjudina, and Linden Domains (see Blewett and Hitchman, 2004; Cassidy et al., 2006).

The Abednegno Project is located with the Murrin Domain. The Murrin Domain is underlain by the Minara Group, a calc-alkaline–tholeiite–komatiite succession. The lowermost Welcome Well Formation, consists of volcanic and volcaniclastic rocks that are predominantly andesitic

in composition. These are overlain by the Minerie Formation where tholeiitic to komatiitic basalts, with large-scale gabbroic intervals are interlayered with epiclastic sedimentary units. The uppermost Murrin Murrin Formation, which forms the deepest part of the Kilkenny Syncline, consists of komatiitic basalts associated with layered mafic–ultramafic cumulates and felsic volcaniclastic rocks (Painter et al., 2003).

Extensive laterite development over the ultramafic rocks has formed large supergene nickel-cobalt deposits at Murrin Murrin.

Structurally, large-scale D_2/D_3 folds and D_3 faults control the distribution of rock units. Between Welcome Well and Mount Kildare, shallowly plunging D_3 folds trend north-northeasterly and are truncated by north-northwesterly trending D_3 shear zones and bound by reverse faults. Chen et al. (2001) considered such juxtaposition of regional grains to be a function of localized compression during sinistral D_3 transpression in right-stepping restraining jogs. Metamorphic grade throughout the Murrin greenstone belt is variable, but typically low.

2.3.2 Local Geology

Andesitic units with minor, but magnetically obvious, ultramafic horizons comprise the central part of E39/1684. The ground immediately west of the tenement is underlain by the Benalla Anticline consisting of a felsic volcanic core overlain by basalts and dolerites. Basalts and dolerites with minor fine-grained sediments are interpreted to the east.

The Federation Fault, a major northeast trending structure splaying off the Keith-Kilkenny Tectonic Zone, occurs immediately southeast of the property and separates predominantly north and north-northwest trending stratigraphy. Outcrop is largely confined to the west of the tenement.

Within E39/1641 the bedrock geology comprises a greenstone sequence, which strikes consistently to the northeast throughout the area. Ultramafic rocks are restricted to the northwest of the area with some adjacent sediments. Except for the southern part of the tenement where basalts and dolerites and gabbros outcrop, most of the remainder of the tenement is covered younger Cainozoic sediments. These are interpreted to conceal other sediments, some basalts and more dominant, felsic volcanics and volcanoclastics rocks, variably intruded by dolerite sills.

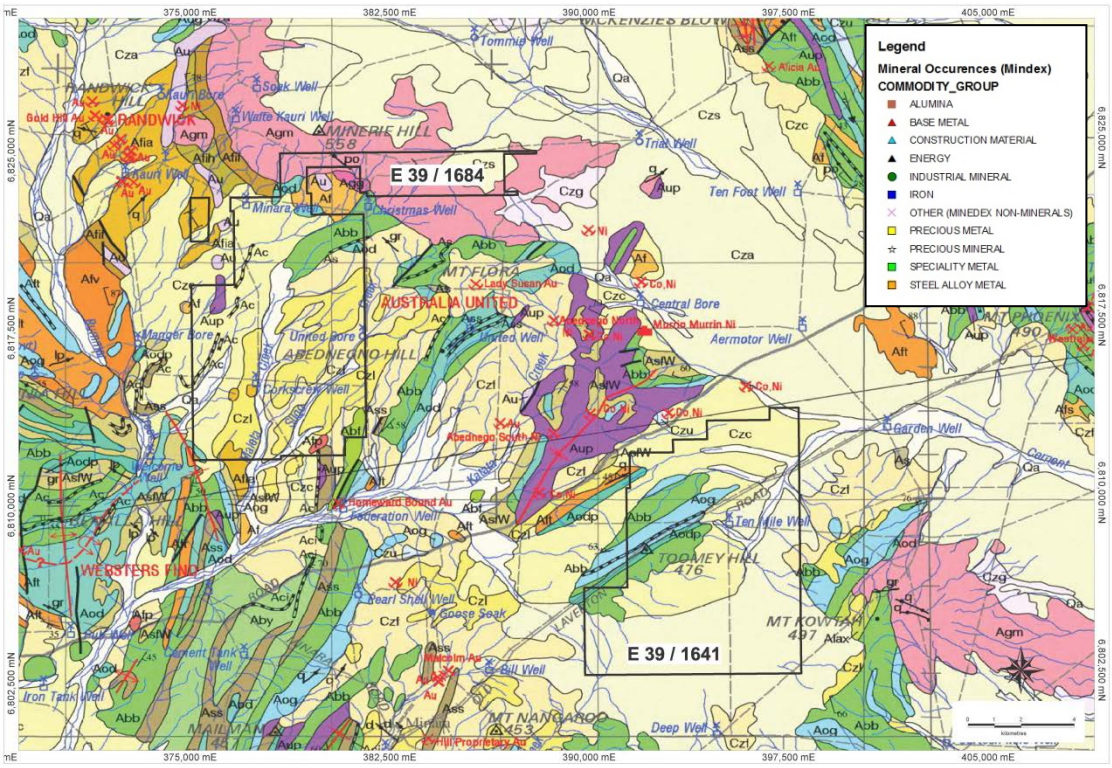

Figure 3: Abednegno Regional Geology

2.4 Exploration History

All information in this section should be read in conjunction with Annexure B, which contains supporting data for the reporting of Exploration Results as prescribed by the JORC Code.

2.4.1 Northern Tenement – E39/1684

CRA Exploration Pty Ltd (**CRAE**) held the Minara property from 1992 to 1996 and completed regolith sampling, auger sampling, ground magnetics and RAB drilling during their tenure.

CRAE initially completed regional regolith sampling on a 500 x 2000m grid for a total of 42 samples. This program recorded a single point anomaly (126ppb Au, with other gold values ranging from below detection limits to 11ppb Au) in the southeast corner of the tenement, north of the historic *Federation Well* workings, and referred to as the *Sligo Creek* Prospect. The gold anomaly located in lateritic duricrust, changed CRAE's exploration focus from nickel to gold, and they rationalised their holdings accordingly. (WAMEX Report A039981)

During 1994 extensive grid based auger sampling (984 samples) and ground magnetics were completed over the *Sligo Creek* Prospect. Results outlined a coherent 1000 x 800m gold anomaly (>40ppb Au) coincident with a magnetic high and transected by a north-south trending fault zone. The anomaly was centred just south of the original Au regolith anomaly. Re-assaying of a selection of original "pre-composited" samples confirmed the anomalous values over the magnetic high, but in addition, showed isolated higher Au values in the north and north-eastern part of the grid.

A linear arsenic anomaly was also delineated (> 50 ppm As), and covers 1200m of strike over the north-south trending fault zone and occurs adjacent to the area of Au anomalism described above. (WAMEX Report A043728).

During 1995 a program of 91 RAB holes for a total of 3,413m were completed at 400 x 100m spacing to test a number of auger-Au anomalies. Four metre composites were assayed for gold, and one metre bottom-of-hole samples were collected for assaying for a range of other elements.

Lower saprolite gold anomalism in the 0.3-0.6g/t Au range was encountered in 8 of the 91 drillholes, all intersections ≥0.3g/t gold are shown in Appendix A. In addition, two strongly anomalous holes were encountered on 14000N, an isolated traverse designed to test a small auger Au anomaly in an area of transported cover. Initial intercepts included 4m @ 1.9g/t Au in 95SCR055 and 4m @ 11.2g/t Au in 95SCR059 (refer Appendix A).

Subsequently, an infill program of 47 RAB drillholes for a total of 2,086m was completed to follow up on initial results. Work concentrated on the 14000N area with infill drilling on 50 x 100m centres. Results from the infill program highlighted extensive lower saprolite Au anomalism (>0.1ppm) open to the south and northwest off the infill grid. Lower saprolite gold anomalism in the 0.3-0.6g/t Au range was encountered in 5 of the 47 drillholes (all intersections ≥0.3g/t gold are shown in Appendix A). However, CRAE stated that only one significant result ≥ 0.3g/t Au was returned with 95SCR100 intersecting 1m @ 1.4g/t Au in the bottom of hole sample (refer Appendix A) This hole was located 100m north of holes 95SCR055 and 95SCR059. CRAE stated that follow up work was needed to better define mineralised trends and their extent. (WAMEX Report A047948).

Work completed during 1996 focused on the *Sligo Creek* Gold Prospect. A total of 58 vertical RAB holes (96SCR150 – 96SCR196), totalling 2,411m were drilled to blade refusal (average depth of 40m) across various parts of the auger anomaly, with five of these holes, intersecting values ≥ 0.3 g/t Au (Appendix A). These holes are coincident with a NW trending magnetic high.

Results highlighted extensive lower saprolite and weathered bedrock anomalism associated with the 14000N magnetic anomaly (open to the east) but did not enhance the understanding of the trends and alteration patterns interpreted from earlier work.

Following the RAB drilling campaign, CRAE commissioned Geological Consultants International Pty Ltd to complete an independent assessment of the gold prospectivity of the *Sligo Creek* Prospect. The following conclusions were tabled:

- Petrology from RAB drill chips suggests widespread potassic alteration of the mafic to intermediate volcanic host sequence. Potassic alteration (biotitic and sericitic) together with weak to strong carbonate alteration appears to be related to Au mineralisation.

- The Au mineralisation at *Sligo Creek* is associated with a dominantly north to northeasterly trending structural corridor, extending from the Pig Well Graben. This corridor is concealed by transported overburden on the Minara tenement and represents a priority exploration target.

Five target areas were selected and recommended for follow-up reverse circulation drilling as well as blanket coverage by inclined RAB drilling southward from the main *Sligo Creek* gold prospect.

In their final report, CRAE stated that RC drilling was recommended to test size potential and geometry of lower saprolite / bedrock mineralisation in the 14000N area of the *Sligo Creek* Grid, however no further work was completed. (WAMEX Report A049795).

Marymia Exploration NL (**Marymia**) held the Minara property (E37/0473) from 1997. Marymia initially conducted a thorough data review, geological mapping and the processing and interpretation of available airborne and ground magnetic data.

Marymia drilled 34 vertical RAB holes in September 1999 totalling 913m. The main aim was to test the laterite nickel/cobalt potential of the ultramafic rocks in the area. Bottom of hole samples were also analysed for gold, platinum, palladium and copper.

Nickel and cobalt values were highest in the peridotite portion of the sill and decreased markedly in the quartz bearing gabbro at the top. Average values for the peridotite in relatively fresh rock were around 1,500ppm Ni and 100ppm Co, and 400ppm Ni and 70ppm Co for the gabbros. No review was undertaken as to whether any nickel was present as sulphide mineralisation and the assumption is these results are “background” as the nickel contents is consistent with rocks of this nature.

Marymia reported that nickel and cobalt values were enhanced in the saprolite clays and saprock for all portions of the sill and that there was seen to be a marked concentration of Ni and Co values in the bottom eighty metres of the sill regardless of weathering depth. Bottom of hole samples over the bottom eighty metres of the sill also showed enhanced copper, platinum and palladium values ranging between 200 to 250ppm Cu and 35 to 100ppm combined Pt and Pd. The platinum: palladium ratios were between 1:1 and 2:1. (WAMEX Report A059577).

Delta Gold Ltd (**Delta Gold**) entered into a Farm in Agreement with Marymia on 8th May 2000 for E37/0473, and subsequently managed all exploration.

Interpretation of 50m spaced aeromagnetic data was completed during June 2000, which included the southeast portion of the Minara tenement. A number of magnetic and structural targets were identified.

A total of 634 vacuum holes for 1,372m were drilled primarily during July 2000, with a minor follow up program in February 2001. Samples covered an area of approximately 10km by 4km with sample spacing generally at 400 or 500 x 100m and samples were collected at the interface between transported and in situ material. Significant gold anomalism was returned

from vacuum holes at the *Gabe* Prospect. A broad geochemically anomalous zone approximately 1.5km long and 400m wide, striking in a northerly direction was delineated. The anomaly is a coherent zone of values > 8ppb Au, with a single peak value of 37ppb (ABV564), and other gold values within the anomaly ranging from below detection limits to 25ppb Au.

A total of 86 RAB holes for 3,598m were drilled at three prospects, *Sligo, M6* and *Gabe* during August 2000 and March 2001. Holes tested magnetic targets and vacuum geochemical gold anomalies generated from earlier drilling programs.

Drilling at the *Gabe* Prospect focused on the low level broad gold anomaly in the north east of the tenement delineated by the vacuum drilling. The three lines of 50-100m east west spaced RAB drilling returned no significant results ≥ 0.5g/t Au.

RAB drilling at *Sligo* returned disappointing results from the 5 lines across magnetic targets. Only one hole returned a significant intersection ≥0.5g/t Au (1m @1.0g/t Au from 17m in MRA 16, refer Appendix A).

No significant results ≥ 0.5g/t Au were returned from the line of RAB drilled across the *M6* magnetic anomaly.

A total of 9 RC holes for 1,318m were drilled at *Sligo*, with holes testing anomalies generated by previous explorers RAB drilling. Results were disappointing, with the only significant result being 4m @ 0.5g/t Au from 36m in MRC64 (refer Appendix A). Assaying was only completed for Au and As.

No further work was completed by Delta Gold. (WAMEX Report A063658)

2.4.2 Southern Tenement – E39/1641

Australian Selection Pty Ltd (**Australian Selection**) held a variety of Mining Leases and Temporary Reserves around the Toomey Hill area, centering on the Murrin Murrin abandoned townsite (leases overlap the northwestern boundary of E39/1641) during 1968-1970. Exploration targeted asbestos, nickel and copper-zinc mineralisation, and included aeromagnetic surveys, ground electromagnetic (EM) surveys, soil sampling and mapping. Diamond drilling followed over a variety of prospects, comprising 21 holes for 3,592m. A geophysical survey (type not specified), trenching and diamond drilling were conducted at the *WMA* Prospect located approximately 3km south of Central Bore (just north of the northern boundary of E39/1641) to investigate “a gossan zone in acid volcanics”. Rockchip assays ranged from 0.2 - 0.6% Cu and 0.1 - 0.4% Zn. Diamond holes intersected acid to intermediate volcanic-pyroclastics with abundant disseminated pyrite, mainly in crystal-lithic tuff. Australian Selection did not report any significant or anomalous results from assaying. (WAMEX Reports A001305, A001306 and A001308)

Northern Selcast Pty Ltd (**Northern Selcast**) held a large group of tenements in the area during 1971-1975. Numerous local grids were established. Northern Selcast targeted base metals, asbestos mineralisation and semi-precious gemstones. Exploration activities included regional reconnaissance soil sampling and petrographic descriptions. The *WMA*. Prospect (previously mentioned by Australian Selection, just north of E39/1641), was covered by Northern Selcast’s No. 13 Grid. Five diamond holes were drilled in 1970 to test the prospect, intersecting acid-intermediate volcaniclastics with over 30m of disseminated pyrite. In 1972, 12 RC holes were also drilled. Northern Selcast reported in 1975 that “no significant copper mineralisation was obtained and the prospect requires no more work”. Northern Selcast also mentioned in this report that a “spectacular copper-nickel gossan was discovered in coarse granite dunite serpentinite north of Central Bore in late 1969”. Eight (8) percussion holes and fourteen (14) diamond drill holes revealed narrow discontinuous copper-nickel sulphide minerals in a 45° easterly dipping fault. (WAMEX Reports A002715, A003746 and A005747)

BHP Minerals Limited (**BHP**) pegged several leases (MC39/5686-5693) in the area, targeting known anomalous gossans during 1982-1983. The Mineral Claims were referred to as the Kowtah Claim Block. The Kowtah Claim Block is located adjacent to (just outside of) the northern boundary of E39/1641. Exploration within the claim block included mapping and rock chip sampling. The BHP mapping included significant changes to the earlier Australian Selection maps. BHP also noted that the Australian Selection geophysical methods were not suitable. BHP describe the claim block as being located on the western limb (and possibly core) of a northwest plunging syncline. The epiclastic sediments and serpentinite mapped have a cleavage parallel to bedding, and fine grained sediments show foliation folded by the syncline. Komatiitic volcanics dip 20° to the east. The gossan within the claim block is described as 1.6m thick. There are other minor gossans to the east of the main one sampled. BHP concluded that the drilling done by Australian Selection was adequate to test the anomalous gossan, and relinquished the claim block. (WAMEX Report A012396)

Bass Strait Oil and Gas (Holdings) NL (**Bass Strait**) held a block of prospecting licenses and one exploration license on the Leonora-Laverton Road in the area of Central Bore (no map to show location) during 1987. Exploration activities included rock chip sampling of quartz veins, and sampling of soil and laterite. Results were considered to be disappointing and the leases were relinquished. (WAMEX Report A019627)

Miralga Mining NL (**Miralga**) held tenements over the Garden Well area - directly adjacent to (and outside of) the north east corner of E39/1641 during 1987. Miralga's main target was a 300m long gossanous zone developed over a kaolinised, weakly ferrruginous carbonated shear zone that ran centrally through their tenement area (and may run into E39/1641). They mention previous sampling and drilling conducted in the area. Previous explorers' RAB drilling is described as having no significant gold or base metal results (with holes only being 10-12m deep), however they do mention anomalous As values. Esso rock chip sampling returned assays ranging from 1.1 - 4.0g/t Au from the "Discovery Gossan" in the area (hypothesized to be the same gossan drilled by Australian Selection). Miralga conducted mapping, stream sediment and rockchip sampling with no significant results. No further work is mentioned. (WAMEX Report A023525)

Dominion Mining Limited (**Dominion**) explored their Cement Creek Project from 1989 through to 1992.The southern half of Dominion's Cement Creek Project coincides with the northern half of E39/1641. Exploration activities during the first year included acquisition and interpretation of geophysical survey data, soil sampling and RAB drilling over an aeromagnetic anomaly. During the second year focus shifted from gold to nickel. Lag sampling was conducted (369 samples). There was a single spot Au anomaly of 89ppb (against background levels of 1-2 ppb Au), and "widespread Ni anomalism" was reported. A single RC hole was drilled (CRC01, 57m deep) for metallurgical Ni ore samples. This drillhole is located north of E39/1641, just north of Central Bore. Samples returned "anomalous REE values" and "encouraging results" for nickel (WAMEX Reports A034205 and A036896)

Wythenshawe Pty Ltd held a tenement area from Mt Redcastle to Mt Kowtah, covering the majority of E39/1641 during 1990. The area was considered to be prospective for base metals due to the close proximity of the Murrin Murrin and Eulaminna deposits. It was also considered prospective for gold due to the possibility of dilatational zones within the rock sequences peripheral to the major granite domes of the area, and the tenement's close proximity to the Mt Morgan deposit. Exploration activities included soil sampling and the results of this, although described as "anomalous", were considered to be disappointing by the Company and the tenement area was therefore relinquished. (WAMEX Report A031579)

BHP Minerals Limited (**BHP**) explored their 14 Mile Well tenement package during 1993 to 1994. The 14 Mile Well tenement package was located directly southeast of E39/1461, overlapping with its southeastern corner. BHP considered the 14 Mile Well tenements to be highly prospective for a "large gold deposit". They quote several large bedrock Au anomalies found by earlier RAB drilling. The anomalies were considered to be related to magnetic lineaments in greenstones or granite contacts. BHP mentions that the depth to fresh rock is from 60-80m. BHP noticed during drilling that the best anomalies were found within saprock and lower saprolite, with no anomalism in the residual laterite. It was concluded that almost all

of the residual laterite seen in the area was in fact lateritised transported material, up to 12m thick. Further RAB drilling of Au anomalies was recommended. (WAMEX Report A040964)

Normandy Exploration Limited (**Normandy**) explored their Redcastle tenement package from 1993 to 1995. The northern third of Normandy's Redcastle tenement package overlaps the southern portion of E39/1641. Normandy reported several large gold anomalies within the area from four phases of geochemical sampling. Two phases of RAB drilling were also conducted, testing both geochemical and structural targets. Regolith mapping and geophysics interpretation was also conducted.

Normandy make a note of the fact that there is up to 19m of lateritic and transported material intersected before reaching in-situ weathered profiles above weathered mafic volcanics. Although anomalies were found in the laterite profile, only one coincided with anomalous weathered bedrock (coinciding with quartz veining within basalt). High water flow was encountered in all holes at the base of weathering, effectively forcing holes to be abandoned at this depth. Although the results were considered to be only weakly anomalous, follow-up RC drilling was recommended. More encouraging results were found in granite to the south (outside of the E39/1641 area). During 1995, a total of 14 RC holes for 525m were drilled. Following the drilling, it was concluded that the tenement package should be surrendered. (WAMEX Report A45260)

Central Kalgoorlie Gold Mines NL (**CKGM**) explored their Central Bore Project (E39/0439) for gold during 1994. Previously the ground was under the terms of an option agreement with Anaconda Nickel NL ("Anaconda") which had since lapsed. Anaconda had adjoining tenements to the west in which they were evaluated lateritic nickel resources. Anaconda's exploration was focused on the nickel potential of the ground. This tenement area coincides with the northern third of E39/1641 - most significantly, their drilling for Ni may have been within the boundaries of E39/1641. Drillholes located and resampled within the report are the ones drilled by Australian Selection previously. (WAMEX Report A045427)

Minair Exploration Pty Ltd (**Minair**) held a small tenement (P39/3655) within the boundaries of E39/1641. Minair held the tenement from 1996 to 1999. Work conducted within the tenement area during the first reporting year consisted of 43 soil samples, there are no assays reported. Exploration activities reported during the second reporting year included metal detecting and mapping. (WAMEX Reports A053800 and A057518)

Central Bore NL (**Central Bore**) held a large package of prospecting licenses over the 14 Mile Well area (acquired from BHP) during 1997-1998. Exploration activities included flying a low-level aeromagnetic survey. Determination of lithological units from the survey data was difficult due to the little magnetic contrast between basalts and dolerites. Central Bore planned to follow up seven BHP gold anomalies with 120m deep RC holes. During the second reporting year, Central Bore conducted rock chip sampling; 2,675m of RAB drilling and 2,045m of RC drilling. Leases were added to the tenement package, but further reports of exploration activity have not been found. (WAMEX Report A055624)

Kirsten Anne Sellars (**Sellars**) held a tenement in the Toomey Hill area, apparently located within the northern half of E39/1641 from 2000 to 2004. During the first reporting year, 11 RC holes for 329m were drilled to an average depth of 30m, with significant anomalous nickel mineralisation (≥0.8% Ni) encountered in 9 of the 11 drillholes, between the upper ferruginous zone and the lower saprolite zone of lateritised ultramafics (refer Appendix A). Further infill and extended drilling to the south was recommended with the stated aim of delineating a resource.

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Nine (9) RC holes for 218m were drilled to the south of the mineralised zone with successful results (mineralisation ≥0.8% Ni present in seven holes) detailed in Appendix A. Massive magnesite was intersected in several holes, suggesting the presence of a sheeted magnesite deposit proximal to lateritic nickel mineralisation. As high magnesium (Mg) values were intersected in some holes any drill samples with >12% Mg were not included in future resource estimations as magnesium is a penalty element in pressure acid leach (PAL) processing circuitry, nor are they included in any intersections quoted in Appendix A.

An Inferred Mineral Resource was estimated for the deposit based on the 1999 Edition of the JORC Code but following the completion of drilling and resource calculation a significant survey error was detected. It was discovered that several of the holes drilled were located using Australian Map Grid 1984 (AMG84) instead of Map Grid of Australia 1994 (MGA94) coordinates - putting them within another company's mining lease to the north. This error meant that the Mineral Resource was withdrawn and not re-stated subsequently. This Resource, and the drilling information which led to its estimation, has not been reviewed as part of this Report, is not compliant with the 2012 Edition of the JORC Code and accordingly it is not presented here. Review of this data may or may not lead to the estimation of a new Inferred Mineral Resource and it would be expected that Celsius would need to carry out its own drilling before being able to estimate a Mineral Resource as defined by the JORC Code in this area (WAMEX Reports A062278, A064979 and A068569)

2.4.3 Celsius Exploration

Exploration by Celsius has comprised desktop review and targeting. Celsius completed a data compilation of all open file data into a single GIS dataset. Initial review focused on the potential of the tenements to host nickel mineralisation. This was then broadened based on review of results from other historical exploration, specifically gold-silver results within E39/1641.

Celsius also completed a first pass interpretation of available aeromagnetic data, which for the tenements in question was regional scale aeromagnetic data sourced from the GSWA. Regional scale radiometric and gravity data was also reviewed.

A summary of the conclusions of the review was as follows:

- Gold exploration within E39/1684 has been reasonably systematic. However no conclusions can be drawn as to whether the anomalies detected in surface geochemistry have been adequately tested as no clear mineralisation or geological model has been developed for these prospects based on data from drilling and surface surveys. As outlined in Section 2.4.1 a number of significant intersections have been returned from the *Silgo Creek* group of prospects and, while no substantial mineralisation has been defined to date, the Company feels the area remains prospective
- Exploration for nickel mineralisation (sulphide and laterite) has focussed on the ultramafic units within E39/1684. However exploration has solely used geochemical methods (surface surveys, shallow drilling) and no geophysical surveys, specifically electromagnetic (EM) surveys, have been carried out. In addition no nickel analyses were completed for surface geochemical surveys save a soil geochemical survey covering 4.5km^2 within E39/1684. There are a number of gabbroic units mapped within both tenements which may be prospective for "Type II" nickel sulphide mineralisation.

While the work summarised in Section 2.4.1 successfully identified a number of targets that are prospective for gold and nickel sulphide mineralisation the Company believes that no immediate targets are available for drill testing. This conclusion was reached based on a number of factors:

- The absence of a detailed geological framework for the tenement areas, and the lack of detailed datasets (aeromagnetics, bottom of hole petrology) to create one from
- Inconsistency in surface sampling methods (lag, soil, vacuum, auger) as well as analysis methods
- The presence of recent cover at surface acting to mask potential anomalism in surveys

The company feels that it needs to undertake further exploration to delineate drill targets as outlined in section 2.6 below.

2.5 Exploration Potential

Celsius consider their Abednegno Project to be prospective for nickel laterite and nickel sulphide mineralisation, as well as having potential for gold, copper, cobalt and zinc mineralisation as demonstrated by previous exploration companies.

Nickel sulphide exploration in the Eastern Goldfields has historically focused on Type IA (Lesher, 1989) or "Kambalda-style" deposits – stratiform massive sulphide deposits located at the base of komatiitic flows. The other prevalent deposit style (Type II) are dunite intrusion-hosted deposits which are separated into massive sulphide deposits within the intrusion (e.g. Cosmos, Silver Swan, Forrestania) or larger bodies with disseminated sulphides (Mt Keith, Black Swan). Exploration for this deposit style has evolved over the years with the discovery of the massive sulphide hosted deposits such as Cosmos and Silver Swan

The Company's two tenements are adjacent to the Glencore Murrin Murrin Nickel Cobalt mine as well as being circa to GME's NiWest operation, situated 20km to the southwest. The geological framework is similar to these operations, and, in addition, the potential may exist to define sulphide mineralisation in appropriate rock types. Prospective greenstones are known from the adjacent areas and within the tenements which warrant further examination.

