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GILBERT TOBIN

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5 December 2013

By fax

The Manager
Company Announcements Office
ASX Limited

Dear Sir/Madam

Takeover Bid by Wealth Mining Pty Ltd for Carabella Resources Limited

We act for Wealth Mining Pty Ltd (ACN 162 884 068) (**Wealth Mining**) in relation to its off market takeover bid under Chapter 6 of the Corporations Act 2001 (Cth) (**Corporations Act**) for all the ordinary shares in Carabella Resources Limited (ACN 143 355 471) (**Takeover Bid**).

We attach, by way of service pursuant to item 5 of subsection 633(1) of the Corporations Act, a copy of Wealth Mining's bidder's statement in relation to its Takeover Bid.

Yours sincerely

John Williamson-Noble
Partner
T +61 2 9263 4073
jwilliamson-noble@gtlaw.com.au

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BIDDER'S STATEMENT

ACCEPT

the Offer by

Wealth Mining Pty Ltd
(ACN 162 884 068)

to purchase all of your shares in

Carabella Resources Limited
(ACN 143 355 471)

for $0.42 cash per share.

To accept the Offer you must complete and sign the Acceptance Form enclosed with this Bidder's Statement and return it to the address set out on the form before the Offer closes.

The Offer closes at 7.00pm (Sydney time) on [***insert***] 2014, unless extended.

Wealth Mining Offer Information Line:
1 800 441 104 (within Australia) or +61 2 8767 1213 (international)

This is an important document and requires your immediate attention.

If you are in any doubt about how to deal with this document, you should contact your legal, financial, tax or other professional adviser immediately.

Contents

		Page
Important notices		1
How to accept the Offer		2
Key dates		3
Chairman's letter		4
Why you should accept the Offer		7
1	Summary of the Offer	12
2	Information on Wealth Mining	15
3	Information on Carabella Resources	17
4	Information on Carabella Resources' securities	19
5	Sources of consideration	21
6	Wealth Mining's intentions in relation to Carabella Resources	22
7	Tax considerations	25
8	Additional information	28
9	The terms and conditions of the Offer	30
10	Definitions and interpretation	41
11	Approval of Bidder's Statement	45

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Important notices

Bidder's Statement

This document is a Bidder's Statement issued by Wealth Mining Pty Ltd ACN 162 884 068 (**Wealth Mining**) under Part 6.5 of the *Corporations Act 2001*. This Bidder's Statement is dated 5 December 2013. You should read this Bidder's Statement in its entirety.

ASIC

A copy of this Bidder's Statement was lodged with ASIC on 5 December 2013. Neither ASIC nor its officers takes any responsibility for the content of this Bidder's Statement.

Investment decisions

In preparing this Bidder's Statement, Wealth Mining has not taken into account the individual objectives, financial situation or needs of individual Carabella Resources Shareholders. Accordingly, before making a decision whether or not to accept the Offer, you may wish to consult with your legal, financial, tax or other professional adviser.

Disclaimer as to forward looking statements

Some of the statements appearing in this Bidder's Statement may be in the nature of forward looking statements. You should be aware that such statements are only predictions and are subject to inherent risks and uncertainties. Those risks and uncertainties include factors and risks specific to the industry in which Carabella Resources operates as well as general economic conditions, prevailing exchange rates, interest rates and conditions in the financial markets. Actual events or results may differ materially from the events or results expressed or implied in any forward looking statement. None of Wealth Mining, the officers or employees of Wealth Mining, any persons named in this Bidder's Statement or any person involved in the preparation of this Bidder's Statement makes any representation or warranty (express or implied) as to the accuracy or likelihood of fulfilment of any forward looking statement, or any events or results expressed or implied in any forward looking statement, except to the extent required by law. You are cautioned not to place undue reliance on any forward looking statement. The forward looking statements in this Bidder's Statement reflect views held only as at the date of this Bidder's Statement.

Information on Carabella Resources

The information on Carabella Resources and Carabella Resources' securities contained in this Bidder's Statement has been prepared by Wealth Mining using publicly available information. The information in this Bidder's Statement concerning Carabella Resources and the assets and liabilities, financial position and performance, profits and losses and prospects of the Carabella Resources Group, has not been independently verified by Wealth Mining. Accordingly Wealth Mining does not, subject to the Corporations Act, make any representation or warranty, express or implied, as to the accuracy or completeness of such information.

