
ADDENDUM TO NOTICE OF GENERAL MEETING

C @ Limited (ACN 110 439 686) (**Company**), hereby gives the following notice to shareholders of the Company that, in relation to the Notice of Annual General Meeting dated 31 October 2011 (**Notice of Meeting**) in respect of the annual general meeting of members (**Annual General Meeting**) to be held at 9.30am (WST) on 30 November 2011 at the Pan Pacific Perth, 207 Adelaide Terrace, Perth, Western Australia.

All Resolutions other than Resolutions 6 and 15 to 17 will be considered at the forthcoming Annual General Meeting. The Company proposes to then adjourn the Annual General Meeting until **9.30am (WST) on 8 December 2011** at the Celtic Club, 48 Ord Street, West Perth (**Resumed Meeting**). The Directors have determined to issue this addendum to the Notice of General Meeting (**Addendum to Notice of Meeting**) for the purposes set out below.

Definitions in the Notice of Meeting have the same meaning in this Addendum to Notice of Meeting unless otherwise updated in this Addendum to Notice of Meeting.

1) Update on Capital Raising

As set out in the Notice of Meeting, the Company proposes to undertake a significant change in its activities, to become a coal exploration and development company, via the acquisition of the eight coal licences located in the Ovorhangay province and adjoining South Gobi province in Mongolia.

In conjunction with the change of activities and acquisition, the Company proposes to undertake the Capital Raising, for which Shareholder approval was being sought pursuant to Resolution 6 in the Notice of Meeting.

The approval being sought was for the issue of up to that number of Shares which, when multiplied by the issue price, will raise up to \$28,000,000. The minimum issue price contemplated by Resolution 6 is *"not less than 80% of the average market price for shares calculated over the 5 days on which sales in the Shares are recorded before the day on which the issue is made or, if there is a prospectus, over the last 5 days on which sales in the securities were recorded before the date the prospectus is signed"*.

On 9 November 2011, the Company issued a prospectus in respect of the Capital Raising, for the issue of up to 28,000,000 Shares at an issue price of \$1.00 per Share on a post Consolidation basis. This issue price is equivalent to \$0.05 per Share on a pre Consolidation basis.

As at 9 November 2011 (being the date the prospectus was signed), the minimum permitted issue price for the Capital Raising contemplated by the Notice of Meeting (being 80% of the average market price for shares calculated over the last 5 days on which sales in the securities were recorded before the date the prospectus is signed) is \$0.894 per Share on a post Consolidation basis (being \$0.0447 per Share on a pre Consolidation basis).

Due to unforeseen adverse market conditions, the Company's Share price has traded between \$0.040 and \$0.052 over the past two weeks. The Company, together with the Joint Lead Managers, consider that the terms of the Capital Raising must be revised to ensure that the Company is able to raise sufficient funds to complete the acquisition and the change of activities. Further to this, the

Company has issued a supplementary prospectus to amend the terms of the Capital Raising as follows:

- (a) the issue price will be \$0.50 per Share on a post Consolidation basis (being 2.5 cents per Share on a pre Consolidation basis);
- (b) the minimum subscription will be reduced to \$14,000,000 from \$20,000,000; and
- (c) the maximum number of Shares to be offered will be increased to 34,000,000.

Accordingly, the Offer under the Prospectus (as amended by the Supplementary Prospectus) is to raise up to \$17,000,000 before costs via the issue of up to 34,000,000 Shares at an issue price of \$0.50 per Share.

The change to the terms of the Capital Raising necessitate a change to the terms upon which approval for the Capital Raising pursuant to Resolution 6 is sought, as \$0.50 is lower than the minimum permitted Share price of \$0.894 as contemplated in the Notice of Meeting.

Accordingly, the Company proposes to adjourn the consideration of Resolution 6 to the Resumed Meeting and to amend the terms of Resolution 6 such that approval is being sought for the issue of up to 34,000,000 Shares at a minimum issue price of \$0.50 (on a post Consolidation basis).