Operations at Glencore's Murrin Murrin Nickel Cobalt mining and refining project commenced in 1999 and are based on the mining and processing of laterite ore. Conventional open pit mining techniques are used, followed by ore processing comprising pressure acid leaching, mixed sulphide precipitation, cobalt refining and nickel refining. The production process also produces ammonium sulphate as a by-product, which is sold to the Western Australian fertiliser market.

GME, through its subsidiary NiWest Limited, own 100% of the NiWest Nickel Laterite Project. The NiWest Nickel Laterite Project comprises six separate tenement groups and covers in excess of 500 square kilometres hosting laterised ultramafic structures. The NiWest Nickel Laterite Project contains a Mineral Resource which is detailed in GME's releases to the ASX and other public statements, along with appropriate supporting information. GME also completed a pre-feasibility study (PFS), which demonstrated the viability of a heap leach concept.

The Development options for the project have focused on metallurgical test programs for establishing a Heap Leaching (HL) operation as an alternative to the more complex High Pressure Acid Leach (HPAL) plant. HL is considered to be less expensive from a capital and operating cost perspective. A number of engineering studies centred on a Heap Leach (HL) operation have been completed and are in progress in order to evaluate optimum production rates and processing flowsheets and arrive at the most economically viable development option.

In September 2015, the Company made the decision to defer the remainder of metallurgical program before work commenced the continuous piloting stage (GME Resources Ltd, 2016).

The Mineral Resources and other results provided above are conceptual in nature and do not necessarily infer any form of exploration success and there is no guarantee that a Mineral Resource will be delineated by exploration in this area.

2.6 Abednegno Proposed Exploration and Budget

Celsius has proposed an exploration program and budget to advance the Abednegno Hill Project.

The exploration strategy is primarily aimed at nickel sulphide mineralisation, and uses geophysical techniques previously unused within the project area. It is felt that adequate geochemical data can be sourced from compilation and validation of the historical exploration work.

There have been substantial advances in geophysical techniques under cover in recent years, partly due to exploration in terranes such as the Fraser Range and West Musgraves. These techniques and processing have not been applied to the Abednegno Hill Project.

The work proposed comprises:

- field check of historical mapping including reconnaissance to verify the location of historical drillhole collars;
- acquisition and interpretation of high resolution aeromagnetic data to enable improved geological interpretation, specifically around the location of ultramafic units;
- ground gravity surveys and inversion modelling to define denser bodies both within the ultramafic unit and potentially thin, unmapped ultramafic units;
- ground EM surveys over targets delineated by the above; and
- diamond core drilling to test any conductors defined by the EM survey

In addition:

- aircore or reverse circulation drilling of the area to the south of the Sellars' Nickel Resource will be carried out to ascertain if mineralisation extends into E39/1641; and
- aircore / RAB and reverse circulation drilling will be carried out on targets identified to have the potential to host gold mineralisation.

A budget of $890,000 is proposed which will exceed the minimum statutory expenditure requirements of the tenements. The proposed expenditure for the area is presented below.

Table 2: Proposed exploration expenditure for the Abednegno Project

ACTIVITY	**TOTAL $000s**
Field reconnaissance and mapping including planning and interpretation	25
Aeromagnetic survey including planning and interpretation	65
Gravity survey including planning and interpretation	225
Electromagnetic survey including planning and interpretation	165
Drilling – RAB / Aircore including planning and supervision	95
Drilling to test conductors including planning and supervision	215
Assess acquisition opportunities adjacent to / complementary with project	100
TOTAL	**890**

3.0 CARNILYA HILL JOINT VENTURE

3.1 Introduction

The Carnilya Hill Joint Venture is located approximately 25km northeast of the township of Kambalda and approximately 40 kilometres south of Kalgoorlie in the Eastern Goldfields of Western Australia, on the Widgiemooltha (SH51-14) 1:250,000 map sheet and the Lake Lefroy (3235) 1:100,000 map sheet.

Celsius (through View Nickel Pty Ltd) owns a 30% joint venture interest in the Carnilya Hill Joint Venture in Western Australia with Mincor Resources NL (**Joint Venture**, **JV**). Mincor Resources NL (**Mincor**, ASX:MCR) is the operator of the Carnilya Hill JV.

The Carnilya Hill site is currently on care and maintenance. The Joint Venture incurs nominal running costs to ensure the site is kept secure, safe and well maintained.

3.2 Location, Access and Tenure

The Carnilya Hill Joint Venture is located approximately 25km northeast of the township of Kambalda and approximately 40 kilometres south of Kalgoorlie in the Eastern Goldfields of Western Australia (Figure 1). The Project can be accessed via the Mine Access Road from Kambalda.

The Carnilya Hill Joint Venture comprises one (1) Miscellaneous Licence, L26/0241, and four (4) Mining Leases, M26/0047, M26/0048, M26/0049 and M26/0453. The tenements cover an area totalling 2,344 hectares. All tenements are held by View Nickel Pty Ltd, a wholly owned subsidiary of Celsius.

Mincor Resources NL reached an agreement with Celsius (then View Resources Ltd) to earn a 70% interest in View's Carnilya Hill and associated tenements, which commenced on the 1st March 2006. Mincor successfully earned a 70% stake in the Joint Venture and are now managers of the project.

Table 3: Tenement Details for the Carnilya Hill Joint Venture

Licence	Grant Date	Expiry Date	Expenditure	Area Ha
L26/0241	10th August 2007	9th August 2028	$0	134
M26/0047	31st May 1984	30th May 2026	$62,800	628
M26/0048	31st May 1984	30th May 2026	$48,300	483
M26/0049	31st May 1984	30th May 2026	$98,900	989
M26/0453	15th December 1994	14th December 2036	$11,000	110

3.3 Geology and Nickel Mineralisation

The Carnilya Hill Project is located in the Golden Ridge – Carnilya Hill Belt, an east-west trending sliver of greenstones within the Norseman-Wiluna Greenstone Belt which runs along the margin of the Kambalda Dome. Intrusion of the Kambalda Dome has likely led to the dislocation of the Golden-Ridge-Carnilya Hill Belt from the thicker north-south trending found on the western margin of the dome at Kambalda. However the lithologies in the two belts are similar with a basaltic pile overlain by komatiite flows. The Carnilya Hill Project covers the eastern closure of the Carnilya Syncline. A simplified geology map is shown in Figure 2.

The Carnilya Hill Deposit is a typical "Type IA" (Lesher, 1989) or "Kambalda-style" nickel sulphide deposit – stratiform massive sulphide deposit located at the base of komatiitic flows. The Carnilya Hill Deposit comprises massive mineralisation within an up to 20 m thick low Mg amphibole-chlorite altered picrite and pyroxenite unit which underlies across a sharp contact, un-mineralised, high-Mg talc-chlorite altered komatiitic olivine cumulate.

Nickel mineralisation has been intersected in drilling at the Carnilya West and Carnilya East Prospects (within the same komatiite flow which hosts the Carnilya Hill Deposit). Other known deposits are the Zone 29 Deposit (where 2,000 tonnes of nickel has been previously mined) and the Dunlop and Michigan Prospects. Exploration is ongoing on the JV area and is managed by Mincor as the operator of the JV.

The ore body at Carnilya Hill was discovered in 1974 and was originally mined from 1980 as a joint venture between BHP and WMC. Known ore reserves were exhausted in 1999 and the mine was closed for the first time. However, View Resources Ltd carried out limited mining activity at Carnilya Hill between 2004 and 2005. The modern day Carnilya Hill ore body was discovered by Mincor in 2006 and mining commenced in early 2008. A total of 339,849 tonnes of ore at 3.18% nickel was produced between 2008 and 2012, at a life-of-mine average cash cost of $4.96/lb of payable nickel (including royalties).

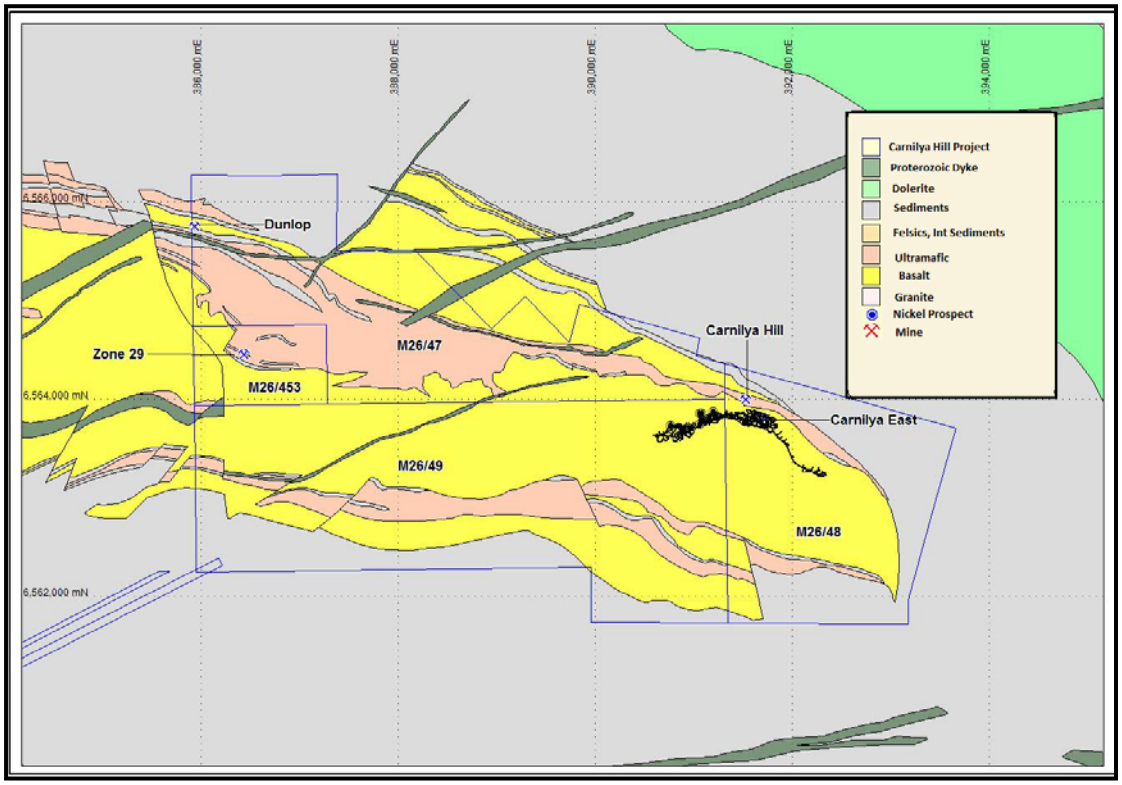

Figure 2:Carnilya Hill Regional Geology and Exploration Prospects

3.4 Carnilya Hill Reserves and Resources

As at 30 June 2016, the remnant Mineral Resource for the Carnilya Hill Joint Venture (as reported by Mincor) is as set out in the table below:

		Mineral resources		
		Measured	Indicated	Total
Ore	Tonnes	47,000	57,000	104,000
Nickel	%	3.6	2.2	2.8

As at 30 June 2016, the Mineral Resource for the Carnilya Hill Joint Venture (as reported by Mincor) attributable to the Company's 30% interest (i.e. 30% of the total Carnilya Hill Mineral Resource) is as set out in the table below:

		Mineral resources		
		Measured	Indicated	Total
Ore	Tonnes	14,000	17,000	31,000
Nickel	%	3.6	2.2	2.8

The information above relating to Mineral Resources is taken from the Mincor Resources NL 2016 Annual Report as released to the ASX on 23 September 2016, where further information relevant to these Mineral Resources including that prescribed in the JORC Code is detailed.

The Carnilya Hill site is currently on care and maintenance. The Joint Venture incurs nominal running costs to ensure the site is kept secure, safe and well maintained. Celsius does not propose to incur any expenditure in relation to its 30% interest in the Carnilya Hill joint venture as that asset contains what the Board views as a "remnant resource" and as such, the Company's current 30% holding in the venture is likely to be diluted by a fraction of a percentage each year. If the nickel price were to adjust favourably, the Company will reconsider its position in relation to Carnilya Hill expenditure.

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A001306: Australian Selection Pty Ltd, 1967
A001308: Australian Selection Pty Ltd, 1968
A002715: Northern Selcast Pty Ltd, 1971
A003746: Northern Selcast Pty Ltd, 1972
A005747: Northern Selcast Pty Ltd, 1975
A012396: BHP Minerals Limited, 1983
A019627: Bass Strait Oil and Gas (Holdings) NL, 1987
A023525: Miralga Mining NL, 1987
A031579: Wythenshawe Pty Ltd, 1990
A034205: Dominion Mining Limited, 1989
A036896: Dominion Mining Limited, 1992
A039981: CRA Exploration Pty Limited, 1993
A040964: BHP Minerals Limited, 1994
A043728: CRA Exploration Pty Limited, 1994
A045260: Normandy Exploration Limited, 1994
A045427: Central Kalgoorlie Gold Mines NL, 1994
A047948: CRA Exploration Pty Limited, 1995
A048104: Normandy Exploration Limited, 1995

A049795: CRA Exploration Pty Limited, 1996
A053800: Minair Exploration Pty Ltd, 1996
A055624: Central Bore NL, 1998
A057240: Marymia Exploration NL, 1998
A057518: Minair Exploration Pty Ltd, 1999
A059577: Marymia Exploration NL, 1999
A060943: Central Bore NL, 1997
A061724: Delta Gold Limited, 2001
A062278: Kirsten Anne Sellars, 2001
A063658: Delta Gold Limited, 2001
A064979: Kirsten Anne Sellars, 2002
A068569: Kirsten Anne Sellars, 2005

5.0 Glossary of technical terms and abbreviations

Aeolian Relating to wind-formed surficial deposits, typically composed of fine sand and sediment.

Aeromagnetics Airborne measurement of the earth's magnetic field for the purpose of recording magnetic characteristics of rocks.

Ag Chemical symbol for silver**.**

Aircore Drilling (AC) Rotary drilling technique employed to drill in poorly consolidation rocks, where the sample is returned to the surface inside the drill rods under the influence of applied air pressure.

Alluvium A general term for unconsolidated material deposited during comparatively recent geological time by a stream or other form of running water.

Alteration halo Zone of chemical alteration surrounding mineralisation. May be used as a 'pathfinder' to the primary mineralisation.

Amphibolite A metamorphic rock composed mainly of amphibole, a family of minerals in which the silica molecules are bound together in parallel chains.

Anomalous Having statistically significantly higher or lower values than the norm.

Anomaly A portion of an area surveyed that is different in appearance from the area surveyed in general or containing higher or lower values than considered normal.

Archean The oldest rocks of the Earth's crust – older than 2,400 million years.

As Chemical symbol for arsenic**.**

Assay An examination of a sample to determine by measurement certain of its ingredients.

Au Chemical symbol for gold**.**

Auriferous Containing gold.

Banded Iron Formation Iron formation that shows marked banding, generally of iron-rich minerals and chert or fine-grained quartz.

Basalt A fine-grained, dark igneous rock, generally extrusive, composed of half feldspar and half mafic materials.

Basement The igneous or metamorphic rock that exist below the oldest sedimentary cover. In some areas such as shields the basement rocks may be exposed at surface

Basic A descriptive term applied to igneous rocks (basalt and gabbro) with silica (SiO_2) between 44% and 52%.

BIF Banded Iron Formation.

BLEG Bulk Leach Extractable Gold dissolution assaying technique

Breccia A coarse-grained clastic rock composed of angular broken rock fragments held together by a mineral cement or in a fine-grained matrix.

Calcrete A surficial form of carbonate, usually formed during weathering processes.

Caldera The Spanish word for cauldron, a basin-shaped volcanic depression; by definition, at least a mile in diameter. Such large depressions are typically formed by the subsidence of volcanoes.

Carbonate Rock of sedimentary or hydrothermal origin, composed primarily of CO3

Chert A hard, extremely dense or compact, dull to semi-vitreous, microcrystalline or cryptocrystalline rock consisting of interlocking crystals of quartz less than about 30 microns in diameter.

Chlorite A dark replacement mineral related to mica.

Clastic Sediments derived from erosion of pre-existing rocks.

Country Rocks The rock intruded by and surrounding an igneous intrusion.

Craton A craton is an old and stable part of the continental crust that has survived the merging and splitting of continents and supercontinents for at least 500 million years.

Cu Chemical symbol for copper

Deformation Process by which rocks are folded or faulted.

Deposition The precipitation of mineral matter from solution.

Diamond (Core) Drilling The most expensive method of drilling. It is designed for resource exploration drilling, its main benefit being that it provides core of the strata for accurate assessments and gives the most accurate indication of depth from which the sample is derived.

Disseminated Mineral grains scattered throughout host rock.

Dolerite A medium-grained mafic intrusive rock composed mainly of pyroxene and plagioclase; crystalline basalt.

Dyke A tabular igneous intrusion cutting across the bedding or other planar structures in the country rocks.

Electromagnetic Survey Traverses carried out along equally spaced lines that input an electrical field to the ground, and measure the changes in the earth's magnetic field at different times after the application of the electrical field.

EM Electromagnetic – a geophysical technique whereby transmitted electromagnetic fields are used to energise and detect conductive material beneath the earth's surface

Exploration Projecting, sampling, mapping, drilling and other work involved in the search for mineralisation.

Fault A fracture in rock along which there has been relative displacement of the two sides either vertically or horizontally; this may provide a channel for the passage of mineral-bearing solutions.

Fe Chemical symbol for iron**.**

Felsic Descriptive of light-coloured, fine-grained igneous rock containing an abundance of mineral feldspar (generally potassium-rich) and quartz but with a very low content of mafic minerals.

Ferruginous Pertaining to or containing iron; red-coloured rocks in which the iron content has been oxidised.

Fluvial Produced by the action of flowing water.

Formation A body of rock identified by lithic characteristics and stratigraphic position and is mappable at the earth's surface or traceable in the subsurface.

Gabbro Coarse-grained, dark igneous rock of similar composition to basic volcanics.

Geochemical anomaly A concentration of one or more elements in rock, soil, water or vegetation that differs significantly from the normal concentration.

Geochemical surveys The application of methods and techniques of geochemistry, such as soil and rock sampling, in the search for minerals.

Geophysical survey The exploration of an area in which physical properties (for example, resistivity, conductivity, magnetic properties) unique to the rocks in the area are quantitatively measured by one or more geophysical methods.

Grade Quantity or gold or other metal per unit weight of host rock or sample.

Granite Coarse-grained igneous crystalline rock with a high silica content.

Granitoid Pertaining to or composed of granite.

Greenstone Term for any fine-grained mafic igneous rock.

Grid Systematic array of points or lines along which field observations are made.

Ground magnetics Ground based measurement of the earth's magnetic field for the purpose of recording magnetic characteristics of rocks.

Ha Abbreviation for hectare**.**

Hematite An iron oxide mineral with the general formula alpha Fe2O3

Hg Symbol for the chemical element mercury.

Host rock Rock containing mineralisation.

Igneous Formed by solidification from the molten state.

Induced Polarization (IP) The production of a double layer of charge at a mineral interface, or production of charges in double-layer density of charge, brought about by application of an electric or magnetic field.

Intermediate A descriptive term applied to igneous rocks that are transitional between basic and acidic with silica (SiO_2) between 54% and 65%.

Intrusion The process of emplacement of magma in pre-existing rock. Also, the term refers to igneous rock mass so formed within the surrounding rock.

Laterite Iron-rich residual surface rock capping formed by weathering in tropical conditions.

Ma A symbol for millions of years before the present time.

Mafic Referring to igneous rocks composed dominantly of iron and magnesium minerals.

Magma Naturally occurring molten and mobile rock material, generated within the Earth and capable of intrusion or extrusion, from which igneous rocks are thought to have been derived through solidification and related processes.

Magnetic anomaly magnetic values above or below the norm for a particular rock.

Magnetite A mineral; magnetic oxide of iron.

Massive sulphide Sulphide mineralisation where a large number of sulphide grains are in contact with each other.

Metamorphism The mineralogical, chemical and structural adjustment of solid rocks to physical and chemical conditions which have generally been imposed at depth under increased temperature and pressure below the surface zones of weathering, and which differ from the conditions under which the rocks in question originated.

Metamorphic Alteration and re-crystallisation or rocks because of heating or application of pressure or both.

Metabasalt Partly metamorphosed basalt rocks.

Mg Chemical symbol for magnesium**.**

Mineralisation The concentration of metals and their chemical compounds within a body of rock.

Mn Chemical symbol for manganese**.**

Mo Chemical symbol for molybdenum**.**

Monzogranite The name of a subdivision of granite rocks.

Ni Chemical symbol for nickel

Nickel Silvery-white metal used in alloys.

Ounce Troy ounce equivalent to 31.10348g**.**

Outcrop An exposure of bedrock at the surface, projecting through the overlying soil cover.

Oxidised Near-surface decomposition by exposure to the atmosphere and groundwater.

PGE Platinum Group Element (e.g. platinum, palladium, etc.)

Pb Chemical symbol for lead**.**

Percussion drilling A method of drilling which utilises a hammering action under rotation to penetrate rock while the cuttings are forced to the surface by compressed air returning outside the drill rods.

PreCambrian All geologic time from the beginning of Earth history to 545 million years ago.

Project An area including a group of tenements that constitute a logical working unit.

Proterozoic A geological period of time from 2500 Ma – 545 Ma.

Prospect Any mine workings not yet valued; an area to be examined geophysically for minerals, and an area confirmed by geophysical and geological studies to the degree that it can now be tested.

Pyrite Magnetic iron sulphide mineral.

Pyroxene A dark silicate mineral common in mafic rocks

Pyrrhotite Magnetic iron sulphide mineral.

Quartz A very common mineral composed of silica.

REE Rare Earth Elements

Regolith All the material at the earth's surface that lies above fresh, unweathered rocks.

RAB drilling Rotary air blast drilling, a technique whereby the cuttings are returned to the surface outside the drill stem by compressed air and are thus liable to contamination from the wall rocks.

RC drilling Reverse circulation drilling, a technique in which the cuttings are recovered through the drill rods, thereby minimising sample losses and contamination.

Regolith Weathered portion of the land surface down to bedrock.

Sampling Taking small pieces of rock at intervals along exposed mineralisation for assay (to determine the mineral content).

Schist Type of fine-grained metamorphic rock with a laminated fabric similar to slate.

Sediment Formed by the deposition of solid fragmental or chemical material that originates from the weathering of rocks.

Sedimentary Basin A low area in the earths crust, of tectonic origin, in which sediments have accumulated.

Shear A fracture in rock that is similar to a fault; zone in which rocks have been deformed by lateral movement along innumerable parallel planes.

Silicified Referring to rocks in which a significant proportion of the original constituent minerals have been replaced by silica.

Sill Intrusive igneous rock horizontally or sub-horizontally emplaced.

Sn Chemical symbol for tin**.**

Stratigraphic Pertaining to the composition, sequence and correlation of stratified rocks.

Stratigraphy The study of stratified rocks, especially their age, correlation and character.

Structure The sum total of the structural features of an area.

Sulphides Minerals comprising a chemical combination of sulphur and metals.

Tenement Area of land defined by a government authority over which an applicant may conduct exploration or mining activity, aka 'Mineral Property'. eg Mining Lease or Prospecting Licence.

Thrust fault A fault with a dip of 45 degrees or less over much of its extent with overriding movement of one crustal unit over another.

Ti Chemical symbol for titanium**.**

U Chemical symbol for uranium**.**

Ultramafic Referring to an igneous rock composed essentially of dark-coloured iron and magnesium minerals.

Unconformity A substantial break or gap in the geologic record where a rock unit is overlain by another that is not next in stratigraphic succession, such as an interruption in the continuity of a depositional sequence of sedimentary rocks or a break between eroded igneous rocks and younger sedimentary strata.

Vein A narrow, dyke-like intrusion of mineral traversing a rock mass of different material.

VMS Volcanogenic Massive Sulphide

Volcanic Class of igneous rocks that have flowed out or have been ejected at or near the Earth's surface, as from a volcano.

VTEM Versatile Time-Domain Electromagnetic survey, used to detect conductive substances at shallow depths in the Earth's crust.

W Chemical symbol for tungsten**.**

Weathering The set of all processes that decay and break up bedrock by physical fracturing or chemical decomposition.

Zn Chemical symbol for zinc**.**

ANNEXURE A:

Significant Intercepts at the Abednegno Project

Table 1: Significant intersections (≥ 0.3 g/t Au) from CRAE RAB drilling.

Hole	East	North	Hole Depth	From	To	Au	BOH
95SCR011	379639	6812701	26	25	26	0.42	Yes
95SCR020	379193	6813106	44	40	43	0.42	
95SCR024	379393	6813104	29	16	20	0.31	
			and	20	24	0.37	
95SCR032	379419	6810704	32	24	28	0.38	
95SCR044	379835	6812299	31	20	24	0.31	
95SCR055	379609	6814702	48	44	47	**1.54**	
			and	47	48	**2.98**	Yes
95SCR059	379809	6814700	58	20	24	0.59	
			and	28	32	**11.2**	
95SCR060	379859	6814699	46	45	46	0.34	Yes
95SCR095	379834	6814699	62	61	62	**1.05**	Yes
95SCR100	379710	6814801	52	48	51	0.4	
			and	51	52	**1.41**	Yes
95SCR116	379808	6814675	59	12	16	0.57	
95SCR124	379807	6814500	31	20	24	0.33	
95SCR135	379808	6814600	46	44	45	0.36	
96SCR153	380086	6813778	28	20	24	0.34	
				27	28	0.41	Yes
96SCR157	379988	6813880	32	31	32	0.32	Yes
96SCR159	380088	6813878	34	33	34	0.66	Yes
96SCR192	379534	6813691	56	0	4	0.76	
96SCR196	380283	6813673	33	32	33	0.3	Yes

NB. No other results ≥0.3g/t Au were returned.
Assays are down hole intersections, the true width of the mineralisation intersected is not known.
Samples were collected at one metre intervals and composited to four metres for assaying.
Fire Assay 50g charge, AAS finish,
All analysis work completed at Australian Laboratory Services.

Table 2: Significant intersections (≥ 0.5g/t Au) from Delta Gold RC and RAB drilling.

Hole ID	AMG North	AMG East	From (m)	To (m)	Interval (m)	Grade (g/t Au)
MRA16	6813670	380350	17	18	1	1.0
MRC64	6813980	379698	36	40	4	0.5

NB. No other results ≥0.5g/t Au were returned.
Assays are down hole intersections, the true width of the mineralisation intersected is not known.
All RC and RAB samples were collected at one metre intervals and composited to four metres for assaying. If the four metre sample either returned assays ≥100ppb Au, the interval was considered geologically interesting or returned elevated arsenic values, the corresponding single metre sample was collected.
Aqua Regia, 50g charge, AAS finish, detection limit of 1ppb for composites.

Fire Assay, 50g charge, AAS finish, detection limit of 0.1ppm Au for single samples.
All analysis work completed at Genalysis Laboratory Services, Kalgoorlie.

Table 3: Significant intersections (≥ 0.8% Ni) from drilling completed by Kirsten Anne Sellars during 2000 to 2004.

Hole ID	AMG North	AMG East	Hole Depth	From (m)	To (m)	Interval (m)	Grade (% Ni)
TH 1	6813000	391300	48	6	24	18	0.98
TH 2	6813000	391400	48	8	26	18	1.13
TH 3	6813000	391500	24	6	18	12	1.18
TH 4	6813000	391600	24	12	22	10	1.11
TH 7	6813200	391500	48	4	24	20	1.11
TH 8	6813200	391600	24	0	8	8	1.31
TH 9	6813200	391700	24	8	20	12	1.57
TH 10	6813200	391800	24	8	16	8	2.12
TH 11	6813200	391900	24	8	20	12	1.03
TH 13	6812800	391500	27	14	22	8	0.98
TH 14	6812800	391400	26	10	18	8	1.15
TH 15	6812800	391300	26	12	20	8	1.15
TH 16	6813000	381700	24	14	20	6	1.19
TH 17	6813000	391800	26	10	18	8	0.93
TH 18	6813000	391900	17	12	14	2	1.06
TH 20	6813200	392100	21	12	16	4	1.11

NB. No other results ≥0.8% Ni were returned.
Assays are down hole intersections, the true width of the mineralisation intersected is not known.
Intersections containing high magnesium (>12% Mg) are not included in any intersections.
Drillholes TH 5 and TH 6 were not submitted for analysis, deemed initially to have insufficient laterite development.
All RC samples were riffle split into either 2m or 4 m samples.
Four Acid Digest, ICPOES finish, detection limit of 0.001%.
All analysis work completed at Ultra Trace Laboratories, Canning Vale.

ANNEXURE B:

The following Tables are provided to ensure compliance with the JORC Code (2012) edition requirements for the reporting of the Exploration Results at the Abednegno Project.

Section 1: Sampling Techniques and Data (Criteria in this section apply to all succeeding sections)

Criteria	JORC Code explanation	Commentary
Sampling techniques	*Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.*	Historical work at the Abednegno Project has been completed by CRA Exploration Pty Ltd (CRAE), Marymia Exploration NL (Marymia), Delta Gold Ltd (Delta Gold), Australian Selection Pty Ltd (Australian Selection), Northern Selcast Pty Ltd (Northern Selcast), BHP Minerals Limited (BHP), Bass Strait Oil and Gas (Holdings) NL (Bass Strait), Miralga Mining NL (Miralga), Dominion Mining Limited (Dominion), Wythenshawe Pty Ltd, Normandy Exploration Limited (Normandy), Central Kalgoorlie Gold Mines NL (CKGM), Minair Exploration Pty Ltd (Minair), Central Bore NL (Central Bore) and Kirsten Anne Sellars (Sellars). Main exploration activities included a combination of surface geochemical sampling (lag and soil) and several drilling methods. Drilling methods included Diamond Drilling (DD), Reverse Circulation (RC), Rotary Air Blast (RAB), Vacuum and Auger. <u>SURFACE GEOCHEMICAL SAMPLING</u> <u>E39/1641</u> • Australian Selection completed soil sampling during 1968. • Northern Selcast completed soil sampling during 1971-1975. • Bass Strait completed rock chip sampling during 1987 of quartz veins in the area of Central Bore. • Miralga completed stream sediment and rock chip sampling during 1987. • Dominion completed soil sampling and lag sampling (369 samples) during 1989-1992. • Wythenshawe completed soil sampling during 1990. • Normandy completed four phases of soil sampling during 1993-1995. • Minair completed soil sampling during 1996, however no assays were reported. • Central Bore conducted rock chip sampling during 1997-1998. <u>E39/1684</u> • CRAE completed regolith sampling on a 500m x 2000m grid for a total of 42 samples. <u>DRILLING PROGRAMS</u> <u>E39/1641</u> • Australian Selection completed 21 DD drillholes for 3,592m. • Northern Selcast completed 5 DD drillholes during 1970 and 12 RC drillholes during 1972 at the *WMA* Prospect. 8 percussion drillholes and 14 DD drillholes were completed during 1969 north of Central Bore. • Dominion completed RAB drilling over an aeromagnetic anomaly and a single RC drillhole for 57m for metallurgical nickel ore samples. • Normandy completed two phases of RAB drilling during 1993-1995. During 1995 14 RC drillholes

Criteria	JORC Code explanation	Commentary
		for 525m were drilled. • Central Bore completed 2,675m of RAB drilling and 2,045m of RC drilling during 1997-1998. • Sellars completed 11 RC drillholes for 329m to an average depth of 30m during their first reporting year. 9 RC drillholes for 218m were also drilled to the south of the main mineralised zone. <u>E39/1684</u> • CRAE completed an extensive grid based auger sampling during 1994 (984 samples). 91 RAB drillholes for 2,413m were completed during 1995 on a 400m x 100m spacing, four metre composites were assayed for gold, and one metre bottom-of-hole samples were collected for assaying for a range of other elements. An infill RAB program of 47 drillholes for 2,086m and 58 vertical RAB drillholes for 2,411m at the *Sligo Creek* Prospect were also completed. • Marymia completed vertical RAB drilling (34 drillholes for 913m), composites were analysed for nickel and cobalt and bottom-of-hole samples were analysed for gold, platinum, palladium and copper. • Delta Gold completed 634 vacuum holes for 1,372m during 2000 at a sample spacing of 400 or 500m x 100m with samples collected at the interface between transported and insitu material. A minor follow up program was completed in 2001.86 RAB holes for 3,598m were drilled at *Sligo*, *M6* and *Gabe* Prospects during 2000 & 2001. 9 RC drillholes for 1,318m were drilled at *Sligo*, samples were analysed for Au and As.
	Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.	Drillhole locations appear to have predominantly been picked up by handheld GPS. Diamond core was sampled from sections deemed mineralised by geological logging. CRAE RAB samples and Delta Gold RAB samples were collected using a sample scoop which is considered appropriate for first pass composite drill samples. Delta Gold RC samples and Sellars RC samples were riffle split into composites, the use of a sample splitter produces representative samples for larger RC samples.
	Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.	Diamond drill core was geologically logged and sample intervals were selected to reflect geological intervals. RC and RAB samples were collected as 1m intervals using riffle splitters. Samples were analysed either as original 1m intervals or as 2m or 4m composite samples. Mineralised and/or anomalous composite samples were re-assayed as 1m intervals. Auger and vacuum holes were drilled vertically. Industry standard practises are presumed to have been used to collect auger and vacuum samples. All of the drill samples were sent to a commercial laboratory for crushing, pulverising and chemical analysis by industry standard practises.
Drilling techniques	*Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic etc) and details (e.g. core diameter, triple of standard tube, depth of diamond tails, face-sampling bit or other type, whether core is orientated and if so, by what method, etc).*	Drilling methods included Diamond Drilling (DD), Reverse Circulation (RC), Rotary Air Blast (RAB), Vacuum and Auger. The historical reports do not specify the sizes of the hammers or core size, nor state if the diamond core was orientated. The absence of the hammer / core size information is not deemed material to the interpretation of the drilling results. The absence of information from oriented core does limit the interpretation of the

Criteria	JORC Code explanation	Commentary
		diamond core results however given the Company does not intend to directly follow up this drilling without other evidence it is not deemed as material.
Drill sample recovery	*Method of recording and assessing core and chip sample recoveries and results assessed.*	No information on the core or chip recovery was recorded in the hardcopy logs contained in historical reports. However, drill core recoveries were stated as being excellent within an Australian Selection report.
	Measures taken to maximise sample recovery and ensure representative nature of the samples.	There is no documentation in the historical reports of the historical drilling practices that were employed to maximise recoveries. The reports make no mention of sample recovery being an issue and therefore the absence of this information is not deemed to be material to ongoing exploration.
	Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	There is no known or reported relationship between sample recovery and grade.
Logging	*Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.*	Diamond core and RC chips have had lithology, mineralogy, alteration, veining and weathering recorded. RAB and aircore chips often have only lithology recorded. Logging is appropriate for this stage of exploration.
	Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.	Logging of chips and diamond core is both qualitative (eg. colour) and quantitative (eg. minerals percentages). No core photography has been located. Various historical reports contain petrography reports.
	The total length and percentage of the relevant intersections logged.	Total lengths and percentages of intersections logged that have been collated from historical reports are as follows: AC – 3,918m logged from a total of 4,221m for 93% RAB – 9,922m logged from a total of 22,947m for 43% RC – 5,589m logged from a total of 5,589m for 100% DD – 100% of core was logged.
Sub-sampling techniques and sample preparation	*If core, whether cut or sawn and whether quarter, half or all core taken.*	Diamond core drilled by Australian Selection was selectively sampled based on geological observations, with full core submitted when sulphides were noted. Diamond core drilled by Northern Selcast was routinely sampled by chipping at 15cm intervals and bulking these samples over 2m. Selective sampling based on geological observations as well as core which showed results from the original chipping method was submitted as half core. The method used to halve the core was not specified and is not deemed material to the interpretation of the results.
	If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.	The sample methodologies for some of the drilling is unknown however it appears that industry best practices were followed and that the samples obtained are considered both representative and appropriate. Sampling methodologies for the programs with significant results which have been tabled in Annexure A are outlined below. For other programs the absence of the sampling methodology is not deemed material given the absence of significant results. <u>Intersections from CRAE RAB drilling</u> The RAB samples were collected at 1m intervals and composited to 4m intervals. In addition, a 1m bottom-of-hole sample was collected.

Criteria	JORC Code explanation	Commentary
		Intersections from Delta Gold RC and RAB drilling Samples were collected at 1m intervals and composited to 4m for assaying. If the 4m sample returned assays ≥100ppb Au the corresponding single metre sample was submitted for assay. Intersections from Sellars RC drilling The RC samples were riffle split into either 2m or 4m composites.
	For all sample types, the nature, quality and appropriateness of the sample preparation technique.	The preparation methods of the drill samples are unknown. However given that reputable commercial laboratories were used in all cases it is reasonable to assume that industry best practises in sample preparation methods would have been followed.
	Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.	Detailed QAQC procedures and data for the historical drilling and geochemical sampling is not available. Duplicate sample collection was not common practice at the time of drilling. No documentation of duplicate collection is recorded. The Competent Person notes that the Company does not propose to follow up any specific drill results in its exploration program without collecting new data to support the results and therefore does not believe the absence of this information to be material.
	Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.	QAQC has been reported to have been routinely conducted throughout historical drilling and geochemical sampling, however methodologies changed over time. A combination of CRM, blanks and field duplicates were submitted and no issues were reported.
	Whether sample sizes are appropriate to the grain size of the material being sampled.	Sample sizes are considered appropriate for the rock type and style of mineralisation.
Quality of assay data and laboratory tests	*The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.*	The analytical methods for some of the drilling and geochemical sampling programs is unknown, however these exploration programs did not return significant results and therefore the absence of this information is not deemed material. The analytic methods for the programs with significant results which have been tabled in Annexure A are outlined below. Intersections from CRAE RAB drilling The RAB samples were collected at 1m intervals and composited to 4m intervals. In addition, a 1m bottom-of-hole sample was collected. Samples were submitted to Australian Laboratory Services. All samples were analysed by Fire Assay (50g charge) with an AAS finish. Bottom-of-hole samples were additionally analysed for Pt & Pd by Fire Assay (50g charge) with an AAS finish and for Ag, Al, As, B, Ba, Bi, Ca, Cd, Co, Cr, Cu, Fe, Mg, Mn, Mo, Ni, Pb, Sb, Ti, V, Zn, Zr, S by a total acid (HF) digest with an ICP-OES finish. Intersections from Delta Gold RC and RAB drilling The RC and RAB samples were collected at 1m intervals and composited to 4m intervals for assaying. . If the 4m sample returned assays ≥100ppb Au the corresponding single metre sample was submitted for assay. Samples were submitted to Genalysis in Kalgoorlie. All samples were analysed for Au & As by Aqua Regia (50g charge) with a detection limit of 1ppb Au. Where composite samples exceeded 100ppm Au the corresponding single metre samples were collected and analysed by Fire Assay (50g charge) with a detection limit of 0.01ppm Au. Intersections from Sellars RC drilling

Criteria	JORC Code explanation	Commentary
		The RC samples were riffle split into either 2m or 4m composites. Composite samples were submitted to Ultra Trace Analytical Laboratories in Canning Vale, WA and analysed for Ni, Co, Mg, Fe, Mn, Zn, Cu, Al, Cr, As & Ca. The analytical suite for the samples consisted of a Four Acid Digest followed by an ICP-OES finish.
	For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.	Hand held assay devices have not been reported.
	Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.	Detailed information on QAQC practises for the historical surface geochemistry and drill samples is not available. No use of external standards is recorded. The hardcopy assay laboratory reports contain values for repeat readings and laboratory standards. Industry standard laboratory QAQC practises are believed to have been adhered to. The Competent Person notes that the Company does not propose to follow up any specific drill results in its exploration program without collecting new data to support the results and therefore does not believe the absence of this information to be material.
Verification of sampling and assaying	*The verification of significant intersections by either independent or alternative company personnel.*	No verification of sampling and assaying has been undertaken by Celsius for the historical drilling.
	The use of twinned holes.	Twinning of drill holes was not documented in Annual Reports.
	Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.	Digital data has been collated by a Consultant from the original hardcopy logs and from digital data submitted to the Department of Mines and Petroleum. Validation occurs during the data merge through the database software and with visual validation in GIS software packages.
	Discuss any adjustment to assay data.	The hardcopy logs show no indication of assay adjustment being performed.
Location of data points	*Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.*	Generally, the methods used for the location of drill collars, geochemistry samples etc is not documented in the historic reports. Diamond drill collars appear to be measured from a project baseline. Location data for drillhole data included in Annexure A was recorded by handheld GPS (±3m accuracy).
	Specification of the grid system used.	The grid system for the Abednegno Project is MGA_GDA94, Zone 51.
	Quality and adequacy of topographic control.	Topographic data was obtained from public download of the relevant 1:250,000 scale map sheets.
Data spacing and distribution	*Data spacing for reporting of Exploration Results.*	The spacing and location of the majority of the drilling at Abednegno is, by the nature of early exploration variable.
	Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.	Sample spacing was deemed appropriate for identifying geochemical anomalies but could not be used to establish geological and grade continuity. It would not be appropriate to use this information in a Mineral Resource or Ore Reserve estimation capacity.
	Whether sample compositing has been applied.	RAB or RC samples were composited into either 2m or 4m samples. Anomalous composite samples were re-split on 1m intervals.

Criteria	JORC Code explanation	Commentary
Orientation of data in relation to geological structure	*Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.*	The sample grids were mostly oriented E-W or N-S, which is considered appropriate given the regional and local geological fabric and structures.
	If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	To date, orientation of the mineralised domain has been favourable for perpendicular drilling and sample widths are not considered to have added a significant sampling bias.
Sample security	*The measures taken to ensure sample security.*	There is no documentation on sample security available in historical reports.
Audits or reviews	*The results of any audits or reviews of sampling techniques and data.*	There is no documentation of audits on sampling or data available in historical reports.

Section 2: Reporting of Exploration Results (Criteria listed in the preceding section also apply to this section)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	*Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.*	The Abednegno Project comprises two granted Exploration Licences, E39/1641 and E39/1684. Both Exploration Licences are held by View Nickel Pty Ltd, a wholly owned subsidiary of Celsius Coal Limited. The tenements lie within the Minara Pastoral Lease (E39/1684) and the Glenorn Pastoral Lease (E39/1641).
	The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.	All tenements are in good standing.
Exploration done by other parties	*Acknowledgment and appraisal of exploration by other parties.*	The Project has previously been explored for nickel as well as copper and zinc by a number of companies. Work has ranged from early stage soil sampling to auger and diamond drilling. Work reported in the IGR is documented within this Table.
Geology	*Deposit type, geological setting and style of mineralisation.*	The Abednegno Project is located in the Murrin Domain, part of the Kurnalpi Terrane (a major tectonic subdivision of the Eastern Goldfields Superterrane). The Project is located to the south of Glencore International plc's ("Glencore") Murrin Murrin Nickel Cobalt mine and adjacent to the NiWest operation currently under development by GME Resources Limited. The Project is considered prospective for nickel laterite and nickel sulphide mineralisation.
Drill hole Information	*A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* • *easting and northing of the drill hole collar* • *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* • *dip and azimuth of the hole* • *down hole length and interception depth* • *hole length.*	Due to the substantial amount of data an exhaustive list of historical drill locations and drilling results has not been itemised nor included, except where results were considered significant, and could be independently verified. The information included is, in the opinion of the Competent Person, that which is material when considering the exploration potential of these tenements.
	If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.	Any historic or previous company drilling results not included may be due to: • uncertainty or result, location or other unreliability • yet to be assessed by Celsius, • not mineralised,

Criteria	JORC Code explanation	Commentary
		• not sampled or unrecorded, or • not considered material. In the opinion of the Competent Person the information excluded does not detract from the understanding of the report.
Data aggregation methods	*In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.*	Reported intersections are RAB and RC, downhole, length-weighted averages that were calculated using a nominal ≥0.3g/t Au lower cut-off (CRAE), ≥0.5g/t Au lower cut-off (Delta Gold), and ≥0.8% Ni lower cut-off (Sellars), 1m minimum reported length and up to 3m of internal waste. Geochemical sampling results presented are single point data.
	Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.	No top cuts have been considered in reporting of grade results, nor was it deemed necessary for the reporting of significant intersections.
	The assumptions used for any reporting of metal equivalent values should be clearly stated.	No metal equivalent values are currently being used for reporting exploration results.
Relationship between mineralisation widths and intercept lengths	*These relationships are particularly important in the reporting of Exploration Results. If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	All intersections are reported as downhole lengths. Drillholes were predominantly drilled perpendicular to the interpreted strike of the geological terrain so that downhole lengths approximate true widths as close as possible. Additional drill holes are required to confirm the relationship between downhole lengths and true widths.
Diagrams	*Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	Refer to Figures in body of text.
Balanced reporting	*Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	It is not practical to report all exploration results as such unmineralised intervals or non-material grades have not been reported. All intersections that have been determined to be material or significant have been included. Due to the early stage nature of exploration Exploration Results that are significant are of a low grade, or anomalous, nature. The grades (or lack thereof) in unsampled material are unknown. No "extreme" high grades have been intersected.
Other substantive exploration data	*Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	All relevant exploration data is shown on figures, in text and in Annexure A.
Further work	*The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	A follow up exploration work program has been proposed and is likely to include field check of historical mapping and drillhole collar positions, acquisition of geophysical surveys and drilling of targets identified. It is noted that the exploration program does not follow up any historical exploration work without collection of new data to confirm the results from these programs. All relevant diagrams and inferences have been illustrated in this report.

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24 November 2016

The Directors
Celsius Coal Limited
Level 3, 216 St Georges Terrace
Perth, WA, 6000

Dear Directors

INVESTIGATING ACCOUNTANT'S REPORT

Independent Limited Assurance Report ("Report") on Celsius Coal Limited (to be renamed "Celsius Resources Limited") Historical and Pro Forma Historical Financial Information

Introduction

We have been engaged by Celsius Coal Limited ("CLA" or the "Company") to report on the historical financial information of CLA for the three years' ended 30 June 2016 and pro forma financial information of the Company as at 30 June 2016 for inclusion in the replacement prospectus ("Replacement Prospectus" or "Prospectus") of CLA dated on or about 24 November 2016 in connection with the following:

- The offer of 120,000,000 ordinary CLA shares at an issue price of $0.01 per share to raise $1.2 million before costs together with one (1) free attaching Option for every three (3) Shares issued, exercisable at $0.01 each on or before 30 December 2018 ("Public Offer");
- The offer of 90,885,500 CLA Shares ("Conversion Shares") to convertible note holders with each Conversion Share having a deemed value of $0.01; and one (1) free attaching Option for ever two (2) Conversion Shares issued, exercisable at $0.01 with an expiry of 30 December 2018 ("Conversion Options") (together the "Noteholder Offer");
- The offer of 31,400,400 CLA Shares ("Creditor Shares") to creditors with each Creditor Share having a deemed value of $0.01; and one (1) free attaching Option for evert three (3) Creditor Shares issued, exercisable at $0.01 each with an expiry date of 30 December 2018 ("Creditor Options") (together the "Creditor Offer"); and
- The offer of up to 40,000,000 Options at an issue price of $0.001 to the Option Offer recipients to raise up to $40,000, with each Option exercisable at $0.01 and an expiry date of 30 December 2018 ("Option Offer");

  (Together the "Offers").

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

THE POWER OF BEING UNDERSTOOD
AUDIT | TAX | CONSULTING

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

RSM Corporate Australia Pty Ltd ABN 82 050 508 024 Australian Financial Services Licence No. 255847

The future prospects of the Company, other than the preparation of Pro Forma Historical Financial Information, assuming completion of the transactions summarised in Note 1 of the Appendix of this Report, are not addressed in this Report. This Report also does not address the rights attaching to the shares to be issued pursuant to this Prospectus, nor the risks associated with the investment.

Background

CLA is a public company which engages in the extraction and exploration of mineral properties in Australia. It owns two nickel assets, including a 30% joint venture interest in the Carnilya Hill joint venture that covers various tenements in Western Australia; and a 100% interest in Abednegno Hill Nickel project located in the Eastern Goldfields region of Western Australia.

The Shares of the Company have been in suspension since 28 January 2016 and remain suspended from trading on the ASX as at the date of this Report. Following completion of the Offers, the Company intends to satisfy the requirements of ASX and apply for the reinstatement to trading of its Shares on ASX.

Scope

Historical financial information

You have requested RSM Corporate Australia Pty Ltd ("RSM") to review the following historical financial information of the Company included in the Prospectus at the Appendix to this Report:

- The statement of comprehensive income of the Company for the three years' ended 30 June 2016; and
- The statement of financial position of the Company as at 30 June 2016.

(together the "Historical Financial Information").

The Historical Financial Information has been prepared in accordance with the stated basis of preparation, being the recognition and measurement principles of the International Financial Reporting Standards and the Company's adopted accounting policies.

The Historical Financial Information has been extracted from the financial statements of CLA for the years ended 30 June 2014, 30 June 2015 and 30 June 2016, which were audited by RSM Australia Partners in accordance with International Auditing Standards. For each of the years' ended June 2014, 30 June 2015 and 30 June 2016, unqualified opinions were issued, however for each of the years ended the auditor noted material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

The Historical Financial Information is presented in the Prospectus in an abbreviated form, insofar as it does not include all of the presentation and disclosures required by International Financial Reporting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the *Corporations Act 2001*.

Pro forma historical financial information

You have requested RSM to review the pro forma historical statement of financial position as at 30 June 2016, referred to as "the Pro Forma Historical Financial Information".

The Pro Forma Historical Financial Information has been derived from the Historical Financial Information of the Company after adjusting for the effects of the subsequent events and pro forma adjustments described in Note 1 of the Appendix to this Report. The stated basis of preparation is the recognition and measurement principles of the International Financial Reporting Standards applied to the Historical Financial Information and the events or transactions to which the subsequent events and pro forma adjustments relate, as described in Note 1 of the Appendix to this Report, as if those events or transactions had occurred as at the date of the Historical Financial Information. Due to its nature, the Pro Forma Historical Financial Information does not represent the Company's actual or prospective financial position or statement of comprehensive income.

Directors' responsibility

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

Our responsibility

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

A review consists of making such enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. Our procedures included:

- A consistency check of the application of the stated basis of preparation, to the Historical and Pro Forma Historical Financial Information;
- A review of the Company's and its auditors' work papers, accounting records and other documents;
- Enquiry of directors, management personnel and advisors;
- Consideration of subsequent events and pro forma adjustments described in Note 1 of the Appendix to this Report; and
- Performance of analytical procedures applied to the Pro Forma Historical Financial Information.

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

Conclusions

Historical Financial Information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the Historical Financial Information, as described in the Appendix to this Report, and comprising:

- The statement of comprehensive income of CLA for the three years ended 30 June 2016; and
- The statement of financial position of CLA as at 30 June 2016,

are not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in Note 1 of the Appendix to this Report.

Pro Forma Historical Financial Information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the Pro Forma Historical Financial Information, as described in the Appendix to this Report, and comprising the statement of financial position as at 30 June 2016 of the Company is not presented fairly in all material respects, in accordance with the stated basis of preparation, as described in Note 1 of the Appendix of this Report.

Restriction on Use

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

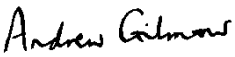
Responsibility

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

Disclosure of Interest

RSM does not have any pecuniary interest that could reasonably be regarded as being capable of affecting its ability to give an unbiased conclusion in this matter. RSM will receive a professional fee for the preparation of this Report.

Yours faithfully



A J GILMOUR
Director

CELSIUS COAL LIMITED
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE THREE YEARS ENDED 30 JUNE 2016

	Year ended 30-Jun-16 Audited $	Year ended 30-Jun-15 Audited $	Year ended 30-Jun-14 Audited $
Revenue	2,325	2,648	4,523
Gain on disposal of controlled entities	-	2,316,122	-
Write off and impairment of exploration expenditure and other assets	-	(18,780,177)	(2,428,544)
Depreciation expense	-	(30,435)	(94,358)
Directors' and employee benefits expense	(96,000)	(291,126)	(2,291,521)
Share based payment	-	133,131	(46,642)
Legal and other professional fees	(265,045)	(202,495)	(398,339)
Finance costs	(156,387)	(350,680)	(275,106)
Travel and accommodation	-	(19,296)	(361,346)
Corporate advisory	-	(28,855)	(151,001)
Other expenses	(98,206)	(98,597)	(1,612,497)
Foreign exchange (loss)/gain	(2,536)	(464,215)	17,829
Loss before income tax	(615,849)	(17,813,975)	(7,637,002)
Income tax expense	-	-	-
Loss for the year	(615,849)	(17,813,975)	(7,637,002)
Other comprehensive income			
Exchange differences on translating foreign controlled entities	-	(685,220)	285,153
Total comprehensive loss for the year	(615,849)	(18,499,195)	(7,351,849)

Investors should note that past results are not a guarantee of future performance.

CELSIUS COAL LIMITED
PRO FORMA STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2016

	Note	CLA Audited 30-Jun-16 $	Subsequent events Unaudited 30-Jun-16 $	Pro forma adjustments Unaudited 30-Jun-16 $	Pro forma Unaudited 30-Jun-16 $
Assets					
Current assets					
Cash and cash equivalents	3	22,166	-	1,089,387	1,111,553
Trade and other receivables		74,905	-	-	74,905
Total current assets		97,071	-	1,089,387	1,186,458
Non-current assets					
Deferred exploration expenditure	4	163,757	7,021	-	170,778
Total non-current assets		163,757	7,021	-	170,778
Total assets		260,828	7,021	1,089,387	1,357,236
Liabilities					
Current liabilities					
Trade and other payables	5	279,581	115,640	(314,004)	81,217
Borrowings	6	885,995	22,860	(908,855)	-
Total current liabilities		1,165,576	138,500	(1,222,859)	81,217
Total liabilities		1,165,576	138,500	(1,222,859)	81,217
Net assets		(904,748)	(131,479)	2,312,246	1,276,019
Equity					
Contributed equity	7	28,919,711	-	2,312,246	31,231,957
Reserves		754,245	-	-	754,245
Accumulated losses		(30,578,704)	(131,479)	-	(30,710,183)
Total equity		(904,748)	(131,479)	2,312,246	1,276,019

The audited pro forma statement of financial position represents the audited statement of financial position of the Company as at 30 June 2016 adjusted for the subsequent events and pro forma transactions outlined in Note 1 of this Appendix. It should be read in conjunction with the notes to the historical and pro forma financial information.