As Resolutions 15, 16 and 17 relate to the Directors' participation in the Capital Raising and are conditional upon the passing of Resolution 6, the consideration of these Resolutions will also be adjourned to the Resumed Meeting.

2) Amendments to Resolution 6 and definition of "Capital Raising Issue Price"

By this Addendum to Notice of Meeting:

- (a) Resolution 6 is deleted and replaced with a new Resolution 6. Refer to page 4 of this Addendum to Notice of Meeting for the replacement Resolution; and
- (b) the definitions of "Capital Raising" and "Capital Raising Issue Price" are replaced with a new definition of "Capital Raising" and "Capital Raising Issue Price". Refer to page 4 for the replacement definitions.

3) Explanatory Statement - Supplementary Information

By this Addendum to Notice of Meeting, Sections 5.12, 7.1, 7.2 and 11.3 of the Explanatory Statement to the Notice of Meeting, and Schedule 6 to the Notice of Meeting, are supplemented by the information set out in this Addendum to Notice of Meeting. Refer to page 5 of this Addendum to Notice of Meeting for the supplementary information.

4) Replacement Proxy Form

Annexed to this Addendum to Notice of Meeting is a replacement Proxy Form. To ensure clarity of voting instructions by Shareholders on Resolutions 6, 15, 16 and 17 to be considered at the Resumed Meeting, completed Proxy Forms annexed to the Notice of Meeting will not be accepted by the Company in relation to the Resolutions to be voted on by Shareholders at the Resumed Meeting.

To attend the Resumed Meeting and vote on the remaining Resolutions by proxy PLEASE COMPLETE AND RETURN the REPLACEMENT PROXY FORM annexed to this Addendum to Notice of Meeting.

Proxy Forms annexed to the original Notice of Meeting, whether duly completed or not, WILL NOT be accepted by the Company or counted in relation to the Resolutions to be heard at the Resumed Meeting.

CONSOLIDATION OF CAPITAL UPDATE - RESOLUTION 2

The Company proposes to amend Resolution 2 at the Annual General Meeting so that it will not be conditional upon the passing of Resolution 6.

IMPORTANT INFORMATION

The information contained in this Addendum to Notice of Meeting should be read together with the Notice of Meeting to the extent that the information in the Notice of Meeting is not varied by this Addendum to Notice of Meeting.

ENQUIRIES

Shareholders are requested to contact the Company Secretary on (+ 61 8) 9321 6988 if they have any queries in respect of the matters set out in these documents.

For personal use only

AMENDMENT TO RESOLUTION 6

As a result to the change to the terms of the Capital Raising, Resolution 6 in the Notice of Meeting is deleted in its entirety and replaced with the following:

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

"That, for the purpose of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Directors to allot and issue up to 34,000,000 Shares (on a post-Consolidation basis) on the terms and conditions set out in the Explanatory Statement."

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

AMENDMENTS TO DEFINITIONS

As a result to the change to the terms of the Capital Raising, the definitions of "Capital Raising" and "Capital Raising Issue Price" in the Glossary of the Notice of Meeting are replaced with the following definitions:

*"**Capital Raising** means the offer by the Company to allot and issue up to 34,000,000 Shares at an issue price of not less than \$0.50 per Share (on a post Consolidation basis).*

***Capital Raising Issue Price** means the issue price of Shares pursuant to the Capital Raising, which shall not be less than \$0.50 per Share (on a post Consolidation basis)."*

EXPLANATORY STATEMENT

Sections 5.12, 7.1, 7.2 and 11.3 and of the Explanatory Statement to the Notice of Meeting, and Schedule 6 to the Notice of Meeting dated 31 October 2011 are supplemented with the information set out below.