Appendix – Historical and Pro Forma Financial Information

1. Introduction

The financial information set out in this Appendix consists of the statement of financial position as at 30 June 2016 and the statement of comprehensive income for the three years ended 30 June 2016 ("Historical Financial Information") together with a pro forma statement of financial position reflecting the Directors' pro forma adjustments ("Pro Forma Historical Financial Information").

The Pro Forma Historical Financial Information has been compiled by adjusting the statement of financial position of the Company for the impact of the following subsequent events and pro forma adjustments.

Adjustments adopted in compiling the Pro Forma Historical Financial Information

The Pro Forma Historical Financial Information has been prepared by adjusting the historical financial information to reflect the financial effects of the following subsequent events which have occurred in the period since 30 June 2016 and the date of this Report:

(i) Interest incurred on Convertible Notes to 31 August 2016 of $22,860 pursuant to the Offer;

(ii) General administrative expenses of $108,149 and capitalised exploration expenditure of $7,021 incurred since 30 June 2016;

and the following pro forma transactions which are yet to occur, but are proposed to occur following completion of the Offer:

(iii) The issue of 120,000,000 ordinary CLA shares at $0.01 each to raise $1,200,000 before costs pursuant to the Public Offer;

(iv) The issue of 90,885,500 Conversion Shares having a deemed value of $0.01 each ($908,855 in total) and 45,442,750 Conversion Options to the Noteholders in satisfaction of the Company's repayment obligations under the Convertible Notes (Noteholders Offer); and

(v) The issue of 31,400,400 Creditor Shares having a deemed value of $0.01 each ($314,004 in total) and 10,466,800 Creditor Options to the Creditors in satisfaction of the Company's repayment of debt owed to those parties (Creditor Offer);

(vi) The issue of 40,000,000 Options at $0.001 each to the Option Offer recipients to raise $40,000 (Option Offer);

(vii) The payment of cash costs related to the Offer estimated to be $150,613; and

The Pro Forma Historical Financial Information has been presented in abbreviated form and does not contain all the disclosures usually provided in an Annual Report prepared in accordance with the *Corporations Act 2001.*

2. Statement of significant accounting policies

(a) Basis of preparation

The Historical Financial Information has been prepared in accordance with the recognition and measurement requirements of the International Financial Reporting Standards ("IFRS"), adopted by the International Accounting Standards Board and the Corporations Act 2001.

The significant accounting policies that have been adopted in the preparation and presentation of the historical and the Pro forma Historical Financial Information are:

(b) Basis of measurement

The historical and pro forma financial information has been prepared on the historical cost basis except for financial instruments classified at *fair value through profit or loss*, which are measured at fair value.

(c) Functional and presentation currency

The historical and pro forma financial information has been presented in Australian dollars which is the Company's functional currency.

(d) Use of estimates and judgements

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

(e) Going concern

The historical and pro forma financial information has been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

(f) Income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustments recognised for prior periods, where applicable.

(g) Interest Revenue

Interest revenue is recognised using the effective interest rate method.

(h) Exploration and evaluation expenditure

Exploration and evaluation expenditure in relation to separate areas of interest for which rights of tenure are current is carried forward as an asset in the statement of financial position where it is expected that the expenditure will be recovered through the successful development and exploitation of an area of interest, or by its sale; or exploration activities are continuing in an area and activities have not reached a stage which permits a reasonable estimate of the existence or otherwise of economically recoverable reserves. Where a project or an area of interest has been abandoned, the expenditure incurred thereon is written off in the period in which the decision is made.

(i) Trade and other payables

These amounts represent liabilities for goods and services provided to the company prior to the end of the financial period and which are unpaid, together with assets ordered before the end of the financial period. The amounts are unsecured and are usually paid within 30 days of recognition.

(j) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

(k) GST

Revenues, expenses, and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the transaction. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated as inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the statement of financial position.

(l) Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Where there is an unconditional right to defer settlement of the liability for at least 12 months after the reporting date, the loans or borrowings are classified as non-current.

(m) Issued Capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(n) Share-based payment transactions

The Company provides benefits to employees and other parties in the form of share based payments, whereby the employees and parties provide services in exchange for shares and other securities in the Company. The cost of the equity settled share based payment transactions is determined by reference to the fair value of the equity instruments granted.

The fair value of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance/ and or service conditions are fulfilled (“vesting period”).

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

- The grant date fair value;
- The extent to which the vesting period has expired; and
- The number of equity instruments that, in the opinion of the Directors of the Company, will ultimately vest.

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

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

3. Cash and cash equivalents

	Note	Audited 30-Jun-16 $	Unaudited Pro-forma 30-Jun-16 $
Cash and cash equivalents		22,166	1,111,553
Cash and cash equivalents as at 30 June 2016			22,166
Adjustments arising in the preparation of the pro forma statement of financial position are summarised as follows:			
Proceeds from the Public Offer pursuant to the Prospectus	1 (iii)		1,200,000
Proceeds from the Option Offer	1 (iv)		40,000
Costs of the Public Offer	1 (vii)		(150,613)
			1,089,387
Pro-forma cash and cash equivalents			1,111,553

4. Deferred exploration expenditure

	Note	Audited 30-Jun-16 $	Unaudited Pro-forma 30-Jun-16 $
Deferred exploration expenditure		163,757	170,778
Deferred exploration expenditure as at 30 June 2016			163,757
Subsequent events are summarised as follows:			
Exploration expenditure incurred and capitalised since 30 June 2016	1 (ii)		7,021
Pro-forma deferred exploration expenditure			170,778

5. Trade and other payables

	Note	Audited 30-Jun-16 $	Unaudited Pro-forma 30-Jun-16 $
Trade and other payables		279,581	81,217
Payables as at 30 June 2016			279,581
Subsequent events are summarised as follows:			
General administrative expenses since 30 June 2016	1 (ii)		108,619
Exploration expenditure incurred and capitalised since 30 June 2016	1 (ii)		7,021
Adjustments arising in the preparation of the pro forma statement of financial position are summarised as follows:			
Settlement of amounts payable through the issue of Creditor Shares	1 (v)		(314,004)
Pro-forma trade and other payables			81,217

6. Borrowings

	Note	Unaudited 30-Jun-16 $	Unaudited Pro-forma 30-Jun-16 $
Borrowings		885,995	-
Borrowings as at 30 June 2016			885,995
Subsequent events are summarised as follows:			
Interest incurred on Convertible Notes post 30 June 2016	1 (i)		22,860
Adjustments arising in the preparation of the pro forma statement of financial position are summarised as follows:			
Settlement of borrowings through the issue of Conversion Shares	1 (iv)		(908,855)
Pro-forma borrowings			-

7. Contributed equity

	Note	Number of shares	$
Issued share capital as at 30 June 2016		1,614,034	28,919,711
Adjustments arising in the preparation of the pro forma statement of financial position are summarised as follows:			
Fully paid ordinary shares issued under the Public Offer	1 (iii)	120,000,000	1,200,000
Fully paid ordinary shares issued under the Noteholders Offer	1 (iv)	90,885,500	908,855
Fully paid ordinary shares issued under the Creditor Offer	1 (v)	31,400,400	314,004
Options issued under the Option Offer	1 (vi)	-	40,000
Cash costs of the Public Offer		-	(150,613)
		242,285,900	2,312,246
Pro-forma issued share capital		243,899,934	31,231,957

(a) Options

Pursuant to the Prospectus, the Company will issue a total of 135,909,550 Options exercisable at $0.01 each on or before 30 December 2018 as follows:

- 40,000,000 free Options under the Public Offer;
- 45,442,750 free Conversion Options under the Noteholder Offer;
- 10,466,800 free Options under the Creditor Offer; and
- 40,000,000 Options at $0.001 each under the Option Offer.

The terms and conditions of the Options are set out in section 14.3 of the Prospectus.

(b) Performance Shares

The terms of 465,547 existing Performance Shares on issue ("Performance Shares") are to be cancelled upon completion of the Public Offer. The existing Performance Share milestones are all directly connected to what were the Company's Kyrgyz coal licenses, with the subsidiaries that held the these licenses having been put into liquidation, meaning that each Performance Share milestone is no longer capable of being met.

7. Related party disclosure

Following completion of the Offer, the Directors of CLA will be William Oliver, Alistair Muir, and Ranko Matic. Directors' holdings of shares, directors' remuneration and other directors' interests are set out in Section 14.5 of the Prospectus.

8. Exploration commitments

The Company is required to maintain current rights of tenure to tenements, which require outlays of expenditure in future financial periods. Under certain circumstances these commitments are subject to the possibility of adjustment to the amount and/or timing of such obligations, however, they are expected to be fulfilled in the normal course of operations.

The Company has tenement rental and expenditure commitments payable of:	$
- Not later than 12 months	97,222
- Between 12 months and 5 years	-
Total	**97,222**

9. Contingent assets and liabilities

CLA, through its wholly owned subsidiary, View Nickel Pty Ltd, has a 30% joint venture interest in the Carnilya Hill Joint Venture. The Carnilya Hill Joint Venture is subject to potential cost in respect to the rehabilitation of the mine. Accordingly, through its joint venture interest, the Group has a contingent liability. The rehabilitation provision is triggered either when the JV decides to complete the full rehabilitation, when the Department of Mines and Petroleum mandates the JV must complete the full rehabilitation or when the tenements are relinquished. None of these events are expected to occur in the near future. There is uncertainty as to whether future liabilities will arise in respect of this item and at the current time, the amount cannot be reliably estimated.

The company had no contingent asset at the date of this report.

10. Controlled entities

Consolidated Entities	Country of Incorporation	Pro forma interest held
Celsius Coal Limited	Australia	Parent
View Nickel Pty Ltd	Australia	100%

10. SOLICITOR'S REPORT ON TENEMENTS

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24 November 2016

The Board of Directors
Celsius Coal Limited
Level 1, 12 Kings Park Road
West Perth WA 6005

Dear Sirs

SOLICITOR'S REPORT ON TENEMENTS

This Report is prepared for inclusion in a replacement prospectus for the public offer of 120,000,000 Shares in the capital of Celsius Coal Limited (ACN 009 162 949) (**CLA** or **Company**) at an issue price of $0.01 per Share, together with one (1) free attaching Option for every three (3) Shares issued, exercisable at $0.01 on or before 30 December 2018, to raise $1,200,000 (**Prospectus**). The Company is intending to lodge the Prospectus with the Australian Securities and Investments Commission on or about 24 November 2016.

1. SCOPE

We have been requested to report on certain mining tenements in which the Company has an interest (the **Tenements**).

Through its 100% owned subsidiary, View Nickel Pty Ltd (ACN 102 771 871), the Company holds a 30% interest in tenements M26/47, M26/48, M26/49, M26/453 and L26/241 (**Carnilya Hill Tenements**) via a joint venture with Mincor Resources NL (ACN 072 745 692) (**Mincor**) at the Carnilya Hill Nickel Mine located in Western Australia (**Joint Venture**).

In addition, the Company also holds a 100% interest in exploration licences E39/1641 and E39/1684 located in the Eastern Goldfields region of Western Australia (**Abednegno Hill Tenements**).

Details of the Tenements are set out in Part I of this Report.

This Report is limited to the Searches (defined below) set out in section 2 of this Report.

2. SEARCHES

For the purposes of this Report, we have conducted searches and made enquiries in respect of all of the Tenements as follows (**Searches**):

(a) we have obtained mining tenement register searches of the Tenements from the registers maintained by the Western Australian Department of Mines and Petroleum (**DMP**)(**Tenement Searches**). These searches were conducted on 6 October 2016 and 19 October 2016.

Key details on the status of the Tenements are set out in Part I of this Report.

(b) we have obtained results of searches of the schedule of native title applications, register of native title claims, national native title register, register of indigenous land use agreements and national land use agreements as maintained by the National Native Title Tribunal (**NNTT**) for any native title claims (registered or unregistered), native title determinations and indigenous land use agreements (**ILUAs**) that overlap or apply to the Tenements. This material was obtained on 7 October 2016 and 20 October 2016.

Details of any native title claims (registered or unregistered), native title determinations and ILUAs are set out in section 5 of this Report and Part II of this Report.

(c) we have obtained searches from the online Aboriginal Heritage Inquiry System maintained by the Department of Indigenous Affairs (**DIA**) for any Aboriginal sites registered on the Western Australian Register of Aboriginal sites over the Tenements (**Heritage Searches**). These searches were conducted on 6 October 2016 and 19 October 2016.

Details of any Aboriginal Sites are set out in Part II of this Report.

(d) we have obtained quick appraisal user searches of Tengraph which is maintained by the DMP to obtain details of features or interests affecting the Tenements (**Tengraph Searches**). These searches were conducted on 6 October 2016 and 19 October 2016.

Details of any material issues identified from the Tengraph Searches are set out in the notes to Part I of this Report.

(e) we have reviewed all material agreements relating to the Tenements provided to us or registered as dealings against the Tenements as at the date of the Tenement Searches and have summarised the material terms (details of which are set out in Part III of this Report).

2. OPINION

As a result of our Searches, but subject to the assumptions and qualifications set out in this Report, we are of the view that, as at the date of the relevant Searches this Report provides an accurate statement as to:

(a) (**Company's interest**): the Company's interest in the Tenements;

(b) (**Good standing**): the validity and good standing of the Tenements; and

(c) (**Third party interests**): third party interests, including encumbrances, in relation to the Tenements.

3. DESCRIPTION OF THE TENEMENTS

The Tenements comprise 2 exploration licences, 4 mining leases and 1 miscellaneous licence granted under the *Mining Act 1978* (WA) (**Mining Act**). Part I of this Report provides a list of the Tenements. Sections 3.1 to 3.4 provide a description of the nature and key terms of these types of mining tenements as set out in the Mining Act and potential successor tenements.

3.1 Prospecting licence

Application: A person may lodge an application for a prospecting licence in accordance with the Mining Act. The mining registrar or warden decides whether to grant an application for a prospecting licence. An application for a prospecting licence (unless a reversion application) cannot be legally transferred and continues in the name of the applicant.

Rights: The holder of a prospecting licence is entitled to enter upon land for the purposes of prospecting for minerals with employees and contractors, and such vehicles, machinery and equipment as may be necessary or expedient.

Term: A prospecting licence has a term of 4 years. Where the prospecting licence was applied for and granted after 10 February 2006, the Minister may extend the term by 4 years and if retention status is granted (as discussed below), by a further term or terms of 4 years. Where a prospecting licence is transferred before a renewal application has been determined, the transferee is deemed to be the applicant.

Retention status: The holder of a prospecting licence applied for and granted after 10 February 2006 may apply for approval of retention status for the prospecting licence. The Minister may approve the application where there is an identified mineral resource in or under the land the subject of the prospecting licence, but it is impractical to mine the resource for prescribed reasons. Where retention status is granted, the minimum expenditure requirements are reduced in the year of grant and cease in future years. However, the Minister has the right to impose a program of works or require the holder to apply for a mining lease. The holder of a prospecting licence applied for or granted before 10 February 2006 can apply for a retention licence (see below), rather than retention status.

Conditions: Prospecting licences are granted subject to various standard conditions including conditions relating to minimum expenditure, the payment of rent and observance of environmental protection and reporting requirements. These standard conditions are not detailed in Part I of this Report. A failure to comply with these conditions or obtain an exemption from compliance may lead to forfeiture of the prospecting licence.

Relinquishment: There is no requirement to relinquish any portion of the prospecting licence.

Priority to apply for a mining lease: The holder of a prospecting licence has priority to apply for a mining lease over any of the land subject to the prospecting licence. An application for a mining lease must be made prior to

the expiry of the prospecting licence. The prospecting licence remains in force until the application for the mining lease is determined.

Transfer: There is no restriction on transfer or other dealing in a prospecting licence.

3.2 Exploration Licence

Rights: The holder of an exploration licence is entitled to enter the land for the purposes of exploration for minerals with employees and contractors and such vehicles, machinery and equipment as may be necessary or expedient.

Term: An exploration licence has a term of 5 years from the date of grant. The Minister may extend the term by a further period of 5 years followed by a further period or periods of 2 years.

The grounds pursuant to which an extension may be granted under the Mining Act are as follows:

(a) by reason of difficulties or delays:

  (i) occasioned by law;

  (ii) arising from administrative, political, environmental or other requirements of governmental or other authorities, in the State or elsewhere;

  (iii) arising from a requirement to conduct an Aboriginal heritage survey on the land;

  (iv) in obtaining requisite consents or approvals for exploration or for the marking out of a mining lease or general purpose lease in relation to any part of the land; or

  (v) in gaining access to the land because of unfavourable climatic conditions, the exploration programme, or the marking out and application appropriate to a mining lease or general purpose lease in relation to the land, could not be undertaken or completed or is restricted in a manner that is, or subject to conditions that are, for the time being impracticable;

(b) the land the subject of the licence has, for any reason the Minister considers sufficient, been unworkable for the whole or a considerable part of any year of the term; or

(c) work already carried out under the licence justifies further exploration.

Retention status: The holder of an exploration licence granted after 10 February 2006 may apply for approval of retention status for the exploration licence. The Minister may approve the application where there is an identified mineral resource in or under the land the subject of the exploration licence but it is impractical to mine the resource for prescribed reasons. Where retention status is granted, the minimum expenditure requirements are reduced in the year of grant and cease in future years. However, the Minister has the right to impose a programme of works or require the holder to apply for a mining lease.

Conditions: Exploration licences are granted subject to various standard conditions, including conditions relating to minimum expenditure, the payment of prescribed rent and royalties and observance of environmental protection and reporting requirements. These standard conditions are not detailed in Part I of this Report. A failure to comply with these conditions or obtain an exemption from compliance may lead to forfeiture of the exploration licence.

Relinquishment: The holder of an exploration licence applied for and granted after 10 February 2006 must relinquish not less than 40% of the blocks comprising the licence at the end of the sixth year. A failure to lodge the required partial surrender could render the tenement liable for forfeiture.

Priority to apply for mining lease: The holder of an exploration licence has priority to apply for a mining lease over any of the land subject to the exploration licence. Any application for a mining lease must be made prior to the expiry of the exploration licence. The exploration licence remains in force until the application for the mining lease is determined.

Transfer: No legal or equitable interest in an exploration licence can be transferred or otherwise dealt with during the first year of its term without the prior written consent of the Minister. Thereafter, there is no restriction on transfer or other dealings.

3.3 Mining lease

Application: Any person may lodge an application for a mining lease, although a holder of a prospecting licence, exploration licence or retention licence over the relevant area has priority. The Minister decides whether to grant an application for a mining lease.

The application, where made after 10 February 2006, must be accompanied by either a mining proposal or a statement outlining mining intentions and a "mineralisation report" indicating there is significant mineralisation in the area over which a mining lease is sought. A mining lease accompanied by a "mineralisation report" will only be approved where the Director, Geological Survey considers that there is a reasonable prospect that the mineralisation identified will result in a mining operation.

Rights: The holder of a mining lease is entitled to mine for and dispose of any minerals on the land in respect of which the lease was granted. A mining lease entitles the holder to do all acts and things necessary to effectively carry out mining operations.

Term: A mining lease has a term of 21 years and may be renewed for successive periods of 21 years. Where a mining lease is transferred before a renewal application has been determined, the transferee is deemed to be the applicant.

Conditions: Mining leases are granted subject to various standard conditions, including conditions relating to expenditure, the payment of prescribed rent and royalties and observance of environmental protection and reporting requirements. An unconditional performance bond may be required to secure performance of these obligations. A failure to comply with these conditions may lead to forfeiture of the mining lease. These standard conditions are not detailed in Part I of this Report.

Transfer: The consent of the Minister is required to transfer a mining lease.

3.4 Miscellaneous licence

Application: Any person may apply for a miscellaneous licence. The mining registrar or warden decides whether to grant an application for a miscellaneous licence. A miscellaneous licence may be granted for a prescribed purpose that is directly connected with mining operations. An application for a miscellaneous licence cannot be legally transferred and continues in the name of the applicant.

Rights: The holder of a miscellaneous licence is entitled to carry out the activities for the purpose specified in the miscellaneous licence.

Term: A miscellaneous licence granted or applied for before 6 June 1998 has a term of 5 years and the Minister may renew it for a further term of 5 years and if so, must renew for a further term or terms of 5 years. A miscellaneous licence applied for and granted after 6 June 1998 has a term of 21 years and the Minister may renew for a further term of 21 years and if so, must renew for a further term or terms of 21 years. Where a miscellaneous licence is transferred before a renewal application has been determined, the transferee is deemed to be the applicant.

Conditions: A miscellaneous licence is granted subject to various standard conditions. A failure to comply with these conditions may lead to forfeiture of the miscellaneous licence. These standard conditions are not detailed in Part I of this Report.

Transfer: The consent of the Minister is required to transfer a miscellaneous licence.

4. ABORIGINAL HERITAGE

Aboriginal sites were identified from the Heritage Searches (as noted in Part II of this Report). Based on our Searches, E39/1641, M26/47, M26/48 and M26/49 contain areas of Aboriginal heritage and Aboriginal cultural sensitivity, which contain artefacts/ scatter, rock shelters, mythological sites, man-made structures and other features, located within the boundaries of those tenements.

The existence of areas of Aboriginal heritage and Aboriginal cultural sensitivity within the tenements listed above may restrict the Company's ability to explore and mine within the affected area.

It is an offence to excavate, destroy or damage conceal or otherwise alter an Aboriginal site unless authorised to do so. Where a land user proposes a development that may impact on any Aboriginal site, they must seek the consent of the Minister for Indigenous Affairs.

Refer to Part II for details of Aboriginal heritage located on the Tenements.

4.1 Commonwealth legislation

The *Aboriginal and Torres Strait Islander Heritage Protection Act 1984* (Cth) (**Commonwealth Heritage Act**) is aimed at the preservation and protection of any Aboriginal areas and objects that may be located on the Tenements.

Under the Commonwealth Heritage Act, the Minister for Aboriginal Affairs may make interim or permanent declarations of preservation in relation to significant

Aboriginal areas or objects, which have the potential to halt exploration activities. Compensation is payable by the Minister for Aboriginal Affairs to a person who is, or is likely to be, affected by a permanent declaration of preservation.

4.2 Western Australian legislation

Tenements are granted subject to a condition requiring observance of the WA Heritage Act.

The WA Heritage Act makes it an offence to alter or damage sacred ritual or ceremonial Aboriginal sites and areas of significance to Aboriginal persons (whether or not they are recorded on the register or otherwise known to the Register of Aboriginal Sites, DIA or the Aboriginal Cultural Material Committee).

The Minister's consent is required where any use of land is likely to result in the excavation, alteration or damage to an Aboriginal site or any objects on or under that site.

Aboriginal sites may be registered under the WA Heritage Act. However, there is no requirement for a site to be registered. The WA Heritage Act protects all registered and unregistered sites.

5. NATIVE TITLE

This section of the Report examines the effect of native title on the Tenements.

The existence of native title rights held by indigenous Australians was first recognised in Australia in 1992 by the High Court in the case *Mabo v. Queensland (no.2) (1992) 175 CLR 1* (**Mabo no.2**).

As a result of Mabo no. 2, the *Native Title Act 1993* (Cth) (**NTA**) was passed to:

(a) provide a process for indigenous people to lodge claims for native title rights over land, for those claims to be registered by the NNTT and for the Courts to assess native title claims and determine if native title rights exist. Where a Court completes the assessment of a native title claim, it will issue a native title determination that specifies whether or not native title rights exist;

(b) provide (together with associated State legislation) that any land tenures granted or renewed before 1 January 1994 were valid despite Mabo no. 2 (**Past Acts**). This retrospective validation of land tenure was subsequently extended by the NTA to include freehold and certain leasehold (including pastoral leases) granted or renewed before 23 December 1996 (**Intermediate Period Acts**). Broadly speaking, this means that native title is not extinguished, merely suspended, for the duration of the mining tenement; and

(c) provide that an act that may affect native title rights (such as the grant or renewal of a mining tenement) carried out after 23 December 1996 (a **Future Act**) must comply with certain requirements for the Future Act to be valid under the NTA. These requirements are called the **Future Act Provisions**.

5.1 Future Act Provisions

The Future Act Provisions vary depending on the Future Act to be carried out. In the case of the grant of a mining tenement, typically there are four alternatives: the Right to Negotiate, an ILUA, the Infrastructure Process (defined below) and the Expedited Procedure. These are summarised below.

Right to Negotiate

The Right to Negotiate involves a forma negotiation between the State, the applicant for the tenement and any registered native title claimants and holders of native title rights. The aim is to agree the terms on which the tenement can be granted. The applicant for the tenement is usually liable for any compensation that the parties agree to pay to the registered native title claimants and holders of native title. The parties may also agree on conditions that will apply to activities carried out on the tenement (e.g. in relation to heritage surveys). The classes of conditions typically included in a mining agreement are set out at section 5.3 below.

If agreement is not reached to enable the tenement to be granted, the matter may be referred to arbitration before the NNTT, which has six (6) months to decide whether the State, the applicant for the tenement and any registered native title claimants and holders of native title rights have negotiated in good faith (only if the issue is raised by one of the parties) and then whether the tenement can be granted and if so, on what conditions. The earliest an application for arbitration can be made to the NNTT is six (6) months after the date of notification of commencement of negotiations by the DMP.

If the Right to Negotiate procedure is not observed, the grant of the mining tenement will be invalid to the extent (if any) that it affects native title.

ILUA

An ILUA is a contractual arrangement governed by the NTA. Under the NTA, an ILUA must be negotiated with all registered native title claimants for a relevant area. The State and the applicant for the tenement are usually the other parties to the ILUA.

Expedited Procedure

The NTA establishes a simplified process for the carrying out of a Future Act that is unlikely to adversely affect native title rights (**Expedited Procedure**). The grant of a tenement can occur under the Expedited Procedure if:

(a) the grant will not interfere directly with the carrying on of the community or social activities of the persons who are the holders of native title in relation to the land;

(b) the grant is not likely to interfere with areas or sites of particular significance, in accordance with their traditions, to the persons who are holders of native title in relation to the land; and

(c) the grant is not likely to involve major disturbance to any land or waters concerned or create rights whose exercise is likely to involve major disturbance to any land.

If the State considers the above criteria are satisfied, it commences the Expedited Procedure by giving notice of the proposed grant of the tenement in accordance with the NTA. Persons have until three (3) months after the notification date to take steps to become a registered native title claimant or native title holder in relation to the land to be subject to the tenement.

If there is no objection lodged by a registered native title claimant or a native title holder within four (4) months of the notification date, the State may grant the tenement.

If one or more registered native title claimants or native title holders object within that four (4) month notice period, the NNTT must determine whether the grant is an act attracting the Expedited Procedure. If the NNTT determines that the Expedited Procedure applies, the State may grant the tenement. Otherwise, the Future Act Provisions (e.g. Right to Negotiate or ILUA) must be followed before the tenement can be granted.

The State of Western Australia currently follows a policy of granting mining leases, prospecting licences and exploration licences under the Expedited Procedure where the applicant has entered into a standard Aboriginal heritage agreement with the relevant registered native title claimants and native title holders. The standard Aboriginal heritage agreement provides a framework for the conduct of Aboriginal heritage surveys over the land the subject of a tenement prior to the conducting of ground-disturbing work and conditions that apply to activities carried out within the tenement.

Exception to requirement to comply with Future Act Provisions

The grant of a tenement does not need to comply with the Future Act Provisions if in fact native title has never existed over the land covered by the tenement, or has been validly extinguished prior to the grant of the tenement. We have not undertaken the extensive research needed to determine if in fact native title does not exist, or has been validly extinguished in relation to the Tenements.

Unless it is clear that native title does not exist (e.g. in relation to freehold land), the usual practice of the State is to comply with the Future Act Provisions when granting a tenement. This ensures the grant will be valid in the event a court determines that native title rights do exist over the land subject to the tenement.

Where a tenement has been retrospectively validated or validly granted under the NTA, the rights under the tenement prevail over any inconsistent native title rights.

5.2 Application to Tenements

The following sections of the Report identify:

(a) any native title claims (registered or unregistered), native title determinations and ILUAs in relation to the Tenements (see Section 5.3)

(b) any Tenements which have been retrospectively validated under the NTA as being granted before 23 December 1996 (see Section 5.4);

(c) any Tenements which have been granted after 23 December 1996 and as such will need to have been granted following compliance with the Future Act Provisions to be valid under the NTA. This Report assumes that

the Future Act Provisions have been complied with in relation to these Tenements (see Section 5.4); and

(d) any Tenements which are yet to be granted and as such may need to be granted in compliance with the Future Act Provisions in order to be valid under the NTA (see Section 5.4).

5.3 Native title claims, native title determinations and ILUAs

Our Searches indicate that none of the Tenements are within the boundaries of a registered native title claim. Our Searches did not return any results for ILUAs in relation to any of the Tenements.

Registered native title claimants (and holders of native title under the determinations) are entitled to certain rights under the Future Act Provisions in respect of land in which native title may continue to subsist.

Freehold land

We have assumed that all of the freehold land the subject of the Tenements was validly granted prior to 23 December 1996 and that therefore:

(a) native title has been extinguished in respect of that land;

(b) registered native title claimants (and determined native title holders) are not entitled to rights under the Future Act Provisions in respect of that land.

Non-freehold land

Native title may continue to subsist in certain parcels of non-freehold land or 'Crown land', including pastoral leases, vacant/unallocated Crown land and certain Crown reserves that were not vested prior to 23 December 1996 and which have not been subsequently developed as public works.

Unless it is essential that the Company has access to any non-freehold land, it is recommended that all parcels of non-freehold land are excised from any applications for mining leases. If the Company wishes to undertake mining activities on any parcels of non-freehold land, we would expect the Right to Negotiate to apply.

5.4 Validity of Tenements under the NTA

The Sections below examine the validity of the Tenements under the NTA.

Tenements granted before 1 January 1994 (Past Acts)

Our Searches indicate that the following Tenements were granted before 1 January 1994 and as such have been retrospectively validated under the NTA.

Tenement	Date of Grant
M26/47	31/05/1984
M26/48	31/05/1984
M26/49	31/05/1984

Tenements granted between 1 January 1994 and 23 December 1996 (Intermediate Period Acts)

Our Searches indicate that the following Tenement was granted after 1 January 1994 but before 23 December 1996 and as such has been retrospectively validated under the NTA (and associated State legislation) provided the Tenement is over freehold or pastoral or other leasehold interests recognised by the High Court. Where the Tenement is not over such land tenure (we have not determined this), we have assumed that the Future Act Provisions were complied with and that the Tenement is therefore valid under the NTA.

Tenement	Date of Grant
M26/453	15/12/1994

Tenements granted after 23 December 1996

Our Searches indicate that the following Tenements were granted after 23 December 1996.

Tenement	Date of Grant
L26/241	10/08/2007
E39/1641	04/04/2012
E39/1684	01/11/2012

We have assumed that these Tenements were granted in accordance with the Future Act Provisions and as such are valid under the NTA.

Tenements renewed after 23 December 1996

Renewals of mining tenements made after 23 December 1996 must comply with the Future Act Provisions in order to be valid under the NTA.

An exception is where the renewal is the first renewal of a mining tenement that was validly granted before 23 December 1996 and the following criteria are satisfied:

(a) the area to which the mining tenement applies is not extended;

(b) the term of the renewed mining tenement is not longer than the term of the old mining tenement; and

(c) the rights to be created are not greater than the rights conferred by the old mining tenement.

In such cases, the mining tenement can be renewed without complying with the Future Act Provisions. It is currently uncertain whether this exemption applies to a second or subsequent renewal of such a mining tenement.

Our Searches indicate that the following Tenements have been renewed after 23 December 1996, and as such, may need to have complied with the Future Act Provisions to be validly renewed. We have assumed that the Future Act Provisions were complied with to the extent necessary.

Tenement	Date of Grant	Date of Renewal
M26/47	31/05/1984	18/05/2005
M26/48	31/05/1984	18/05/2005
M26/49	31/05/1984	18/05/2005
M26/453	15/12/1994	19/11/2015

Renewals of Tenements in the future will need to comply with the Future Act Provisions in order to be valid under the NTA.

6. CROWN LAND

6.1 General

The Mining Act:

(a) prohibits the carrying out of prospecting, exploration or mining activities on Crown land that is less than 30 metres below the lowest part of the natural surface of the land and:

(i) for the time being under crop (or within 100 metres of that crop);

(ii) used as or situated within 100 metres of a yard, stockyard, garden, cultivated field, orchard vineyard, plantation, airstrip or airfield;

(iii) situated within 100 metres of any land that is an actual occupation and on which a house or other substantial building is erected;

(iv) the site of or situated within 100 metres of any cemetery or burial ground; or

(v) if the Crown land is a pastoral lease, the site of or situated within 400 metres of any water works, race, dam, well or bore not being an excavation previously made and used for purposes by a person other than the pastoral lessee,

without the written consent of the occupier, unless the warden by order otherwise directs.

(b) imposes restrictions on a tenement holder passing over Crown land referred to in sections 8.1(a), including:

(i) taking all necessary steps to notify the occupier of any intention to pass over the Crown land;

(ii) the sole purpose for passing over the Crown land must be to gain access to other land not covered by sections 8.1 and 8.2 to carry out prospecting, exploration or mining activities;

(iii) taking all necessary steps to prevent fire, damage to trees, damage to property or damage to livestock by the presence of

dogs, the discharge of firearms, the use of vehicles or otherwise; and

(iv) causing as little inconvenience as possible to the occupier by keeping the number of occasions of passing over the Crown land to a minimum and complying with any reasonable request by the occupier as to the manner of passage.

(c) requires a tenement holder to compensate the occupier of Crown land:

(v) by making good any damage to any improvements or livestock caused by passing over Crown land referred to in section 6.1(a) or otherwise compensate the occupier for any such damage not made good; and

(vi) in respect of land under cultivation, for any substantial loss of earnings suffered by the occupier caused by passing over Crown land referred to in section 8.1(a).

The warden may not give the order referred to in section 8.1(a) that dispenses with the occupier's consent in respect of Crown land covered by section 8.1(a)(iii). In respect of other areas of Crown land covered by the prohibition in section 8.1(a), the warden may not make such an order unless he is satisfied that the land is genuinely required for mining purposes and that compensation in accordance with the Mining Act for all loss or damage suffered or likely to be suffered by the occupier has been agreed between the occupier and the tenement holder or assessed by the warden under the Mining Act.

6.2 Crown Reserves

Certain land the subject of the Tenements overlaps Crown reserves as set out in the table below.

Tenement	Crown reserve	Class	% overlap
E36/1641	Crown Reserve 30029 (Quarry)	C	less than 0.1%
M26/47	Crown Reserve 17175 (Trigonometrical Station)	C	0.1%
L26/241	Crown Reserve 2971 (Water)	C	21.6%

Under section 41 of the *Land Administration Act 1997* (WA) (**LAA**) the Minister may set aside Crown lands by Ministerial Order in the public interest. Every such reservation has its description and designated purpose registered on a Crown Land Title (**CLT**) and is depicted on an authenticated map held by Landgate.

The *Land Act 1933* (WA) provided for State reserves to be classified as Class A, B or C. There is no provision in the LAA to create new Class B reserves and there is no longer reference to Class C reserves. Class A affords the greatest degree of protection for reserved lands, requiring approval of Parliament to amend the reserve's purpose or area, or to cancel the reservation. The A classification is used solely to protect areas of high conservation or high community value. Class B reserves continue, but are no longer created under the LAA. The Minister for

Lands may deal with Class B reserved lands as normal reserves, provided that, should the reservation be cancelled, a special report is made to both Houses of Parliament within 14 days from the cancellation or within 14 days after the commencement of the next session.

Once created, a reserve is usually placed under the care, control and management of a State government department, local government or incorporated community group by way of a Management Order registered against the relevant CLT. A Management Order under the LAA does not convey ownership of the land – only as much control as is essential for the land's management.

Crown Reserves 30029, 17175 and 2971 are managed by the Department of Regional Development and Lands.

6.3 PASTORAL LEASES

As set out in Part I of this Report, some of the Tenements overlap with pastoral leases as follows:

(a) **Indigenous Pastoral Lease N049808 (Glenorn)** overlaps 99.0% of E39/1641;

(b) **Pastoral Lease N49712 (Minara)** overlaps:

(i) less than 0.1% of E39/1641; and

(ii) 100% of E39/1684;

(c) **Pastoral Lease N050166 (Mt Monger)** overlaps:

(i) 100.0% of M26/48;

(ii) 100.0% of M26/49;

(iii) 100.0% of M26/453; and

(iv) 1.6% of L26/241; and

(d) **Pastoral Lease N050022 (Woolibar)** overlaps:

(i) 76.7% of L26/241.

The Mining Act:

(a) prohibits the carrying out of mining activities on or near certain improvements and other features (such as livestock and crops) on Crown land (which includes a pastoral lease) without the consent of the lessee;

(b) imposes certain restrictions on a mining tenement holder passing through Crown land, including requiring that all necessary steps are taken to notify the occupier of any intention to pass over the Crown land and that all necessary steps are taken to prevent damage to improvements and livestock; and

(c) provides that the holder of a mining tenement must pay compensation to an occupier of Crown land (ie the pastoral lessee) in certain circumstances, in particular to make good any damage to improvements, and for any loss suffered by the occupier from that damage or for any substantial loss of earnings suffered by the occupier as a result of, or arising from, any exploration or mining activities, including the passing and re-passing over any land.

We have been advised by the Company and the Company has confirmed that to the best of its knowledge it is not aware of any improvements and other features on the land the subject of the pastoral leases which overlaps the Tenements which would require the Company to obtain the consent of the occupier or lease holder or prevent the Company from undertaking its proposed mining activities on the Tenements.

Upon commencing mining operations on any of the Tenements, the Company should consider entering into a compensation and access agreement with the pastoral lease holders to ensure the requirements of the Mining Act are satisfied and to avoid any disputes arising. In the absence of agreement, the Warden's Court determines compensation payable.

The DMP imposes standard conditions on mining tenements that overlay pastoral leases. It appears the Tenements incorporate the standard conditions.

7. PRIVATE LAND

Searches indicate that L26/241 overlaps with private land equalling less than 0.1% of the tenement.

Generally and subject to certain exceptions and limitations, private land which is not already subject to a mining tenement is considered open for mining under the Mining Act, and a mining tenement may be issued in relation to such land, entitling the holder to the rights granted thereby. However, a tenement may not be granted in respect of private land which is:

(a) in *bona fide* and regular use as a yard, stockyard, garden, orchard, vineyard, plant nursery or plantation or is land under cultivation or within 100m of that site;

(b) the site of a cemetery or burial ground or within 100 metres of that site;

(c) the site of a dam, bore, well or spring or within 100 metres of that site;

(d) on which there is erected a substantial improvement or within 100 metres of that improvement; or

(e) a parcel of land with an area of 2,000 square metres or less,

unless the written consent of the private landholder and any other occupier is obtained or the tenement is only granted in respect of the land below 30 metres from the surface of the private land. If the tenement is only granted in respect of the land below 30 metres from the surface of the private land, the tenement holder can apply to the Minister for the land between the surface and 30 metres depth to be included in the tenement, which application may be granted provided that the private landowner has consented to such land being included in the tenement.

The owners and occupiers of any land where mining takes place are entitled according to their respective interests to compensation for all loss and damage suffered or likely to be suffered by them resulting or arising from the mining, whether or not lawfully carried out. The tenement holder may not commence mining on the surface or within a depth of 30 metres from the surface until compensation has been agreed with the private landowner or paid in accordance with the Mining Act. Compensation may be determined by agreement between the tenement holder and private landowner or occupier, or by the warden.

The owner and any other occupier may be entitled to compensation for:

(a) deprivation of the possession or use of the natural surface or any part of the land;

(b) damage to the land or any part of the land;

(c) severance of the land or any part of the land from other land of, or used by, the owner or occupier;

(d) loss or restriction of a right of way or other easement or right;

(e) loss of, or damage to, improvements;

(f) social disruption;

(g) in the case of private land that is land under cultivation, any substantial loss of earnings, delay, loss of time, reasonable legal or other costs of negotiation, disruption to agricultural activities, disturbance of the balance of the agricultural holding, the failure on the part of a person concerned in the mining to observe the same laws or requirements in relation to that land as regards the spread of weeds, pests, disease, fire or erosion, or as to soil conservation practices, as are observed by the owner or occupier of that land; and

(h) any reasonable expenses properly arising from the need to reduce or control the damage resulting or arising from the mining.

Specific details of the private land that overlaps L26/241 may be obtained from the DMP and Landgate. We have not undertaken these searches because the private land only overlaps a small portion of the miscellaneous licence.

8. ENCROACHMENTS

Where an application is encroached upon by a live tenement, the application as granted will be for a tenement reduced by that amount of land which falls under the live tenement licence.

Miscellaneous licences may be granted over any land, including any land the subject of an existing mining tenement (which includes exploration licences, mining leases and prospecting licences) whether held by the applicant or another person. Conversely, another mining tenement may be granted over the land the subject of an existing miscellaneous licence. Where this occurs, the miscellaneous licence and the other mining tenement apply concurrently to the land.

The following tenements are being encroached by other live or pending third party tenements:

(a) E39/1641 is being encroached by L39/70 (held by Glenmurrin Pty Ltd and Murrin Murrin Holdings Pty Ltd) by 5.2%;

(b) E39/1684 is being encroached by L39/215 (held by Niwest Limited) by 0.1%;

(c) M26/48 is being encroached by L26/264 (held by Ramelius Resources Limited) by 2.2%;

(d) M26/49 is being encroached by L26/241 (held by Mincor Resources NL and View Nickel) by 0.2%; and

(e) L26/241 is being encroached by:

(i) E26/122 (held by HBJ Minerals Pty Ltd) by 8.9%;

(ii) E26/131 (held by Hogans Resources Pty Ltd) by 15.9%;

(iii) E26/148 (held by HBJ Minerals Pty Ltd) by 22.9%;

(iv) E26/193 (held by Lefroy Exploration Ltd) by 31.7%;

(v) M26/49 (held by Mincor Resources NL and View Nickel) by 1.4%;

(vi) M26/124 (held by Moran Thomas) by less than 0.1%;

(vii) P26/3523 (held by St Ives Gold Mining Company Pty Limited) by 1.9%;

(viii) P26/3524 (held by St Ives Gold Mining Company Pty Limited) by 3.2%; and

(ix) P26/3528 (held by HBJ Minerals Pty Ltd) by 9.1%.

9. MATERIAL CONTRACTS

We have reviewed all material agreements relating to the Tenements provided to us. We have summarised the material terms of these agreements in Part III of this Report.

There are two (2) agreements registered as dealings against the Carnilya Hill Tenements as at the date of the Searches, being Agreement 38H/023 and Agreement 33H/056.

Agreement 38H/023 is noted as the Mining Rights Agreement dated 5 November 2001 between St Ives Gold Mining Company Pty Limited (**SIGMC**), Agnew Gold Mining Company Pty Ltd (**AGMC**) and WMC Resources Ltd (**WMC**) under which WMC granted to SIGMC and AGMC, amongst other things, the right to explore and mine for gold on mining leases 26/47, 26/48, 26/49 and 26/453.

Agreement 33H/056 is noted as the Deed of Sale of the Feysville and Carnilya Projects dated 21 May 2003 between SIGMC, AGMC and Anglo Australian Resources NL (**AAR**), whereby SIGMC and AGMC agreed to assign to AAR all of their rights to explore for and mine gold on the Carnilya Hill Tenements.

Refer to Part III of this Report for further details in relation to these agreements.

10. QUALIFICATIONS AND ASSUMPTIONS

This Report is subject to the following qualifications and assumptions:

(a) we have assumed the accuracy and completeness of all Searches, register extracts and other information or responses which were obtained from the relevant department or authority including the NNTT;

(b) we assume that the registered holder of a Tenement has valid legal title to the Tenement;

(c) this Report does not cover any third party interests, including encumbrances, in relation to the Tenements that are not apparent from our Searches and the information provided to us;

(d) we have assumed that any agreements provided to us in relation to the Tenements are authentic, were within the powers and capacity of those who executed them, were duly authorised, executed and delivered and are binding on the parties to them;

(e) with respect to the granting of the Tenements, we have assumed that the State and the applicant for the Tenements have complied with, or will comply with, the applicable Future Act Provisions;

(f) we have assumed the accuracy and completeness of any instructions or information which we have received from the Company or any of its officers, agents and representatives;

(g) unless apparent from our Searches or the information provided to us, we have assumed compliance with the requirements necessary to maintain a Tenement in good standing;

(h) references in Parts I and II of this Report to any area of land are taken from details shown on searches obtained from the relevant department. It is not possible to verify the accuracy of those areas without conducting a survey;

(i) the information in Parts I and II of this Report is accurate as at the date the relevant Searches were obtained. We cannot comment on whether any changes have occurred in respect of the Tenements between the date of the Searches and the date of this Report;

(j) where Ministerial consent is required in relation to the transfer of any Tenement, we express no opinion as to whether such consent will be granted, or the consequences of consent being refused, although we are not aware of any matter which would cause consent to be refused;

(k) we have not conducted searches of the Database of Contaminated Sites maintained by the Department of the Environment and Conservation;

(l) native title may exist in the areas covered by the Tenements. Whilst we have conducted Searches to ascertain that native title claims and determinations, if any, have been lodged in the Federal Court in relation to the areas covered by the Tenements, we have not conducted any

research on the likely existence or non-existence of native title rights and interests in respect of those areas. Further, the NTA contains no sunset provisions and it is possible that native title claims could be made in the future; and

(m) Aboriginal heritage sites or objects (as defined in the WA Heritage Act or under the Commonwealth Heritage Act) may exist in the areas covered by the Tenements regardless of whether or not that site has been entered on the Register of Aboriginal Sites established by the WA Heritage Act or is the subject of a declaration under the Commonwealth Heritage Act. We have not conducted any legal, historical, anthropological or ethnographic research regarding the existence or likely existence of any such Aboriginal heritage sites or objects within the area of the Tenements.

11. CONSENT

This report is given for the benefit of the Company and the directors of the Company in connection with the issue of the Prospectus and is not to be disclosed to any other person or used for any other purpose or quoted or referred to in any public document or filed with any government body or other person without our prior consent.

Yours faithfully



STEINEPREIS PAGANIN

PART I – TENEMENT SCHEDULE

TENEMENT	REGISTERED HOLDER / APPLICANT	SHARES HELD	GRANT DATE (APPLICATION DATE)	EXPIRY DATE	AREA SIZE	ANNUAL RENT	MINIMUM ANNUAL EXPENDITURE	REGISTERED DEALINGS/ ENCUMBRANCES	NOTES	NATIVE TITLE AND ABORIGINAL HERITAGE
E39/1641	View Nickel Pty Ltd	100/100	04/04/2012	03/04/2017	27BL	Rent for the previous tenement year ended 03/04/2017: paid in full Rent for the tenement year ended 03/04/2018: $7,380.45	Tenement year ended 03/04/2016: expended in full Current year commitment: $40,500.00	No material registered dealings or encumbrances	**Endorsements** 1 - 8 **Conditions** 1 – 17 **Tengraph Interests** 53 -60	**Heritage Sites:** 203 Ten Mile Well 247 Kowtah South 1 15787 Toomey Hill **Native Title Claim:** No overlapping registered native title claims.
E39/1684	View Nickel Pty Ltd	100/100	01/11/2012	31/10/2017	29BL	Rent for the previous tenement year ended 31/10/2016: paid in full Rent for the tenement year ended 31/10/2017: $5,842,.05	Tenement year ended 31/10/2016: expended in full Current year commitment: $43,500.00	No material registered dealings or encumbrances	**Endorsements** 1 - 8 **Conditions** 1-6, 18 – 19 **Tengraph Interests** 53 – 55, 58, 59	**Heritage Sites:** No Aboriginal heritage sites registered. **Native Title Claim:** No overlapping registered native title claims
M26/47	View Nickel Pty Ltd Mincor Resources NL	30/100 70/100	31/05/1984	30/05/2026	627.90000 HA	Rent for the previous tenement year ended 30/05/2017: paid in full Rent for the tenement year ended 30/05/2018: $10,707.40	Tenement year ended 30/05/2016: expended in full Current year commitment: $62,800.00	Agreement 38H/023 Agreement 33H/056 Caveat 1112H/056 Fine 439515	**Endorsements** Nil **Conditions** 20 to 36 **Tengraph Interests** 54, 55, 57, 58, 84	**Heritage Sites:** 30609 Lake Yindarlgooda – Duncan Swamp Story Line **Native Title Claim:** No overlapping registered native title claims
M26/48	View Nickel Pty Ltd Mincor Resources NL	30/100 70/100	31/05/1984	30/05/2026	482.35000 HA	Rent for the previous tenement year ended 30/05/2017: paid	Tenement year ended 30/05/2016: expended in full Current year commitment:	Agreement 38H/023 Agreement 33H/056 Caveat	**Endorsements** Nil **Conditions** 20, 22, 23, 25 –	**Heritage Sites:** 30609 Lake Yindarlgooda – Duncan Swamp Story Line

TENEMENT	REGISTERED HOLDER / APPLICANT	SHARES HELD	GRANT DATE (APPLICATION DATE)	EXPIRY DATE	AREA SIZE	ANNUAL RENT	MINIMUM ANNUAL EXPENDITURE	REGISTERED DEALINGS/ ENCUMBRANCES	NOTES	NATIVE TITLE AND ABORIGINAL HERITAGE
						in full Rent for the tenement year ended 30/05/2018: $8,235.15	$48,300	1113H/056 Fine 439516	26, 37 - 47 **Tengraph Interests** 53 – 55, 58	**Native Title Claim:** No overlapping registered native title claims
M26/49	View Nickel Pty Ltd Mincor Resources NL	30/100 70/100	31/05/1984	30/05/2026	988.05000 HA	Rent for the previous tenement year ended 30/05/2017: paid in full Rent for the tenement year ended 30/05/2018: $16,862.45	Tenement year ended 30/05/2016: expended in full Current year commitment: $98,900.00	Agreement 38H/023 Agreement 33H/056 Caveat 1114H/056	**Endorsements** Nil **Conditions** 20, 22, 23, 25, 26, 35, 37, 39 - 49 **Tengraph Interests** 54, 55, 58	**Heritage Sites:** 30609 Lake Yindarlgooda – Duncan Swamp Story Line **Native Title Claim:** No overlapping registered native title claims
M26/453	View Nickel Pty Ltd Mincor Resources NL	30/100 70/100	15/12/1994	14/12/2036	109.05000 HA	Rent for the previous tenement year ended 14/12/2016: paid in full Rent for the tenement year ended 14/12/2017: $1,875.50	Tenement year ended 14/12/2015: expended in full Current year commitment: $11,000.00	Agreement 38H/023 Agreement 33H/056 Caveat 1115H/056	**Endorsements** 1 **Conditions** 1, 3, 4, 20, 25, 26, 39, 41 - 43, 49 - 52 **Tengraph Interests** 54, 55, 58	**Heritage Sites:** No Aboriginal heritage sites registered. **Native Title Claim:** No overlapping registered native title claims
L26/241	View Nickel Pty Ltd Mincor Resources NL	30/100 70/100	10/08/2007	09/08/2028	134.00000 HA	Rent for the previous tenement year ended 09/08/2017: paid in full Rent for the tenement year ended 09/08/2018: $2,023.40	Not applicable - no expenditure required.	No material registered dealings or encumbrances	**Endorsements** 1, 2, 9 **Conditions** 5, 6, 25, 26, 53 – 70 **Tengraph Interests** 72, 73, 76, 79 - 83	**Heritage Sites:** No Aboriginal heritage sites registered. **Native Title Claim:** No overlapping registered native title claims

*Registered Dealing		Details
Agreement 38H/023:	Agreement (Mining Rights Agreement) St Ives Gold Mining Co. Pty Ltd, Agnew Gold Mining Co. Pty Ltd and WMC Resources Ltd - registered 22 November 2002.	St Ives Gold Mining Company (**SIGMC**), Agnew Gold Mining Company Pty Ltd (**AGMC**) and WMC Resources Ltd (**WMC)** entered into an agreement dated 5 November 2001 (**Mining Rights Agreement**) under which WMC granted to SIGMC and AGMC, amongst other things, the right to explore and mine for gold on mining leases 26/47, 26/48, 26/49 and 26/453 (**Carnilya Gold Rights**)..
Agreement 33H/056:	Agreement (Deed of Sale - Feysville and Carnilya Projects) St Ives Gold Mining Co. Pty Ltd, Agnew Gold Mining Co. Pty Ltd and Anglo Australian Resources NL – registered 18 January 2006.	St Ives Gold Mining Company (**SIGMC**), Agnew Gold Mining Company Pty Ltd (**AGMC**) and Anglo Australian Resources NL (**AAR**) entered into an agreement dated 21 May 2003 (**Deed of Sale – Feysville and Carnilya Projects**) under which SIGMC and AGMC assigned their interest in the Carnilya Gold Rights to AAR.
Caveat 1112H/056:	Caveator: Anglo Australian Resources NL Shares Caveated: 96/96 shares in the name of View Nickel Pty Ltd. Recorded: 18/01/2006.	Each caveat claims an interest in these tenements by virtue of Deed of Sale dated 21 May 2003 between St Ives Gold Mining Company Pty Ltd (**SIGMC**), Agnew Gold Mining Company Pty Ltd (**AGMC**) and Anglo Australian Resources NL (**AAR**) pursuant to which AAR acquired SIGMC's and AGMC's rights to explore and mine for gold on M26/47, M26/48, M26/49 and M26/453 pursuant to the terms of a Mining Rights Agreement.
Caveat 1113H/056:		
Caveat 1114H/056:		
Caveat 1115H/056:		
Fine 439515	Fine in respect to forfeiture process 438132 which was imposed for non-compliance with expenditure obligations.	Penalty amount: $3,316.00. Payment received and fine finalised on 17 February 2014
Fine 439516	Fine in respect to forfeiture process 438132 which was imposed for non-compliance with expenditure obligations.	Penalty amount: $2,550.00. Payment received and fine finalised on 17 February 2014

Key to Tenement Schedule

E – Exploration Licence

M – Mining Lease

References to numbers in the "Notes" column refers to the notes following this table.