1. AMENDMENT TO SECTION 5.12 OF THE EXPLANATORY STATEMENT – CAPITAL STRUCTURE

The capital structure of the Company following completion of the Consolidation, the Share Sale Agreement and the Capital Raising is as follows:

Shares	Number
Opening balance	502,954,223
Total Shares after Consolidation ¹	25,147,711
Issue of Shares pursuant to Capital Raising – General Offer ²	28,000,000
Issue of Shares pursuant to Capital Raising – Priority Offer ²	6,000,000
Total Shares on issue after completion of the Offer	59,147,711

Options		Number
Exercise Price	Expiry Date	
1 cent	30 April 2012	128,241,897
1 cent	15 September 2013	45,900,000
Total Options currently on issue		174,141,897
Effect of Consolidation		
20 cents ¹	30 April 2012	6,412,095
20 cents ¹	15 September 2013	2,295,000
Total Options after Consolidation ³		8,707,095
Issue of Options to Advisors and Lead Managers to the Capital Raising after Consolidation ⁴		
Capital Raising Issue Price	3 yrs from allotment	750,000
Issue of Options to Directors of the Company ⁵		
Various	3 yrs from allotment	2,200,000
Total Options		11,657,095

Performance Rights	Number
Issue of Performance Rights to Directors of the Company after Consolidation ⁶	500,000
Total Performance Rights	500,000

Notes:

1. Refer to Section 6 of the Notice of Meeting Explanatory Statement for details of the Consolidation.
2. Refer to Section 2 below for details of the Capital Raising (as amended).
3. The exercise price of these Options will increase to \$0.20 under the terms of the Consolidation.

4. Refer to Section 9 of the Notice of Meeting Explanatory Statement for details of the Options to be issued to Advisors and Lead Managers to the Capital Raising.
5. Refer to Section 11 of the Notice of Meeting Explanatory Statement for details of the Options to be issued to Directors.
6. Refer to Section 10 of the Notice of Meeting Explanatory Statement for details of the Performance Rights to be issued to Directors.

2. AMENDMENT TO SECTION 7 OF THE EXPLANATORY STATEMENT – CAPITAL RAISING

As a result to the change to the terms of the Capital Raising, Sections 7.1 and 7.2 of the Explanatory Statement are deleted in their entirety and replaced with the following:

7.1 General

Resolution 6 seeks Shareholder approval to enable the Company to issue and allot up to 34,000,000 Shares at an issue price of not less than \$0.50 per Share on a post Consolidation basis (**Capital Raising**).

The Shares to be issued under the Capital Raising will be issued pursuant to a prospectus to satisfy the admission requirement in Condition 3 of Listing Rule 1.1.

Subject to the issue of up to 25,000 of the Capital Raising Shares to each of Mr Terence Mark Earley, Mr Andrew Harrison and Ms Jade Styants in accordance with the terms and conditions of the Priority Offer to be made to Shareholders under the Capital Raising (approval for which is being sought pursuant to Resolutions 15, 16 and 17), none of the subscribers for Shares under the Capital Raising will be related parties of the Company for the purpose of Listing Rule 10.11.

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

The effect of Resolution 6 will be to allow the Directors to issue the Shares pursuant to the Capital Raising during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

7.2 Technical information required by ASX Listing Rule 7.3

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

- (a) the maximum number of Shares to be issued is 34,000,000 Shares;
- (b) the Shares will be issued and allotted no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that allotment will occur on the same date;
- (c) the issue price will be not less than \$0.50 per Share (on a post Consolidation basis);
- (d) the Directors will determine to whom the Shares will be issued but these persons will not be related parties of the Company, other than Mr Terence Mark Earley, Mr Andrew Harrison and Ms Jade

Styants for whom approval is being sought pursuant to Resolutions 15, 16 and 17;

- (e) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and
- (f) the Company intends to use the funds raised from the Capital Raising towards:
 - (i) the cost of the Acquisition, as detailed in Section 5.3 of the Explanatory Statement;
 - (ii) a drilling program for the purpose of defining a JORC compliant resource on the Project;
 - (iii) additional project evaluation;
 - (iv) the costs of the Capital Raising; and
 - (v) working capital.

3. RESOLUTIONS 15, 16 AND 17 – PARTICIPATION BY RELATED PARTIES IN CAPITAL RAISING

Resolutions 15, 16 and 17 seek Shareholder approval to enable the Company to issue up to 75,000 of the Capital Raising Shares (on a post Consolidation basis) the subject of Resolution 6 to Mr Mark Earley, Mr Andrew Harrison and Ms Jade Styants.