Unless otherwise indicated, capitalised terms have the same meaning given to them in the Prospectus.

Please refer to Part II of this Report for further details on native title and Aboriginal heritage matters.

Please refer to Part III of this Report for details of the material contracts.

Notes:

Tenement conditions and endorsements

ENDORSEMENTS	
1.	The licensee's attention is drawn to the provisions of the Aboriginal Heritage Act 1972 and any Regulations thereunder.
2.	The licensee's attention is drawn to the Environmental Protection Act 1986 and the Environmental Protection (Clearing of Native Vegetation) Regulations 2004, which provides for the protection of all native vegetation from damage unless prior permission is obtained.
3.	**In respect to Proclaimed Ground Water Areas the following endorsement applies:** The abstraction of groundwater is prohibited unless a current licence to construct/alter a well and a licence to take groundwater has been issued by the Department of Water (**DoW**).
4.	**In respect to Water Resources Management Areas (WRMA) the following endorsements apply:** The Licensee attention is drawn to the provisions of the: • Waterways Conservation Act, 1976 • Rights in Water and Irrigation Act, 1914 • Metropolitan Water Supply, Sewerage and Drainage Act, 1909 • Country Areas Water Supply Act, 1947 • Water Agencies (Powers) Act 1984 • Water Resources Legislation Amendment Act 2007
5.	The rights of ingress to and egress from the mining tenement being at all reasonable times preserved to officers of DoW for inspection and investigation purposes.
6.	The storage and disposal of petroleum hydrocarbons, chemicals and potentially hazardous substances being in accordance with the current published version of the DoWs relevant Water Quality Protection Notes and Guidelines for mining and mineral processing.
7.	**In respect to Artesian (confined) Aquifers and Wells the following endorsement applies:** The abstraction of groundwater from an artesian well and the construction, enlargement, deepening or altering of any artesian well is prohibited unless a current licence for these activities has been issued by the DoW.
8.	**In respect to Waterways the following endorsement applies:** Advice shall be sought from the DoW if proposing any prospecting in respect to licence purpose within a defined waterway and within a lateral distance of: • 50 metres from the outer-most water dependent vegetation of any perennial waterway, and • 30 metres from the outer-most water dependent vegetation of any seasonal waterway.
9.	The grant of this Licence does not include land the subject of East Loc 45 and 48.
CONDITIONS	
1.	All surface holes drilled for the purpose of exploration are to be capped, filled or otherwise made safe immediately after completion.
2.	All disturbances to the surface of the land made as a result of exploration, including costeans, drill pads, grid lines and access tracks, being backfilled and rehabilitated to the satisfaction of the Environmental Officer, Department of Mines and Petroleum (**DMP**). Backfilling and rehabilitation being required no later than 6 months after excavation unless otherwise approved in writing by the Environmental Officer, DMP.
3.	All waste materials, rubbish, plastic sample bags, abandoned equipment and temporary buildings being removed from the mining tenement prior to or at the termination of exploration program.
4.	Unless the written approval of the Environment Officer, DMP is first obtained, the use of drilling rigs, scrapers, graders, bulldozers or other mechanised equipment for surface disturbances or the excavation of costeans is prohibited. Following approval, all topsoil being removed ahead of mining operations and separately stockpiled for

	replacement after backfilling and/or completion of operations.
5.	The Licensee notifying the holder of any underlying pastoral or grazing lease by telephone or in person, or by registered post if contact cannot be made, prior to undertaking airborne geophysical surveys or any ground disturbing activities utilising equipment such as scrapers, graders, bulldozers, backhoes, drilling rigs; water carting equipment or other mechanised equipment.
6.	The Licensee or transferee, as the case may be, shall within thirty (30) days of receiving written notification of:- • the grant of the Licence; or • registration of a transfer introducing a new licensee; advise, by registered post, the holder of any underlying pastoral or grazing lease details of the grant or transfer.
7.	No interference with Geodetic Survey Station SSM-R 166 and mining within 15 metres thereof being confined to below a depth of 15 meters from the natural surface.
8.	The rights of ingress to and egress from Miscellaneous Licence 39/70, 39/89, 39/121, 39/136 and 39/204 being at all times preserved to the licensee and no interference with the purpose or installations connected to the licence.
9.	The prior written consent of the Minister responsible for the Mining Act 1978 being obtained before commencing any exploration activities on Unnumbered Land Act Reserve 628 and Quarry Reserve 30029.
10.	No mining within 15 metres of either side of the Pipeline Licence 36 as shown in TENGRAPH.
11.	No surface excavation approaching closer to the boundary of the Safety Zone established by Condition 10 hereof then a distance equal to three times the depth of the excavation without the prior written approval of the State Mining Engineer, DMP.
12.	No interference with the drainage pattern, and no parking, storage or movement of equipment or vehicles used in the course of mining within the Safety Zone established by Condition 10 hereof without the prior written approval of the operators of the Pipeline Licence 36.
13.	The Licensee shall not excavate, drill, install, erect, deposit or permit to the excavated, drilled, installed, erected or deposited within the Safety Zone established in Condition 10 hereof, any pit, well, pavement, foundation, building, or other structure or installation, or material of any nature whatsoever without the prior written consent of the State Mining Engineer DMP.
14.	No explosives being used or stored within one hundred and fifty (150) meters of the Pipeline Licence 36 without the prior written consent of the State Mining Engineer DMP.
15.	Mining on the Safety Zone established in Condition 10 hereof being confined to below a depth of 50 metres from the natural surface unless otherwise approved by the State Mining Engineer DMP.
16.	The rights of ingress to and egress from the pipeline easement established in Condition 10 hereof being at all times preserved for employees, contractors and agents of the operations of the Pipeline Licence 36.
17.	Such further conditions as may from time to time be imposed by the Minister responsible for the Mining Act 1978 for the purpose of protecting the Pipeline Licence 36.
18.	The rights of ingress to and egress from Miscellaneous Licence 39/215 being at all times preserved to the licensee and no interference with the purpose of installations connected to the licence.
19.	Mining on any road, road verge or road reserve being confined to below a depth of 15 metres from the natural surface.
20.	Survey.
21.	All topsoil vegetation being removed ahead of all mining operations and being stockpiled appropriately for later respreading or immediately respread as rehabilitation progresses.
22.	Compliance with the provisions of the Aboriginal Heritage Act, 1972 to ensure that no action is taken which is likely to interfere with or damage any sacred site.
23.	The complete excision of any portion encroaching on Exploration Licence 26/6.
24.	No mining on Trig E. 84 Reserve 17175 without the prior written consent of the Minister for Minerals and Energy.
25.	The Lessee submitting to the Executive Director, Environment Division, DMP, a brief annual report outlining the project operations, minesite environmental management and rehabilitation work undertaken in the previous 12 months and the proposed operations, environmental management plans and rehabilitation programmes for the

	next 12 months. This report to be submitted each year in: March
26.	A Mine Closure Plan is to be submitted in the Annual Environmental Reporting month specified in tenement conditions in the year specified below, unless otherwise directed by an Environmental Officer, DMP. The Mine Closure Plan is to be prepared in accordance with the "Guidelines for Preparing Mine Closure Plans" available on DMP's website: • 2014
27.	The construction and operation of the project and measures to protect the environment to be carried out in accordance with the document titled: • "Programme of Work on M26/47 for Mincor Resources NL (Reg ID 48433) dated 17 June 2014 signed by Noleen Kemp and retained on DMP File No. EARS-POW48433 Where a difference exists between the above document(s) and the following conditions, then the following conditions shall prevail.
28.	All surface holes drilled for the purpose of exploration are to be capped, filled or otherwise made safe immediately after completion.
29.	The development and operation of the project being carried out in such a manner so as to create the minimum practicable disturbance to the existing vegetation and natural landform.
30.	All disturbances to the surface of the land made as a result of exploration, including costeans, drill pads, grid lines and access tracks, being backfilled and rehabilitated to the satisfaction of the Environmental Officer, DMP. Backfilling and rehabilitation being required no later than 6 months after excavation unless otherwise approved in writing by the Environmental Officer, DMP.
31.	All waste materials, rubbish, plastic sample bags, abandoned equipment and temporary buildings being removed from the mining tenement prior to or at the termination of exploration program.
32.	Unless the written approval of the Environmental Officer, DMP is first obtained, the use of drilling rigs, scrapers, graders, bulldozers, backhoes or other mechanised equipment for surface disturbance or the excavation of costeans is prohibited. Following approval, all topsoil being removed ahead of mining operations and separately stockpiled for replacement after backfilling and or completion of operations.
33.	The Lessee notifying the holder of any underlying pastoral or grazing lease by telephone or in person, or by registered post if contact cannot be made, prior to undertaking airborne geophysical surveys or any ground disturbing activities utilising equipment such as scrapers, graders, bulldozers, backhoes, drilling rigs; water carting equipment or other mechanised equipment.
34.	The Lessee submitting a plan of proposed operations and measures to safeguard the environment to the Executive Director, Environment, DMP for his assessment and written approval prior to commencing any developmental or productive mining or constructive activity.
35.	All rubbish and scrap is to be progressively disposed of in a suitable manner.
36.	At completion of operations, all buildings and structures being removed from site or demolished and buried to the satisfaction of the Executive Director, Environment Division, DMP.
37.	All topsoil being removed ahead of mining operations and stockpiled for replacement in accordance with the directions of the Mining Engineer-District Inspector of Mines.
38.	The construction and operation of the project and measures to protect the environment being carried out generally in accordance with the document titled: • "Notice of Intent for Carnilya Hill Nickel Mine Recommencement of Mining – M26/48" dated October 2003 (NOI 4410), technically certified by Mr Colin Andrew Woolard and corporately endorsed by Mr Geoff Chapman and retained on Department of Industry and Resources File No. E2757/200301 • "Carnilya Hill Mine – Installation of 33KV Powerline" (MP 5891) dated 27 November 2007, signed by Steve Cowle and retained on Department of Industry and Resources File No. E2757/200302 • "Carnilya Hill Mine, Extension of Waste Rock Landform, Mining Proposal Amendment #02, M26/48" (MP 6010) dated March 2008 signed by Stephen Cowle – Chief Operating Officer and retained on Department of Industry and Resources File No. E2757/200302 Where a difference exists between the above document(s) and the following conditions, then the following conditions shall prevail.
39.	Any saline water spills or environmental incidents are to be reported to the Regional Environmental Officer, Department of Industry and Resources within 48 hours of occurrence.

40.	Wastes from ancillary facilities such as maintenance workshops and laboratories being managed in a manner which minimises their detrimental effect on the surrounding environment. Practical measures such as protecting bunding, skimmers, silt traps, neutralisation pits and petrol/oil traps being provided and maintained as appropriate.
41.	Any failure of components of the waste management systems resulting in a loss of potentially polluting matter to the environment being immediately reported to the Inspectorate Environmental and Rehabilitation Officer of the Department of Industry and Resources.
42.	The lessee visually inspecting for evidence of pipeline failure the ground surrounding the dewatering effluent and saline groundwater supply pipelines at a minimum frequently of once per day.
43.	Should a failure in an inspected pipeline be discovered, the discharge being ceased immediately and not resuming until the pipeline has been repaired. The Inspectorate Environmental and Rehabilitation Officer being notified within one week of the failure and provided with an estimate of the total effluent volume lost due to the failure.
44.	All pipeline access roads being engineered to prevent erosion and exposure of the pipeline caused by stormwater runoff.
45.	Placement of waste material must be such that the final footprint after rehabilitation will not be impacted upon by pit wall subsidence and zone of instability.
46.	At the completion of operations, or progressively where possible, all access roads and other disturbed areas being covered with topsoil, deep ripped and revegetated with local native grasses, shrubs and trees to the satisfaction of the State Mining Engineer.
47.	At the completion of operations, all buildings and structures being removed from site or demolished and buried to the satisfaction of the Director, Environment Division, Department of Industry and Resources.
48.	The construction and operation of the project and measures to protect the environment being carried out generally in accordance with the document titled: • "Notice of Intent for Zone 29 Nickel Project Underground Mining Proposal – M26/453 and M26/49" dated 2003 (NOI 4413), technically certified by Mr Colin Andrew Woolard and corporately endorsed by Mr Geoff Chapman and retained on Department of Industry and Resources File No. E2757/200301 • "Carnilya Hill Mine – Installation of 33KV Powerline" (MP 5891) dated 27 November 2007, signed by Steve Cowle and retained on Department of Industry and Resources File No. E2757/200302 Where a difference exists between the above document(s) and the following conditions, then the following conditions shall prevail.
49.	All costeans and other disturbances to the surface of the land made as a result of exploration, including drill pads, grid lines and access racks, being backfilled and rehabilitated to the satisfaction of the Environmental Officer, Department of Industry and Resources (DoIR). Backfilling and rehabilitation being required no later than 6 months after excavation unless otherwise approved by the Environment Officer, DoIR.
50.	The lessee or transferee, as the case may be, shall within thirty (30) days of receiving written notification of:- • the grant of the Licence; or • registration of a transfer introducing a new lessee; advise, by certified mail, the holder of any underlying pastoral or grazing lease details of the grant or transfer.
51.	No developmental or productive mining or construction activity being commenced until the tenement holder has submitted a plan of the proposed operations and measures to safeguard the environment to the Director, Environment, DoIR for assessment; and until his written approval has been obtained.
52.	The construction and operation of the project and measures to protect the environment being carried out generally in accordance with the document titled: • "Notice of Intent for Zone 29 Nickel Project Underground Mining Proposal – M26/453 and M26/49" dated 2003 (NOI 4413), technically certified by Mr Colin Andrew Woolard and corporately endorsed by Mr Geoff Chapman and retained on Department of Industry and Resources File No. E2757/200301 Where a difference exists between the above document(s) and the following conditions, then the following conditions shall prevail.
53.	The Licensee submitting a plan of proposed operations and measures to safeguard the environment to the Director, Environment, DoIR for assessment and written approval prior to commencing any development or construction.
54.	The road to be constructed using proper materials to suit the purpose for which it is being constructed, and further that it be constructed in a workman like manner and further that it be constructed to the satisfaction of the District Inspector of Mines, Resources Safety, DoCEP (the Inspector).
55.	Wherever any part of a road intersects an existing fence, the holder shall where necessary construct a gate or livestock grid having such dimensions and be constructed of such materials and be of such standard as agreed with the pastoralist or as determined by the Inspector.

56.	The holder shall maintain the road from time to time as shall be required to ensure that it is safe for the purpose that it is constructed.
57.	The road is to be clearly signposted as a private road and the signposting is to be regularly maintained at the licence holder's expense.
58.	All traffic on the road must give way to traffic on public roads.
59.	All intersections with public roads should be at 90 degrees or as close as possible to maintain visibility and such intersections are to be maintained at the licence holder's expense.
60.	The licensee is to obtain the written approval of the City of Kalgoorlie – Boulder or Main Roads WA or both where applicable and lodge a copy of that approval with the Mining Registrar prior to the construction of that part of the road that will intersect with any existing road. Where a difference exists between DoIR conditions and the requirements of either authority, the requirements of the authority prevail.
61.	All topsoil that may be removed ahead of pipelaying operations to be stockpiled for replacement in accordance with the directions of the Environmental Officer, Department of Industry and Resources.
62.	Ingress and egress of pastoralists and tenement holders to be preserved by the construction of vehicular access crossings over any pipeline constructed pursuant to this licence.
63.	At the direction of the Inspector the holder shall clear such area about any powerline as determined by the Inspect of any dry or other growth considered by the Inspector to be a potential risk for fire or for any other reason the Inspector may deem necessary.
64.	The electrical installation shall meet the requirements of relevant on-site conditions and be carried out to the satisfaction of the Special Inspector of Mines – Electrical, Resources Safety, DoCEP.
65.	To properly maintain the installations as directed by the Inspector.
66.	No interference with the use of Aerial Landing Ground and mining thereon being confined to below a depth of 15 metres from the natural surface.
67.	The prior written consent of the Minister responsible for the Mining Act 1978 being obtained before commencing any activities in respect to the licence purposes on Water Reserve 2971. • Consent to mine upon Water Reserve 2971 granted on 16.11.2007.
68.	The rights of ingress to and egress from Miscellaneous Licence 26/237 being at all times preserved to the licensee and no interference with the purpose or installations connected to the licence.
69.	On completion of the life of mining operations in connection with the licence the holder shall: • remove all installations constructed pursuant to this licence; • on such areas cleared of natural growth by the holder or any of its agents, the holder shall plant trees and/or shrubs and/or any other plant as shall conform to the general pattern and type of growth in the area and as directed by the Environmental Officer, Department of Industry and Resources and properly maintain same until the Environmental Officer advises regrowth is self-supporting; unless the Warden or Minister responsible for the Minign Act 1978 orders or consents otherwise.
70.	The construction and operation of the project and measures to protect the environment being carried out generally in accordance with the document titled: • "Carnilya Hill Mine – Installation of 33KV Powerline" (MP 5891) dated 27 November 2007, signed by Steve Cowle and retained on Department of Industry and Resources File No. e2757/200302 Where a difference exists between the above document(s) and the following conditions, then the following conditions shall prevail.

Tengraph interests

	Land Type	Description
71.	Aboriginal Heritage Survey	Aboriginal Heritage Survey Areas are areas in which an Aboriginal Heritage Survey has been undertaken and results are described in a Heritage Survey Report. The Department of Indigenous Affairs holds copies of these reports. A heritage survey conducted in a particular area does not necessarily mean that another heritage survey does not need to be undertaken. This will depend on the type of survey undertaken and also when the original survey was undertaken. Not all Aboriginal sites within a survey area are necessarily recorded in the survey. The type of survey undertaken, such as site identification or Site Avoidance, is decided by the professional heritage consultant engaged by the proponent and depends upon the scope and nature of the project. What is appropriate for one project may not be for a different project. Notes: • E39/1641 is encroached by the following Aboriginal Heritage Surveys: o 102472 – 20.7% o 101903 – 1.8% o 102067 – 100.0% o 106339 – < 0.1% o 21195 – 18.8% o 102255 – 17.4% o 21195 – 100.0% o 28667 – 2.7% • E39/1684 is encroached by the following Aboriginal Heritage Surveys: o 106339 – 0.6% o 21195 (ID 1) – 4.3% o 102255 – 4.8% o 21195 (ID 2) – 4.3% o 28669 – 1.0% • M26/48 is encroached by the following Aboriginal Heritage Surveys: o 27988 – 2.2%
72.	Mineralisation Zone (Non Section 57(2aa))	Area in which applications of Exploration Licences are restricted to a maximum of 70 blocks (required by s57(1) Mining Act). Section 57(2aa) Mining Act states that if the area of land is in an area of the state designated under s57A(1) it shall not be more than 200 blocks.
73.	Groundwater Area	The Tenement overlaps a Ground Water Area managed by the Department of Water (**DoW**). Groundwater areas are proclaimed under the Rights in Water and Irrigation Act, 1914. Groundwater is a reserve of water beneath the earth's surface in pores and crevices of rocks and soil. Recharge of groundwater aquifers is slow and can take many years. Groundwater often supports wetland and stream ecosystems. There are 45 proclaimed groundwater areas in Western Australia where licences are required to construct or alter a well and to take groundwater. The Department of Water is responsible for managing proclaimed areas under the Rights in Water and Irrigation Act. Water licence allocations are aimed at ensuring equitable use of the state's water resources between licence holders and protecting the long-term security of the resources. The DoW has released guidelines to set out its regulatory requirements for mining projects. The approval requirements for a particular project will vary depending on the local water regime, the scale and the details of the proposed mining operation.

	Land Type	Description
74.	Unnumbered Land Act Reserve	Unnumbered Land Act reserves are distributed throughout the State. They are a legacy of land parcels which were alienated during the earlier part of the 20th century. In dealing with these reserves, DMP leases with Landgate or the local Shire. There are many Reserves which have not been given formal numbers by Landgate. These are known as lot zeros or unnumbered Land Act Reserves and the DMP allocates an internal number for tracking purposes.
75.	Crown Reserve	Under section 41 of the Land Administration Act 1997, the Minister may set aside Crown lands by Ministerial Order in the public interest. Every such reservation has its description and designated purpose registered on a Crown Land Title (**CLT**) and is depicted on an authenticated map held by Landgate. Reservation action is normally initiated by the Department for Planning and Infrastructure following community or Government request, land planning decisions, or as a result of the subdivision of land. The Land Act 1933 provided for State reserves to be classified as Class A, B or C. There is no provision in the LAA to create new Class B reserves and there is no longer reference to Class C reserves. Class A affords the greatest degree of protection for reserved lands, requiring approval of Parliament to amend the reserve's purpose or area, or to cancel the reservation. The A classification is used solely to protect areas of high conservation or high community value. Class B reserves continue, but are no longer created under the LAA. The Minister for Lands may deal with Class B reserved lands as normal reserves, provided that, should the reservation be cancelled, a special report is made to both Houses of Parliament within 14 days from the cancellation or within 14 days after the commencement of the next session. Once created, a reserve is usually placed under the care, control and management of a State government department, local government or incorporated community group by way of a Management Order registered against the relevant CLT. A Management Order under the LAA does not convey ownership of the land – only as much control as is essential for the land's management. Refer to Section 6 of this Report for further information and details of the Tenements which overlap crown reserves.
76.	Pastoral Lease	A lease of Crown land has been granted under Section 114 of the Land Act 1933 (WA), which provides that any Crown land within the State which is not withdrawn from the selection for pastoral purposes, and which is not required to be reserved, may be leased for pastoral purposes. Refer to section 0 of this Report for information and details of the Tenements which overlap pastoral leases.
77.	Historical Lease	The tenement is partially overlapped by Historical Lease: • E39/1641 is encroached by HL 395/489 – <0.1% • E39/1684 is encroached by HL 395/489 – 88.2%
78.	Road Reserve	The tenement is encroached by Road Reserve No. 1728 - 0.1%.
79.	File Notation Area	File Notation Areas are: • An indication of areas where Government has proposed some change of land tenure that is being considered or endorsed by DMP for possible implementation; and/or • Areas of some sensitivity to activities by the mineral resource industry that warrants the application of specific tenement conditions.
80.	Exempted East Location	This parcel of land is in the eastern goldfields and is an East Location that had freehold title issued pre 1899. The title allows the owner of the location to retain mineral rights, therefore the provisions of the Mining Act 1978 & Regulations 1981 do not apply. Exploration and mining (including gold, silver and precious metals) with other parties is handled by agreement with the location owner rather than by statute with DMP. These exempt locations are governed by the Mining on Private Property Act 1898 – referred to in the Mining Act 1978 under Section 27(2) and the locations involved are listed under the Third Schedule of the Act. Although these locations now fall within other land districts (such as Hampton or Ngalbain) they retain the prefix of East as the land title description. Other Acts administered by the Department do have jurisdiction over these locations, such as the Mines Safety & Inspection Act 1994 and the Dangerous Goods Safety Act 2002.

	Land Type	Description
81.	Water Reserve	Water Reserves protect the current and future surface and groundwater supplies. They are not formal Crown Reserves. Typically they are in close proximity to town sites or in catchment areas (reservoirs). They may overlap other land tenures including Unallocated Crown Land. The majority are administered by the Department of Water, others by the Water Corporation. Water Reserves within the Perth region are declared under the Metropolitan Water Supply Sewerage and Drainage Act, 1909 (MWSSD Act). Water reserves outside the Perth region are declared under the Country Areas Water Supply Act, 1947 (CAWS Act).
82.	Reserve Lease	The tenement is partially overlapped by Reserve Lease: • L26/241 is encroached by Reserve Lease K864807 -1.6%
83.	Private Land	The tenement is partially overlapped by Private Land: • L26/241 is encroached by Private Land (Plan 048932 Lot 11) -<0.1%
84.	Section 57(4)	Defined under section 57(4) of the Mining Act 1978 as being those lands that, due to the intensity of mining activity, are exempt from being the subject of an exploration licence.

PART II – NATIVE TITLE CLAIMS

NATIVE TITLE DETERMINATIONS

None.

ILUAs

The land the subject of the Tenements is not subject to any ILUAs.

HERITAGE & COMPENSATION AGREEMENTS

1. Agreement for Heritage Protection (E39/1641)

View Nickel entered into a heritage protection agreement with Fabian Tucker, Nigel Dann, Wayne Smith, Donna-Marie Johnston, Celia Sullivan, Delson Stokes, Linden Brownley, Cyril Barnes, Aubrey Lynch, Murray Stubbs and Eric Thomas (snr) on behalf of the Kurrku Native Title Claim Group regarding exploration licence E39/1641 (**Heritage Protection Agreement**). The parties entered into the Heritage Protection Agreement to:

(a) enable the application for E39/1641 to be granted without objection; and

(b) ensure that in the exercise of View Nickel's rights under E39/1641, the Aboriginal Sites (as defined in section 5 of the *Aboriginal Heritage Act 1972* (WA)) are protected by the undertaking and preparation of a heritage assessment.

The material terms of the Heritage Protection Agreement are as follows:

(a) (**Commitment to Cooperate**): the parties affirm their commitment to cooperate with each other in order to ensure the proper identification, management and preservation of Aboriginal Sites within E39/1641;

(b) (**Identification of areas where survey is required**): the parties will consult with each other to decide which parts of E39/1641 require a heritage assessment (**Survey**). Factors to be taken into account by the parties in determining whether a Survey or some other level of inquiry or consultation should take place in relation to E39/1641 include:

(i) whether there have been previous assessments of the relevant part of E39/1641, the results and methodology of those assessments and the standard and quality of assessment given the time period in which it was done;

(ii) the extent to which the land has been disturbed by previous activity;

(iii) whether the Register maintained by the Department of Indigenous Affairs discloses the existence of any potential Aboriginal Site on the land;

(iv) the nature of the activities to be conducted on the land; and

(v) any other relevant factor raised by any of the parties.

(c) (**Cooperation for Survey**): the parties will co-operate with each other, the coordinating anthropologist and if applicable, any archaeologist and other miners, and agree to use their best endeavours to ensure that any Survey of E39/1641 is carried out;

(d) (**Coordinating Anthropologist**): the coordinating anthropologist will be a person agreed to by the parties. The coordinating anthropologist will cause Surveys to be carried out in accordance with the terms of the Heritage Protection Agreement, including the preparation of a budget for the completion of any Survey and all reporting requirements. The budget must be agreed by the parties before the Survey is commenced;

(e) (**Costs**): View Nickel will bear the costs of the Survey in accordance with the agreed budget and terms of the Heritage Protection Agreement;

(f) (**Survey Report**): the coordinating anthropologist will prepare a Survey report (and any supplementary report) for submission to the Department of Indigenous Affairs. The Native Title Claim Group acknowledges that the final report will be relied on by View Nickel:

(i) in the case of a site avoidance survey, in conducting low impact activities; and

(ii) in the case of a site identification survey without the disclosure of culturally sensitive information, in conducting exploration, mining and associated activities so as to avoid disturbance of identified Aboriginal Sites; and

(g) (**Term**): the Heritage Protection Agreement continues until it is terminated by the giving of notice by either party or is replaced by a subsequent agreement. The provisions of the Heritage Protection Agreement will not apply to View Nickel to the extent it ceases to be the holder of E39/1641.