The information in Section 13 of the Explanatory Statement remains applicable to Shareholders' consideration of Resolutions 15, 16 and 17. However it is noted that, as a result of the amendment to the definition of the "Capital Raising Issue Price" pursuant to this Addendum to Notice of Meeting, the approval sought is for the subscription by these parties for Shares at the revised issue price under the Capital Raising, which will not be less than \$0.50 per Share (on a post Consolidation basis).

4. AMENDMENT TO SCHEDULE 6 TO THE NOTICE OF MEETING

The pro forma balance sheet in Schedule 6 to the Notice of Meeting is deleted in its entirety and replaced with the following:

PRO FORMA BALANCE SHEET AT 30 JUNE 2011

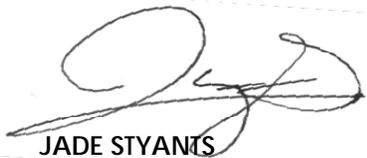
\$AUD	C @ Ltd 30 June 2011 Audited	Pro Forma Adjustments	Notes	PRO FORMA 30 June 2011 Unaudited
CURRENT ASSETS				
Cash and cash equivalents	1,125,309	7,471,052	(1), (2), (3), (4)	8,596,361
Trade and other receivables	31,046	-		31,046
TOTAL CURRENT ASSETS	1,156,355	18,038,993		8,627,407
NON-CURRENT ASSETS				
Inventory	-	-		-
Property, plant and equipment	2,631	-		2,631
Investment in controlled entities	-	7,997,941	(1)	7,997,941
Exploration and evaluation expenditure	-	354,320	(4)	354,320
TOTAL NON-CURRENT ASSETS	2,631	8,124,320		8,354,892
TOTAL ASSETS	1,158,986	26,163,313		16,982,299
CURRENT LIABILITIES				
Trade and other payables	48,646	-		48,646
TOTAL CURRENT LIABILITIES	48,646	-		48,646
TOTAL LIABILITIES	48,646	-		48,646
NET ASSETS	1,110,340	-		16,933,653
EQUITY				
Issued Capital	7,904,310	15,615,691	(2), (3)	23,520,001
Reserves	386,153	207,622	(3)	593,775
Retained Earnings/(Losses)	(7,180,123)	-		(7,180,123)
TOTAL EQUITY	1,110,340	15,823,313		16,933,653

Notes to the Pro Forma Balance Sheet:

- 1) In consideration for the acquisition of BDBL, the Company shall pay US\$7,870,000 less US\$100,000 which was paid by the Company to Peabody-Winsway on 20 April 2011 to secure exclusive rights in relation to the Project, being US\$7,770,000 (A\$7,997,941). The US\$100,000 paid on 20 April 2011 was expensed at 30 June 2011. A deposit of US\$100,000 of this Acquisition cost was paid on 26 October 2011 at the time of signing the Share Sale Agreement. Please refer to Section 5.10 Material Contracts in the Notice of Meeting which summarises the Share Sale Agreement.
- 2) The Company will issue Shares pursuant to the Capital Raising to raise up to \$17,000,000. Please refer to Section 2 above of this Addendum Notice of Meeting for further details.
- 3) The estimated cost of the Capital Raising is \$1,384,309, of which \$1,176,687 will be payable in cash to the various suppliers. The balance of the cost will be settled with 750,000 options to Advisors and Lead Managers to the Capital Raising as per the terms and conditions detailed in Section 9 of the Notice of Meeting, at an estimated value of \$207,622 (as valued under the Black-Scholes Option Pricing Model).
- 4) Exploration expenditure incurred to date from the Phase I exploration program undertaken in June and July 2011 is \$354,320.
- 5) USD = AUD

DATED 29 NOVEMBER 2011

BY ORDER OF THE BOARD



JADE STYANTS
DIRECTOR AND COMPANY SECRETARY

Enquiries: Shareholders are requested to contact the Company Secretary on + 61 8 9321 6988 if they have any queries in respect of the matters set out in this Addendum to the Notice of Meeting.

For personal use only