The Heritage Protection Agreement contains other terms and conditions considered standard for an agreement of its nature.

2. Access Agreement (L26/241)

On or about 5 November 2007, Mincor and View Nickel entered into an access agreement with Leonne Velickovic, Maryanne Velickovic, Lisa Bonney, Gary Dimer and Oliver Dimer, on behalf of the Widji People (**Native Title Claimants**), in relation to miscellaneous licence L26/241.

The material terms of the access agreement are as follows:

(a) (**Term**): the access agreement shall remain in force during the term of L26/241 (and any renewal or extension thereof). Where Mincor and View Nickel transfer their entire interest in L26/241, they are released from further obligations under the agreement (except for confidentiality). The agreement continues in force irrespective of whether or not the Native Title Claim is proved;

(b) (**Consent to Grant**): the Native Title Claimants agree to:

(i) the grant of L26/241 to Mincor and View Nickel; and

(ii) Mincor and View Nickel exercising their rights and discharging their obligations under L26/241, subject to their obligations under the access agreement; and

(iii) do all things reasonably required by Mincor and View Nickel to facilitate the valid grant of L26/241 under the Native Title Act, including withdrawing any objection which they may have lodged to the grant of L26/241.

(c) (**Benefits for Native Title Party**): upon execution of the access agreement by all parties, Mincor and View Nickel agree to pay:

(i) a once-off payment of $15,000 plus GST to the Native Title Claimants; and

(ii) the sum of $5,000 plus GST to the Widji Education Trust, which payment shall continue to be made on each anniversary of the date of execution of the access agreement for the life of the nickel mine at the Carnilya Hill project on M26/49;

(d) (**Subsidy to Up-4-It Program**): upon execution of the access agreement and again upon the first anniversary of the execution of the access agreement, Mincor and View Nickel shall pay a subsidy of $15,000 plus GST (up to a total of $30,000 plus GST over two years) to the Up-4-It Program;

(e) (**Clearance Process**):

(i) prior to the commencement of any ground disturbing activity on M26/49, Mincor and View Nickel shall provide a proposed work programme (and other associated documents) to the Native Title Claimants, sufficient to show the areas where Mincor and View Nickel propose to conduct ground disturbing activities;

(ii) unless otherwise agreed, as soon as possible after provision of the proposed work programme and associated documents, Mincor and View Nickel shall engage an anthropologist and archaeologist (if either or both are required by the Native Title Claimants) acceptable to both parties to conduct an Aboriginal Heritage survey with the Native Title Claimants;

(iii) the Native Title Claimants agree to organise a survey team to conduct the survey with the anthropologist and archaeologist;

(iv) the Native Title Claimants shall provide Mincor and View Nickel with an estimate of the time and budget required to completion of the survey and prior to commencement of the survey, Mincor and View Nickel will deposit an amount equal to 50% of the approved estimated budget for the survey to the Native Title Claimants; and

(v) as soon as possible after receipt of the proposed work programme and associated documents, the survey team, anthropologist and archaeologist shall commence the survey;

(f) (**The Reports**): on completion of the survey, the anthropologist and the archaeologist shall provide confidential reports to the Native Title Claimants which will consist of a description of any Aboriginal Sites and areas of significance within the survey area that were identified during the course of the survey. The anthropologist and the archaeologist (if required) shall also provide a map to Mincor and View Nickel showing those parts of the survey area that are to be avoided by Mincor and View Nickel's activities on M26/49. Following receipt of the closed report, the Native Title Claimants will, without delay, provide to the applicants a proposed work programme clearance which will indicate which parts of the work programme will not result in damage to Aboriginal Sites and can therefore proceed;

(g) (**Artefacts and Objects**): if Mincor and View Nickel discover any artefacts indicating past Aboriginal occupation, presence or use of any part of the land, they agree to notify the Native Title Claimants as soon as practicable and to take all reasonable steps to preserve their situation in accordance with the *Aboriginal Heritage Act 1972* (WA);

(h) (**Costs**): Mincor and View Nickel agree to pay for the costs of the Native Title Claimants and any required survey in accordance with the terms of the access agreement; and

(i) (**Preservation of Access**): Mincor and View Nickel will not restrict any right of access of the Native Title Claimants to M26/49 except:

(i) as is required in connection with construction works or other activities permitted under M26/49;

(ii) for safety or security reasons; or

(iii) as required by law.

The access agreement contains other terms and conditions considered standard for an agreement of its nature.

ABORIGINAL HERITAGE SITES – WESTERN AUSTRALIA

SITE ID	SITE NAME	BOUNDARY RESTRICTED	SITE TYPE	STATUS	COORDINATES	TENEMENTS AFFECTED
203	Ten Mile Well	No	Artefacts/ scatter, man-made structure, camp	Registered site	395762mE 6808108mN Zone 51 [Reliable]	E39/1641
247	Kowtah South 1	No	Artefacts/ scatter	Registered site	391437mE 6809808mN Zone 51 [Reliable]	E39/1641
15787	Toomey Hill	No	Artefacts/ scatter, rock shelter	Registered site	391957mE 6807928mN Zone 51 [Reliable]	E39/1641
30609	Lake Yindarlgooda – Duncan Swamp Story Line	Yes	Mythological	Registered site	Not available when location is restricted	M26/47 M26/48 M26/49

PART III – MATERIAL CONTRACT SUMMARIES

MATERIAL CONTRACT SUMMARIES

Carnilya Hill Joint Venture Agreement

A summary of the Carnilya Hill Joint Venture Agreement is set out in Section 13 of the Prospectus.

AAR Mining Rights Agreement

On or about 3 December 2003, View Nickel (formerly Carey Mining (2002) Pty Ltd) entered into a Deed of Assignment and Novation – Mining Rights Agreement – Sale of gold rights in the Carnilya Tenements (mining leases 26/453, 26/47, 26/48 and 26/49) (**Mining Leases**) with St Ives Gold Mining Company Pty Ltd (**SIGMC**), Agnew Gold Mining Company Pty Ltd (**AGMC**), Carey Mining Pty Ltd (**Parent Entity**) and Anglo Australian Resources NL (**AAR**) (**AAR Mining Rights Agreement**).

SIGMC, AGMC (collectively **Gold Fields**) and WMC Resources Ltd (**WMC**) are parties to a mining rights agreement (as amended and varied) dated 5 November 2001 (**Mining Rights Agreement**) under which WMC was granted, amongst other things, the right to explore and mine for gold on the Mining Leases). Subsequently Gold Fields, WMC, View Nickel and the Parent Entity entered into a Deed of Assignment, Assumption and Consent dated 4 April 2003 whereby WMC assigned and novated to View Nickel its rights and obligations under the Mining Rights Agreement to the extent they applied to the Mining Leases (**CH Mining Rights Agreement)**.

Under clause 7 of the CH Mining Rights Agreement, the Parent Entity undertook to Gold Fields that View Nickel would perform its obligations under the CH Mining Rights Agreement and to the extent View Nickel failed to do so, the Parent Entity would perform those obligations on demand.

Under the AAR Mining Rights Agreement, Gold Fields agreed to assign and novate to AAR its rights and obligations under the CH Mining Rights Agreement (being the rights to explore and mine for gold on the Mining Leases), including the benefit of clause 7.

AAR Access Agreement

On or about 3 December 2003, View Nickel (formerly Carey Mining (2002) Pty Ltd) entered into a Deed of Assignment and Novation – Agreement for Access by Purchaser – Sale of gold rights in the Carnilya Tenements (mining leases 26/453, 26/47, 26/48 and 26/49) (**Mining Leases**) with St Ives Gold Mining Company Pty Ltd (**SIGMC**), Carey Mining Pty Ltd (**Parent Entity**) and Anglo Australian Resources NL (**AAR**) (**AAR Access Agreement**).

SIGMC and WMC Resources Ltd (**WMC**) entered into an agreement dated 5 November 2001 (as varied) under which WMC granted, amongst other things, a licence over certain property owned by WMC, including mining the Mining Leases (**Agreement for Access by Purchaser**). Subsequently SIGMC, WMC, View Nickel and the Parent Entity entered into a Deed of Assignment, Assumption and Consent dated 4 April 2003 whereby WMC assigned and novated to View Nickel its rights and obligations under the Agreement for Access by Purchaser to the extent they applied to the Mining Leases (**CH Access Agreement)**.

Under clause 7 of the CH Access Agreement, the Parent Entity undertook to SIGMC that View Nickel would perform its obligations under the CH Access Agreement and to the

extent View Nickel failed to do so, the Parent Entity would perform those obligations on demand.

Under the AAR Access Agreement, SIGMC agreed to assign and novate to AAR its rights and obligations under the CH Access Agreement, including the benefit of clause 7.

Core Access Agreement

On or about 3 December 2003, View Nickel (formerly Carey Mining (2002) Pty Ltd) entered into a Deed of Assignment, Novation and Variation – Core Access – Sale of gold rights in the Carnilya Tenements (mining leases 26/453, 26/47, 26/48 and 26/49) (**Mining Leases**) with St Ives Gold Mining Company Pty Ltd (**SIGMC**), Agnew Gold Mining Company Pty Ltd (**AGMC**), Carey Mining Pty Ltd (**Parent Entity**) and Anglo Australian Resources NL (**AAR**) (**Core Access Agreement**).

SIGMC, AGMC (collectively **Gold Fields**) and WMC Resources Ltd (**WMC**) entered into the Mining Rights Agreement under which WMC granted, amongst other things, the right to explore and mine for gold on the Mining Leases. Goldfields and WMC are also parties to the Core Farm Agreement (as varied) dated 5 November 2001 under which Gold Fields agreed to provide WMC with, amongst other things, core farm and management services for drill samples (**Core**) extracted from the area comprising the Mining Leases.

Subsequently Gold Fields, WMC, View Nickel and the Parent Entity entered into the CH Mining Rights Agreement. Gold Fields then agreed to assign and novate is rights and obligations under the CH Mining Rights Agreement to AAR pursuant to the AAR Mining Rights Agreement.

Under the Core Access Agreement, Goldfields has agreed to assign all its rights and obligations in relation core access and management services comprising the Mining Leases to AAR.

Mining Royalty Deed

On or about 4 April 2003, View Nickel (formerly Carey Mining (2002) Pty Ltd) entered into Deed of Assignment, Assumption and Consent – Mining Royalty Deed with WMC Resources Ltd (**WMC**), Inco Limited (**Inco**) and Carey Mining Pty Ltd (**Parent Entity**) (**Mining Royalty Deed**).

WMC and Inco had previously entered into a deed of covenant in relation to a mining royalty deed (originally made between BHP Billiton (**BHP**) and Inco) with respect to M26/453, whereby WMC had been assigned BHP's obligation to pay Inco a 1.5% royalty applicable to 50% of the gross revenue of nickel metal production from the M26/453 tenement (**Royalty**).

WMC's rights and obligations to pay the Royalty to Inco have since been assigned to View Nickel pursuant to the Mining Royalty Deed.

Ore Tolling and Concentrate Purchase Agreement

On or about 4 April 2003, View Nickel (formerly Carey Mining (2002) Pty Ltd) is a party to an ore tolling and concentrate purchase agreement with WMC Resources Ltd (**WMC**) and Carey Mining Pty Ltd (**Parent Entity**) (**OTCPA**).

Pursuant to the OTCPA, WMC is required to treat all the ore extracted from mining leases 26/47, 26/48, 26/49 and 26/453 and purchase from View Nickel, the nickel bearing concentrate.

We understand that the OTCPA is now between View and BHP Billiton Nickel West Pty Ltd.

Road Access Agreement

On or about 4 April 2003, View Nickel (formerly Carey Mining (2002) Pty Ltd) entered into a Road Access Agreement with WMC Resources Ltd (**WMC**) and Carey Mining Pty Ltd (**Parent Entity**), whereby WMC agreed to grant View Nickel the right of access to a portion of road situated on separate mining leases (**Licence Area**) to enable View Nickel access to mining leases 26/47, 26/48, 26/49 and 26/453. View Nickel is required, amongst other things, to minimise interference with the activities of WMC and to contribute to the general maintenance etc, of the Licence Area.

BHP Joint Venture Termination and Settlement Deed

On or about 4 April 2003, View Nickel (formerly Carey Mining (2002) Pty Ltd) entered into a Deed of Assignment, Assumption and Consent – Joint Venture Termination and Settlement Deed with WMC Resources Ltd (**WMC**) BHP Billiton Minerals Pty Ltd (**BHP**) and Carey Mining Pty Ltd (**Parent Entity**) (**BHP Joint Venture Termination and Settlement Deed**).

Pursuant to a joint venture termination and settlement deed between WMC and BHP dated 27 March 2000, BHP and WMC agreed to terminate their joint venture of the Carnilya Hill Project, with BHP agreeing to assign its joint venture interest and give exclusive possession of mining leases 26/453, 26/47, 26/48 and 26/49 to WMC (**Termination and Settlement Deed**).

Pursuant to the BHP Joint Venture Termination and Settlement Deed, WMC has agreed to assign all of its rights and obligations under the Termination and Settlement Deed to View Nickel.

Niwest Access Agreement (E39/1684)

View Nickel has entered into an access agreement with Niwest Ltd (ACN 091 415 888) (**Niwest**) pursuant to which Niwest agrees to withdraw its objection to the grant of E39/1684 and agrees not to further object to the grant of E39/1684 in consideration of View Nickel entering into the access agreement and agreeing to be bound by its terms.

The material terms of the access agreement are as follows:

(a) (**Term**): the term of the access agreement will continue until the first of:

(i) the expiration, surrender or other termination of E39/1684;

(ii) the expiration, surrender or other termination of M39/215; or

(iii) the partial expiration, surrender or other termination of E39/1684 or M39/215, so that the Affected Area (defined below) ceases to exist;

(b) (**Mutual Covenants**): each party covenants that it will, in respect of the area that E39/1684 encroaches on M39/215 (**Affected Area**):

(i) comply with the provisions of the Mining Act and all other relevant legislation which applies to its activities;

(ii) ensure that all of its activities are undertaken with due care and diligence and in accordance with accepted industry practice;

(iii) subject to notification, allow the other party (and its employees, agents, contractors and any other person or company authorised by that party) to enter and pass through or over the Affected Area at all reasonable times, together with any vehicles, machinery or equipment reasonably required by that other party;

(iv) not interfere with any activities conducted or proposed to be conducted by the other party and its employees, agents, contractors and any other person or company authorised by that party;

(v) not do anything to damage any of the other party's infrastructure;

(vi) use all reasonable endeavours to avoid doing anything which will or may cause the other Party to suffer any loss, cost or expense in relation to any performance or security bonds lodged in respect of that party's tenement;

(vii) rehabilitate and revegetate (where necessary) all damage it has caused to the Affected Area to the reasonable satisfaction of the DMP; and

(viii) not do or suffer to be done anything which will or may place in jeopardy the other party's interest in that other party's tenement (being, either E39/1684 or M39/215) or render that other party's tenement liable to forfeitures.

(c) (**View Nickel Covenant**): View Nickel covenants that it will not access the Affected Area unless it has given Niwest written notice of its intention to do so;

(d) (**Infrastructure**): if View Nickel reasonably requires Niwest to temporarily or permanently remove all or any of Niwest's infrastructure from all or any part of the Affected Area as a result of a bona fide requirement on the part of View Nickel for mining activities to be undertaken upon land within the Affected Area, the parties agree that:

(i) View Nickel will give Niwest 6 to 12 months' written notice of that requirement, and Niwest will within the notice period (subject to the terms of the access agreement) relocate that portion of its infrastructure as required by View Nickel to facilitate its mining activities; and

(ii) all reasonable costs of relocating such infrastructures and obtaining alternative or additional miscellaneous licences will be borne by View Nickel.

The access agreement otherwise contains terms and conditions considered standard for an agreement of its nature (including dispute resolution and confidentiality among others).

11. RISK FACTORS

11.1 Introduction

The Securities offered under this Prospectus are considered highly speculative. An investment in the Company is not risk free and the Directors strongly recommend potential investors to consider the risk factors described below and the key risk factors described in Section 4.13, together with information contained elsewhere in this Prospectus and to consult their professional advisers before deciding whether to apply for Securities pursuant to this Prospectus.

There are specific risks which relate directly to the Company's business. In addition, there are other general risks, many of which are largely beyond the control of the Company and the Directors. The risks identified in this Section, in Section 4.13 or other risk factors, may have a material impact on the financial performance of the Company and the market price of the Securities.

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

11.2 Company specific risks

(a) **ASX Suspension**

As set out in Section 4.2, the Company's Shares are currently suspended from trading on ASX. As such, there is no market for Shares and the Shares offered pursuant to this Prospectus are highly illiquid.

(b) **Reinstatement to Official Quotation**

At a time following completion of the Offers, the Company intends to satisfy the requirements of ASX and apply for the reinstatement to trading of its Securities on ASX. While every endeavour will be made to comply with the requirements set down by the ASX Listing Rules, there can be no guarantee the Company will be able to comply with the requirements of ASX or that the Securities will be reinstated to trading on ASX. In the event the Company is unable to comply with the requirements of ASX, the Securities will remain suspended from trading on ASX and there will be no readily available market for Securities.

Please refer to Section 4.6 for further information in relation to the ASX reinstatement conditions.

(c) **Future Capital Requirements**

The Company may have a need to raise funds in the future (whether by way of debt or equity). The ability of the Company to meet this future requirement, should it arise, will be dependent on the Company's continued access to credit markets, funding sources and financing facilities.

Recent developments in global financial markets have adversely affected the liquidity of global credit markets, which has resulted in an increase in the cost of funding and in certain cases a reduction in the availability of funding sources throughout global markets. Access to credit markets on less favourable terms will impact the Company's access to financing facilities should the need arise, and may have a

material adverse effect on the Company's future financial performance and position.

Any additional equity financing may be dilutive to the Company's existing Shareholders and any debt financing, if available, may involve restrictive covenants, which limit the Company's operations and business strategy. The Company's failure to raise capital if, and when, needed could delay or suspend the Company's business strategy and could have a material adverse effect on the Company's activities and its solvency.

(d) **Dilution**

Upon implementation of the Offers the number of Shares in the Company will increase from 1,614,034 currently on issue to 243,899,934 Shares. This means existing Shareholders may have their existing Shareholdings in the Company diluted by up to approximately 99.34%.

(e) **Uncertainty of future profitability**

The Company has incurred losses and it is not possible to evaluate the future prospects of the Company based on past performance. Other factors that will determine the Company's financial results are its ability to manage its costs, to execute its development and growth strategies, economic conditions in the markets the Company operates, competitive factors and regulatory developments. The Directors cannot guarantee the future financial performance of the Company and consequently give no financial forecasts.

(f) **Liquidity and price risks**

As the Company's Securities have been and are currently suspended from Official Quotation, there is currently no public market for the Company's Securities. The price of its Shares sought to be reinstated to ASX quotation is subject to uncertainty and there can be no assurance that an active market for the Company's Shares proposed to be reinstated to ASX quotation will develop or continue after the Offers.

The price at which the Company's Shares trade on ASX after the proposed reinstatement to quotation by the ASX may be higher or lower than the prices paid under the Offers and could be subject to fluctuations in response to variations in operating performance and general operations and business risk, as well as external operating factors over which the Directors and the Company have no control, such as movements in product material prices and exchange rates, changes to government policy, legislation or regulation and other events or factors.

(g) **Abednegno Hill Project**

Access and operations on the Abednegno Hill Project may be restricted, in part, by the presence of certain miscellaneous licenses over exploration licences E39/1641 and E39/1684. These miscellaneous licences largely relate to road, electricity and water pipelines. While the Company has the right to access all parts of these tenements, it will need to abide by the requirements of those miscellaneous licences and in doing so may result in additional costs and delays to exploration in the future. Of the target areas discussed in Section 7.3, the Sligo Creek

Prospects and the nickel targets (both within E39/1684) are not overlain by any miscellaneous licenses. One of the cobalt targets within E39/1641 is overlain by miscellaneous license L39/70 and it is a condition of the grant of E39/1641 that Celsius must allow ingress and egress to L39/70 at all times during Celsius' exploration of the tenement.

The tenements which form the Abednegno Hill Project, E39/1641 and E39/1684, are due to expire on 3 April 2017 and 31 October 2017 respectively. The continuity of these tenements beyond these dates is dependent on the DMP approving the Company's application for extension of tenure. Applications for extension of tenure must be supported by a detailed costed programme of future work proposed for the expiring tenement and address the grounds on which an extension of term is sought. In the case of the Abednegno Hill Project, the Company will need to demonstrate that work carried out during the term of the licences has identified features of sufficient interest that justify further exploration by the Company. Alternatively, the Company can delineate a Mineral Resource, which would allow it to apply for a Retention License.

The Company believes the exploration proposed in this Prospectus will be sufficient to delineate prospective targets to support such an application. However, in the event that no prospective targets be defined, or should the exploration not be completed, the application may not have sufficient ground to proceed or be refused by the DMP. It is important to note that the final determination on an application for extension of term is made by the DMP.

Provided conditions for renewal of the Abednegno Hill Project tenements beyond their initial expiry date have been met, the Company would then be required to surrender 40% of the blocks comprising the tenements on the sixth anniversary from the grant date, which in this case (provided an extension is granted) would mean partial surrender in line with this regulation would occur on and from 3 April 2018 and 31 October 2018. The Company believes that the exploration proposed in this Prospectus will enable it to determine the prospective areas within the tenements and therefore to reduce the area of the tenements in line with the regulations. Should the prospective areas within the tenements cover an area greater than 60% of the tenement area then the Company will need to rank the prospecitivity of the individual targets with a view to retaining the most prospective blocks.

(h) **Carnilya Hill Projects**

(i) Maintenance of the Carnilya Hill Tenements

Mincor is the manager of the Carnilya Hill Joint Venture and is responsible for, amongst other things, meeting the annual expenditure and reporting commitments in relation to the Carnilya Hill Tenements. Should Mincor fail to maintain the tenements in good standing, both parties could subsequently lose their interest in the Carnilya Hill Tenements, which may adversely affect the overall performance and operations of the Company.

(ii) Dilution Risk

The Company is required to contribute to Joint Venture expenditure in proportion to its Joint Venture interest. All cash calls are, in accordance with the Joint Venture Agreement, required to be paid within 14 days of receipt. If the Company defaults in the payment of a cash call for more than 10 days thereafter, Mincor has the option to either elect to recover the outstanding amount owing or dilute the Company's joint venture interest at 150% of the rate as prescribed according to a standard joint venture dilutionary formula. Currently, the Company has elected to dilute its interest and has advised Mincor of this fact.

(iii) Material Breach

If the Company commits a material breach of the Joint Venture Agreement and such material breach continues for 30 days after having received notice of the breach, then the Company shall be deemed to have withdrawn from the joint venture and will lose all interest in the Carnilya Hill Project.

(iv) Rehabilitation Costs

Rehabilitation costs associated with the Carnilya Hill mine are estimated to be approximately A$570,000, to be shared between View Nickel and Mincor pro-rata to their Joint Venture interests. The timing of any rehabilitation works is at the election of the Joint Venture.

Depending on its Joint Venture interest at the time, there is a risk that View Nickel may be required to contribute (in whole or in part) to the costs of rehabilitation under the original Joint Venture.

11.3 Industry specific risks

(a) **Exploration**

The Company's tenements are at an early stage of exploration, and potential investors should understand that mineral exploration and development are high-risk undertakings.

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

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

Whilst the Directors' will make every effort to reduce this risk, the fact remains that the discovery and development of a commercially viable resource is the exception rather than the rule.

(b) **Operations**

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

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

(c) **Failure to satisfy expenditure commitments**

Interests in tenements in Western Australia are governed by legislation and regulations that are current in Western Australia and are evidenced by the granting of licences or leases. Each licence or lease is for a specific term and carries with it annual expenditure and reporting commitments, as well as other conditions requiring compliance. Consequently, the Company could lose title to or its interest in the Company's tenements if licence conditions are not met or if insufficient funds are available to meet expenditure commitments.

(d) **Commodity price volatility and exchange rate**

If the Company successfully defines a resource or reserve and subsequently achieves success leading to mineral production, the revenue it will derive through the sale of commodities exposes the potential income of the Company to commodity price and exchange rate risks. Commodity prices fluctuate and are affected by many factors beyond the control of the Company. Such factors include supply and demand fluctuations for precious and base metals, technological advancements, forward selling activities and other macro-economic factors.

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

(e) **Environmental**

The minerals and mining industry has become subject to increasing environmental regulations and liability. The potential for liability is an ever present risk.

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

The occurrence of any such safety or environmental incident could delay production or increase production costs. Events, such as unpredictable rainfall or bushfires may impact on the Company's ongoing compliance with environmental legislation, regulations and licences. Significant liabilities could be imposed on the Company for damages, clean-up costs or penalties in the event of certain discharges into the environment, environmental damage caused by previous operations or non-compliance with environmental laws or regulations.

The disposal of mining and process waste and mine water discharge are under constant legislative scrutiny and regulation. There is a risk that environmental laws and regulations become more onerous making the Company's operations more expensive.

Approvals are required for land clearing and for ground disturbing activities. Delays in obtaining such approvals can result in the delay to anticipated exploration programmes or mining activities.

Exploration work will be carried out in a way that has minimal impact on the environment. It may be required for the Company to conduct baseline environmental studies prior to certain exploration or mining activities, so that environmental impact can be monitored and minimised where ever possible. Whilst the Company is not aware of any endangered species of flora or fauna at this point, no baseline studies have been done to date, and such a discovery could prevent exploration and mining activity in certain areas.

(f) **Native title and Aboriginal heritage**

In relation to tenements which the Company has an interest in or will in the future acquire such an interest, there may be areas over which legitimate common law native title rights of Aboriginal Australians exist. If native title rights do exist, the ability of the Company to gain access to tenements (through obtaining consent of any relevant landowner), or to progress from the exploration phase to the development and mining phases of operations may be adversely affected.

In addition, there may be areas or objects of Aboriginal heritage located on the Company's tenements, or any other tenements that may be acquired by the Company in the future. The Company must ensure that it does not breach the Commonwealth and applicable territory legislation relating to Aboriginal heritage. To ensure that it does not contravene such legislation, it would be prudent for the Company (and it would accord with industry practice and Aboriginal expectations) to conduct heritage surveys to determine if any Aboriginal heritage sites or objects exist within the area of the Company's tenements prior to commencing any activities. Any interference with these sites or objects must be in strict conformity with the provisions of the relevant legislation.

If Aboriginal heritage sites or objects do exist the Company may need to enter into agreements with the traditional owners of the sites. The ability of the Company to implement its work programme may be adversely affected in both time and cost.

The Directors will closely monitor the potential effect of native title claims involving tenements in which the Company has or may have an interest.

(g) **Tenure**

Mining and exploration tenements are subject to periodic renewal. There is no guarantee that current or future tenements or future applications for production tenements will be approved.

Tenements are subject to the applicable mining acts and regulations in Western Australia. The renewal of the term of a granted tenement is also subject to the discretion of the relevant Minister. Renewal conditions may include increased expenditure and work commitments or compulsory relinquishment of areas of the tenements comprising the Company's projects. The imposition of new conditions or the inability to meet those conditions may adversely affect the operations, financial position and/or performance of the Company.

11.4 General risks

(a) **Insurance risks**

The Company intends to insure its operations in accordance with industry practice. However, in certain circumstances, the Company's insurance may not be of a nature or level to provide adequate insurance cover. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial position, and results of the Company.

Insurance against all risks associated with mining exploration production is not always available, and where available, the costs can be prohibitive.

(b) **Competition risks**

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

(c) **Securities Investment**

Applicants should be aware that there are risks associated with any securities investment. The prices at which Shares trade may be above or below the issue or acquisition price, and may fluctuate in response to a number of factors.

Furthermore, the stock market, has experienced extreme price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of such companies. These factors may

materially affect the market price of the Shares, regardless of the Company's operational performance.

(d) **Force Majeure**

The Company's projects 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, fires, floods, explosions or other catastrophes, epidemics or quarantine restrictions.

(e) **Laws, government policy and approvals**

Existing laws, government regulations and policies and changes in the same may adversely affect the financial performance of the Company. The Company's financial performance, financial position and capacity to carry out its activities may be affected by changes in government policy, which are beyond the Company's control.

(f) **Joint venture, acquisitions or other strategic investments**

The Company may make strategic investments in complementary businesses, or enter into strategic partnerships or alliances with third parties in order to enhance its business. At the date of this Prospectus, the Company is not aware of the occurrence or likely occurrence of any such risks which would have a material adverse effect on the Company or its subsidiaries.

(g) **Other projects**

The Company may look to complete other investments and acquisitions in the future, the details of which are not known at the date of this Prospectus. Those acquisitions and investments will carry their own set of risks.

(h) **Taxation**

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

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

(i) **Litigation Risks**

The Company is exposed to possible litigation risks including native title claims, tenure disputes, environmental claims, 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. The Company is not currently engaged in any litigation.

(j) **Share market conditions**

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

(i) general economic outlook;

(ii) interest rates and inflation rates;

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

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

(v) terrorism or other hostilities.

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

(k) **Regulatory Risks**

The Company's exploration and development activities are subject to extensive laws and regulations relating to numerous matters including resource licence consent, conditions including environmental compliance and rehabilitation, taxation, employee relations, health and worker safety, waste disposal, protection of the environment, native title and heritage matters, protection of endangered and protected species and other matters. The Company requires permits from regulatory authorities to authorise the Company's operations. These permits relate to exploration, development, production and rehabilitation activities.

Obtaining necessary permits can be a time consuming process and there is a risk that Company will not obtain these permits on acceptable terms, in a timely manner or at all. The costs and delays associated with obtaining necessary permits and complying with these permits and applicable laws and regulations could materially delay or restrict the Company from proceeding with the development of a project or the operation or development of a mine. Any failure to comply with applicable laws and regulations or permits, even if inadvertent, could result in material fines, penalties or other liabilities. In extreme cases, failure could result in suspension of the Company's activities or forfeiture of one or more of the Tenements.

(l) **Reliance on key personnel**

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

11.5 Speculative investment

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

financial performance of the Company and the value of the Securities offered under this Prospectus.

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

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

12. CORPORATE GOVERNANCE

12.1 ASX Corporate Governance Council Principles and Recommendations

The Company has adopted comprehensive systems of control and accountability as the basis for the administration of corporate governance. The Board is committed to administering the policies and procedures with openness and integrity, pursuing the true spirit of corporate governance commensurate with the Company's needs.

To the extent applicable, the Company has adopted *The Corporate Governance Principles and Recommendations (3rd Edition)* as published by ASX Corporate Governance Council (**Recommendations**).

The Board seeks, where appropriate, to provide accountability levels that meet or exceed the ASX Corporate Governance Council's Principles and Recommendations.

Details on the Company's corporate governance procedures, policies and practices can be obtained from the Company website at www.celsiuscoal.com.

12.2 Board of Directors

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

(a) maintain and increase Shareholder value;

(b) ensure a prudential and ethical basis for the Company's conduct and activities; and

(c) ensure compliance with the Company's legal and regulatory objectives.

Consistent with these goals, the Board assumes the following responsibilities:

(a) developing initiatives for profit and asset growth;

(b) reviewing the corporate, commercial and financial performance of the Company on a regular basis;

(c) acting on behalf of, and being accountable to, the Shareholders; and

(d) identifying business risks and implementing actions to manage those risks and corporate systems to assure quality.

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

12.3 Composition of the Board

Election of Board members is substantially the province of the Shareholders in general meeting. However, subject thereto, the Company is committed to the following principles:

(a) the Board is to comprise Directors with a blend of skills, experience and attributes appropriate for the Company and its business; and

(b) the principal criterion for the appointment of new Directors is their ability to add value to the Company and its business.

Following completion of the Recapitalisation Proposal, the Board will consist of three (3) Directors. Two (2) directors, Mr Ranko Matic and Bill Oliver are considered to be independent and Mr Alistair Muir is not considered independent given his substantial holding in the Company.

The Company has adopted a Nominations Committee Charter, but has not formally adopted a Nominations and Remuneration Committee. The Directors consider that the Company is currently not of a size, nor are its affairs of such complexity as to justify the formation of a Nomination and Remuneration Committee. The responsibilities of a Nomination and Remuneration Committee are currently carried out by the Board.

Where a casual vacancy arises during the year, the Board has procedures to select the most suitable candidate with the appropriate experience and expertise to ensure a balanced and effective Board. Any Director appointed during the year to fill a casual vacancy or as an addition to the current Board, holds office until the next general meeting and is then eligible for re-election by the Shareholders.

12.4 Identification and management of risk

The Board has adopted a Risk Management Charter but has not formally adopted a Risk Management Committee. The role of the Risk Management Committee is currently being undertaken by the Board of Directors who are responsible for overseeing the risk management function. The Board is responsible for ensuring the risks and opportunities are identified on a timely basis.

The Board's collective experience will enable accurate identification of the principal risks that may affect the Company's business. Key operational risks and their management will be recurring items for deliberation at Board meetings.

12.5 Ethical standards

The Board is committed to the establishment and maintenance of appropriate ethical standards.

12.6 Independent professional advice

Subject to the Chairman's approval (not to be unreasonably withheld), the Directors, at the Company's expense, may obtain independent professional advice on issues arising in the course of their duties.

12.7 Remuneration arrangements

The total maximum remuneration of Non-Executive Directors is initially set by the Constitution and subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of Non-Executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions

by each non-executive Director. The current amount has been set at an amount not to exceed $300,000 per annum.

In addition, a Director may be paid fees or other amounts (i.e. subject to any necessary Shareholder approval, non-cash performance incentives such as Options) as the Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director.

Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors.

The Board reviews and approves the remuneration policy to enable the Company to attract and retain Directors who will create value for Shareholders having consideration to the amount considered to be commensurate for a company of its size and level of activity as well as the relevant Directors' time, commitment and responsibility.

12.8 Trading policy

The Board has adopted a policy that sets out the guidelines on the sale and purchase of Securities in the Company by its Key Management Personnel (i.e. Directors and, if applicable, any employees reporting directly to the Managing Director). The policy generally provides that written notification to the Chairman must be obtained prior to trading.

12.9 External audit

The Company in general meetings is responsible for the appointment of the external auditors of the Company, and the Board from time to time will review the scope, performance and fees of those external auditors.

12.10 Audit and risk committee

The Company will not have a separate audit committee until such time as the Board is of a sufficient size and structure, and the Company's operations are of a sufficient magnitude for a separate committee to be of benefit to the Company. In the meantime, the full Board will carry out the duties that would ordinarily be assigned to that committee under the written terms of reference for that committee, including but not limited to, monitoring and reviewing any matters of significance affecting financial reporting and compliance, the integrity of the financial reporting of the Company, the Company's internal financial control system and risk management systems and the external audit function.

12.11 Diversity Policy

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

12.12 Departures from Recommendations

Following re-admission to the Official List of ASX, the Company will be required to report any departures from the Recommendations in its annual financial report.

The Company's compliance and departures from the Recommendations as at the date of this Prospectus will be announced to ASX prior to the Company's reinstatement to trading.

13. MATERIAL CONTRACTS

Set out below is a brief summary of the certain contracts to which the Company is a party and which the Directors have identified as material to the Company or are of such a nature that an investor may wish to have details of particulars of them when making an assessment of whether to apply for Securities.

To fully understand all rights and obligations of a material contract, it would be necessary to review it in full and these summaries should be read in this light.

13.1 Related Party Agreements

Section 4.17 contains summaries of agreements between the Company and its related parties.

13.2 Joint Venture Agreement with Mincor

On or about 1 June 2006, the Company (via its wholly owned subsidiary View Nickel) entered into a farm-in and joint venture agreement with Mincor whereby Mincor was given the right to earn a 70% interest in the Carnilya Hill Tenements (excluding rights to mine for gold) (**Joint Venture Agreement**). Upon Mincor earning a 70% interest, the parties have since formed an unincorporated joint venture to govern their respective operations on the Carnilya Hill Tenements (**Carnilya Hill Joint Venture** or **Joint Venture**) as follows:

(a) (**Initial interests**): upon formation of the Joint Venture, the initial Joint Venture interests of the parties will be as follows:

(i) Mincor – 70%; and

(ii) View Nickel – 30%;

(b) (**Purpose of Joint Venture**): the purpose of the Joint Venture is to explore the Carnilya Hill Tenements for minerals (other than for gold), and if a commercially viable mineral resource is delineated, develop and mine the relevant part of the tenements;

(c) (**Manager**): provided it holds a Joint Venture interest of greater than 50%, Mincor will remain the manager of the Joint Venture and shall manage, direct and control operations on behalf of the Joint Venture and shall have possession and control of the Carnilya Hill Tenements and all information relating to the tenements;

(d) (**Operating Committee**): the parties will establish an operating committee which will be empowered to make all decisions in relation to the Joint Venture. Each party will be entitled to appoint one representative to the committee and a party's votes at regular meetings will reflect the party's Joint Venture interest at the time;

(e) (**Contributions and Dilution**): each party is liable to contribute to Joint Venture in proportion to their Joint Venture interests. All cash calls are required to be paid within 14 days of receipt. If the Company defaults in the payment of a cash call, and that default continues for more than 10 days, Mincor has the option to elect to dilute the Company's Joint Venture interest at 150% of the rate prescribed according to a standard joint venture dilutionary formula;

(f) (**Mining joint venture**): if the parties decide to commence mining operations on any part of the Carnilya Hill Tenements, they shall in good faith negotiate and enter into a production Joint Venture;

(g) (**Material Breach**): if the Company commits a material breach of the Joint Venture Agreement and such material breach continues for 30 days after having received notice of the breach, then the Company shall be deemed to have withdrawn from the joint venture and will lose all interest in the Carnilya Hill Project.

The Joint Venture Agreement contains other terms which are considered standard in agreements of this nature, including as to assignment, withdrawal and confidentiality.

13.3 Convertible Note Agreements

Refer to Section 14.4 for a summary of the Convertible Notes.

14. ADDITIONAL INFORMATION

14.1 Litigation

As at the date of this Prospectus, the Company is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company.

14.2 Rights attaching to Shares

The following is a summary of the more significant rights attaching to Shares. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

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

(a) **General meeting and notices**

Each member is entitled to receive notice of, and to attend and vote at, general meetings of the Company and to receive all notices, accounts and other documents required to be sent to members under the Constitution, the Corporations Act or the Listing Rules.

(b) **Voting rights**

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at a general meeting of the Company every holder of fully paid ordinary shares present in person or by an attorney; representative or proxy has one vote on a show of hands (unless a member has appointed [insert] [proxy/proxies]) and one vote per share on a poll.

A person who holds a share which is not fully paid is entitled, on a poll, to a fraction of a vote equal to the proportion which the amount paid bears to the total issue price of the share.

Where there are 2 or more joint holders of a share and more than one of them is present at a meeting and tenders a vote in respect of the share, the Company will count only the vote cast by the member whose name appears first in the Company's register of members.

(c) **Issues of further Shares**

The Directors may, on behalf of the Company, issue, grant options over unissued shares to any person on the terms, with the rights, and at the times that the Directors decide. However, the Directors must act in accordance with the restrictions imposed by the Constitution, Listing Rules, the Corporations Act and any rights for the time being attached to the shares in any special class of those shares.

(d) **Variation of Rights**

Unless otherwise provided by the terms of issue of a class of shares and subject to the Corporations Act, the rights attached to the shares in any class may be varied or cancelled only with the written consent of the

holders of at least three-quarters of the issued shares of the affected class, or by special resolution passed at a separate meeting of the holders of the issued shares of the affected class.

(e) **Transfer of Shares**

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

The Shares may be transferred by a proper transfer effected in accordance with the ASX Settlement Operating Rules, by any other method of transferring or dealing with Shares introduced by ASX and as otherwise permitted by the Corporations Act or by a written instrument of transfer in any usual form or in any other form approved by either the Directors or ASX that is permitted by the Corporations Act.

The Directors may decline to register a transfer of Shares (other than a proper transfer in accordance with the ASX Settlement Operating Rules) where permitted to do so under the Listing Rules. If the Directors decline to register a transfer, the Company must, within 5 business days after the transfer is delivered to the Company, give the party lodging the transfer written notice of the refusal and the reason for the refusal. The Directors must decline to register a transfer of Shares when required by law, by the Listing Rules or by the ASX Settlement Operating Rules.

(f) **Dividends**

The Directors may from time to time determine dividends to be distributed to members according to their rights and interests. The Directors may fix the time for distribution and the methods of distribution.

Each share carries the right to participate in the dividend in the same proportion that the amount for the time being paid on the share (not credited) bears to the total amounts paid and payable (excluding amounts credited) in respect of such shares.

(g) **Dividend reinvestment and Share plans**

Subject to the requirements in the Corporations Act and the Listing Rules, the Directors may implement and maintain dividend reinvestment plans (under which any member may elect that dividends payable by the Company be reinvested by way of subscription for fully paid shares in the Company).

(h) **Capitalisation of profits**

Subject to the Listing Rules and any rights or restrictions attaching to any class of shares, the Company may capitalise profits. Members are entitled to participate in a capital distribution in the same proportions in which they are entitled to participate in dividends.

(i) **Winding-up**

Subject to the rights of holders of shares with special rights in a winding-up and the Corporations Act, if the Company is wound up all monies and property that are to be distributed among Shareholders on a winding-up, shall be distributed in proportion to the Shares held by them

respectively, irrespective of the amount paid-up or credited as paid-up on the Shares.

(j) **Shareholder liability**

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

(k) **Alteration of constitution**

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

14.3 Terms and Conditions of 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 $0.01 (**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.

(iv) If a notice delivered under 14.3(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) **Quoted**

The Company will 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.

14.4 Terms and Conditions of the Convertible Notes

(a) **Face Value**

Each Convertible Note has a face value of $25,000.

(b) **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 Noteholder.

(c) **Maturity Date**

Convertible Notes are to convert on completion of a successful corporate transaction, or earlier at the election of the Noteholder.

(d) **Conversion Price**

Equal to the pricing of the Public Offer.

(e) **Conversion Options**

Conversion Shares to be issued on conversion of the Convertible Notes will have a 1:2 free attaching call option with an exercise price equal to the price of the Shares issued pursuant to the Public Offer, and an expiry of 30 December 2018.

14.5 Interests of Directors

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

(a) the formation or promotion of the Company;

(b) any property acquired or proposed to be acquired by the Company in connection with:

(i) its formation or promotion; or

(ii) the Offers;

(c) the Offers,

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

(d) as an inducement to become, or to qualify as, a Director; or

(e) for services provided in connection with:

(i) the formation or promotion of the Company; or

(ii) the Offers.

Security holdings

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

Director	Shares	Options
William Oliver	32,834	Nil
Alistair Muir	97,094	Nil
Ranko Matic	69,269	Nil

Notes

1. Messrs Oliver, Muir and Matic obtained Shareholder approval at the Company's General Meeting to subscribe for up to 2,500,000 Shares each (together with 833,333 free attaching Options each) pursuant to the Public Offer.

The relevant interest of each of the Directors in the Securities of the Company on completion of the Offers is set out in the table below.

Director	Shares[1]	Options[1]
William Oliver	2,532,834	833,333
Alistair Muir	2,597,094	833,333
Ranko Matic	2,569,269	833,333

Notes

1. This assumes maximum participation in the Public Offer as approved by Shareholders at the General Meeting (although actual participation may be lower).

2. This assumes that no Options issued pursuant to this Prospectus are exercised.

Remuneration

The Constitution of the Company provides that the non-executive Directors may be paid for their services as Directors, a sum not exceeding such fixed sum per annum as may be determined by the Company in general meeting, to be divided among the Directors and in default of agreement then in equal shares.

In addition, a Director may be paid fees or other amounts as the Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director.

The table below shows the total annual remuneration paid to Non-Executive Directors in each of the past two financial years and the proposed remuneration for the current financial year.

Director	Financial year ending 30 June 2015 $	Financial year ending 30 June 2016 $	Proposed financial year ending 30 June 2017 $
William Oliver[1]	$50,000	$36,000	$36,000
Alistair Muir	$190,255	$36,000	$36,000
Ranko Matic[2]	$39,500	$36,000	$36,000

Notes:

1. The above are solely Director fees. Cash from other activities are also paid to Billandbry Consulting Pty Ltd, a company with which Mr Oliver is a shareholder and director. The payments are for the provision of geological consulting services relating to the Company's projects.

2. The above are solely Director fees. Cash from other activities are also paid to Bentleys Corporate Advisory (WA) Pty Ltd, a company with which Mr Matic is a shareholder and director. The payments are for the provision of corporate secretarial and accounting services.

14.6 Interests of experts and advisers

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

(a) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus; or

(b) promoter of the Company;

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

(c) the formation or promotion of the Company;

(d) any property acquired or proposed to be acquired by the Company in connection with:

(i) its formation or promotion; or

(ii) the Offers; or

(e) the Offers,

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

(f) the formation or promotion of the Company; or

(g) the Offers.

RSM Corporate Australia Pty Ltd has acted as Investigating Accountant of the Company and has prepared the Investigating Accountant's Report which is included in Section 9 of this Prospectus. The Company estimates it will pay RSM Corporate Australia Pty Ltd approximately $8,000 (excluding GST) for these

services. During the 24 months preceding lodgement of this Prospectus with the ASIC, RSM Corporate Australia Pty Ltd has received no fees from the Company for these services.

RSM Australia Partners has acted as independent auditor to the Company. The Company estimates it will pay RSM Australia Partners approximately $24,500 (excluding GST) for audit services. During the 24 months preceding lodgement of this Prospectus with the ASIC, RSM Australia Partners has received fees of $57,000 (excluding GST) from the Company for audit services.

FRM Geological Services has acted as Independent Geologist to the Company and has prepared the Independent Geologist's Report which is included in Section 8 of this Prospectus. The Company estimates it will pay FRM Geological Services approximately $17,500 (excluding GST) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, FRM Geological Services has received no fees from the Company for these services.

Steinepreis Paganin has acted as the solicitors to the Company in relation to the Offers and has prepared the Solicitor's Report on Tenements which is included in Section 10 of this Prospectus. The Company estimates it will pay Steinepreis Paganin approximately $35,000 (excluding GST and disbursements) for these services and other services relating to the Offers generally. During the 24 months preceding lodgement of this Prospectus with the ASIC, Steinepreis Paganin has received fees of $315,507 (excluding GST and disbursements) from the Company for legal services.

14.7 Consents

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of the Securities), the Directors, the persons named in the Prospectus with their consent as Incoming Directors, any underwriters, persons named in the Prospectus with their consent having made a statement in the Prospectus and persons involved in a contravention in relation to the Prospectus, with regard to misleading and deceptive statements made in the Prospectus. Although the Company bears primary responsibility for the Prospectus, the other parties involved in the preparation of the Prospectus can also be responsible for certain statements made in it.

Other than as set out below, each of the parties referred to in this Section 14.7:

(a) does not make, or purport to make, any statement in this Prospectus, nor is any statement in this Prospectus based on any statement by the relevant party;

(b) to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of the party; and

(c) did not authorise or cause the issue of all or any part of this Prospectus.

RSM Corporate Australia Pty Ltd has given its written consent to being named as Investigating Accountant of the Company in this Prospectus and to the inclusion of the Investigating Accountant's Report in Section 9 of this Prospectus, in the form and context in which the information and report are included. RSM Corporate Australia Pty Ltd has not withdrawn its written consent prior to lodgement of this Prospectus with ASIC.

RSM Australia Partners has given its written consent to being named as independent auditor of the Company in this Prospectus and the inclusion of the audited financial information of the Company contained in the Investigating Accountant's Report in Section 9 in the form and context in which it appears. RSM Australia Partners has not withdrawn its consent prior to lodgement of this Prospectus with ASIC.

FRM Geological Services has given its written consent to being named as Independent Geologist of the Company in this Prospectus and to the inclusion of the Independent Geologist's Report contained in Section 8 of this Prospectus, in the form and context in which it was included. FRM Geological Services has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

Steinepreis Paganin has given its written consent to being named as the solicitors to the Company in this Prospectus and to the inclusion of the Solicitor's Report on Tenements contained in Section 10 of this Prospectus, in the form and context in which it is included. Steinepreis Paganin has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

14.8 Expenses of the Offers

The total expenses of the Offers are estimated to be approximately $150,613 (excluding GST), assuming that the Offers are fully subscribed, and are expected to be applied towards the items set out in the table below:

Expenses of the Offer	$
ASIC lodgement fee	2,350
ASX quotation fees	5,763
Legal expenses	35,000
Professional Reports	25,500
Capital Raising fees	72,000
Printing, distribution and other expenses	10,000
Total	**$150,613**

14.9 Continuous disclosure obligations

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

Price sensitive information is publicly released through ASX before it is disclosed to shareholders and market participants. Distribution of other information to shareholders and market participants is also managed through disclosure to the ASX. In addition, the Company posts this information on its website after the ASX confirms an announcement has been made, with the aim of making the information readily accessible to the widest audience.

14.10 Electronic Prospectus

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Forms. If you have not, please contact the Company and the Company will send you, for free, either a hard copy or a further electronic copy of the Prospectus, or both. Alternatively, you may obtain a copy of this Prospectus from the website of the Company at www.celsiuscoal.com.

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

14.11 Financial Forecasts

Given the current status of the Company's operations and the significant changes anticipated the Directors do not consider it appropriate to forecast future earnings. Accordingly, any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection on a reasonable basis.

14.12 Governing Law

The Offers and the contracts formed on return of an Application Form are governed by the laws applicable in the State of Western Australia. Each person who applies for Securities pursuant to this Prospectus submits to the non-exclusive jurisdiction of the courts of the State of Western Australia and the relevant appellate courts.

15. DIRECTORS' AUTHORISATION

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

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

_____

William Oliver
Non-Executive Director and Chairman
For and on behalf of
CELSIUS COAL LIMITED
(TO BE RENAMED "CELSIUS RESOURCES LIMITED")

16. GLOSSARY

$ means an Australian dollar.

Abednegno Hill Project means the project described at Section 7.2.

Abednegno Hill Tenements means E39/1641 and E39/1684.

Applicant means an investor that applies for Securities using an Application Form pursuant to this Prospectus.

Application Form means the application forms attached to or accompanying this Prospectus in relation to the Offers.

ASIC means the Australian Securities and Investments Commission.

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

ASX Listing Rules or **Listing Rules** means the official listing rules of ASX.

Board means the board of Directors as constituted from time to time.

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.

Carnilya Hill Joint Venture or **Joint Venture** has the meaning given to that term in Section 13.2.

Carnilya Hill Project means the project described at Section 7.2.

Carnilya Hill Tenements means M26/47, M26/48, M26/49, M26/453 and L26/0241.

Closing Date means the closing date of the Offers as set out in the indicative timetable in Section 4.10 of this Prospectus (subject to the Company reserving the right to extend the Closing Date or close the Offers early).

Company or **Celsius** means Celsius Coal Limited (ACN 009 162 949) (to be renamed "Celsius Resources Limited").

Constitution means the Company's constitution.

Conversion Options means the Options to be issued to the Noteholders in relation to the Convertible Notes, with the terms and conditions set out in Section 14.3.

Conversion Securities means the Conversion Shares and Conversion Options.

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

Convertible Note means a convertible note, the terms and conditions of which are summarised in Section 14.4 of this Prospectus.

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

Creditors means those creditors of the Company with Claims.

Creditor Options means the Options to be issued to the Creditors in satisfaction of amounts owing to the Creditors, with the terms and conditions set out in Section 14.3.

Creditor Securities means the Creditor Shares and Creditor Options.

Creditor Shares means the Shares to be issued to the Creditors in satisfaction of amounts owing to the Creditors.

DMP means the Department of Mines and Petroleum.

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

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

General Meeting means the general meeting of Shareholders held on 3 October 2016 in relation to the Recapitalisation Proposal, among other things.

GME Resources means GME Resources Ltd (ACN 009 260 315).

Independent Geologist means FRM Geological Services (ABN 77 823 685 882).

Joint Venture Agreement has the meaning given to that term in Section 13.2.

JORC Code means the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (2012 Edition).

Minara Resources means Minara Resources Pty Ltd (ACN 060 370 783).

Minimum Subscription means the minimum amount to be raised under the Public Offer, being $1,200,000.

Noteholder means a holder of a Convertible Note.

Noteholder Options means the Options to be issued to the Noteholders in satisfaction of amounts owing to the Noteholders, with the terms and conditions set out in Section 14.3.

Noteholder Securities means the Noteholder Shares and Noteholder Options.

Noteholder Shares means the Shares to be issued to the Noteholder in satisfaction of amounts owing to the Noteholders.

Notice of Meeting means the notice of general meeting and explanatory statement of the Company dated 2 September 2016 and titled "Notice of General Meeting/Proxy Form".

Offers means the offers of Securities pursuant to this Prospectus, being the Public Offer, the Noteholder Offer and the Creditor Offer, as outlined in this Prospectus.

Official List means the official list of ASX.

Official Quotation means official quotation by ASX in accordance with the ASX Listing Rules.

Option means an option to acquire a Share and includes the Conversion Options and Creditor Options.

Optionholder means a holder of an Option.

Options Offer Participants means those persons determined by the Directors eligible to participate under the Options Offer.

Original Prospectus means the prospectus prepared by the Company dated 31 October 2016.

Performance Share means a performance share in the capital of the Company.

Performance Share Notice of Meeting means the notice of general meeting and explanatory statement of the Company dated 2 September 2016 and titled "Notice of General Meeting Performance Shareholder/Proxy Form".

Recapitalisation Proposal has the meaning set out in Section 4.3.

Replacement Prospectus or **Prospectus** means this prospectus.

Section means a section of this Prospectus.

Securities mean all securities of the Company, including a Share, an Option or a Performance Share (as the context requires).

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

Share Registry means Automic Registry Services.

Shareholder means a holder of a Share.

View Nickel means View Nickel Pty Ltd (ACN 102 771 871).

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