Further information relating to Carabella Resources' business may be included in the Target's Statement which Carabella Resources must provide to its shareholders in response to this Bidder's Statement.

Notice to foreign Carabella Resources Shareholders

This Bidder's Statement and the Offer are subject to Australian disclosure requirements which may be different from those applicable in other jurisdictions. This Bidder's Statement and the Offer do not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer.

The distribution of this Bidder's Statement may, in some countries, be restricted by law or regulation. Accordingly, persons who come into possession of this Bidder's Statement should inform themselves of, and observe, those restrictions.

Privacy

Wealth Mining has obtained your information from the Carabella Resources register of shareholders for the purpose of making this Offer and, if accepted, administering acceptances of the Offer in respect of Your Carabella Resources Shares. The Corporations Act requires the name and address of shareholders to be held in a public register. Your information may be disclosed on a confidential basis to related bodies corporate and external service providers of Wealth Mining, and may be required to be disclosed to regulators such as ASIC. The registered address of Wealth Mining is Level 32, 126-130 Phillip Street, Sydney NSW 2000.

Defined terms

A number of defined terms are used in this Bidder's Statement. Unless the contrary intention appears, the context requires otherwise or words are defined in section 10 of this Bidder's Statement, words and phrases in this Bidder's Statement have the same meaning and interpretation as in the Corporations Act.

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How to accept the Offer

If you accept the Offer, you may only do so in respect of all of Your Carabella Resources Shares. Acceptances must be received before the end of the Offer Period.

Depending on the nature of your holding, you may accept the Offer in the following ways:

Issuer sponsored shareholders (your SRN starts with an "I")
If Your Carabella Resources Shares are held on Carabella Resources' issuer sponsored subregister, complete and sign the Acceptance Form enclosed with this Bidder's Statement in accordance with the instructions on the form and send it to the address set out on the form so it is received before the Offer closes.

CHESS shareholders (your HIN starts with an "X")
If Your Carabella Resources Shares are in a CHESS Holding,

- complete and sign the Acceptance Form enclosed with this Bidder's Statement in accordance with the instructions on the form and send it to the address set out on the form, so that it is received in sufficient time for your Controlling Participant to effect acceptance before the Offer closes; or

- contact your broker and instruct your Controlling Participant (normally your broker) to accept the Offer on your behalf, before the Offer closes.

Participants

If you are a Participant, acceptance of this Offer must be initiated in accordance with Rule 14.14 of the ASX Settlement Operating Rules before the Offer closes.

Postal and delivery addresses for completed Acceptance Forms

By post:	By hand:
Link Market Services Limited	Link Market Services Limited
Carabella Resources Takeover	Carabella Resources Takeover
Locked Bag A14	1A Homebush Bay Drive
SYDNEY SOUTH NSW 1235	RHODES NSW 2138

Further information on how to accept the Offer

Full details on how to accept the Offer are set out in section 9.3 of this Bidder's Statement. If you have any further questions on how to accept the Offer, please call the Wealth Mining Offer Information Line on 1 800 441 104 (within Australia) or +61 2 8767 1213 (international) between 9.00am and 5.00pm (Sydney time) on Business Days. Please note that calls to the above numbers will be recorded.

Key dates

Announcement Date	5 December 2013
Date of this Bidder's Statement	5 December 2013
Date of Offer	[***insert***] December 2013
Offer closes (unless extended or withdrawn)	7.00pm (Sydney time), [***insert***] 2014

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Chairman's letter

5 December 2013

Dear Carabella Resources Shareholder

Cash Offer of $0.42 per Carabella Resources share

On behalf of Wealth Mining, a subsidiary of China Kingho Energy Group, I am pleased to make this cash offer to acquire all of Your Carabella Resources Shares for $0.42 cash per share (**Offer Price**).

Based on the closing share price of Carabella Resources on 3 December 2013, being the last full Trading Day prior to announcement of the Offer, the Offer represents:

- a 110% premium to the closing Carabella Resources Share price of $0.20;
- an 81% premium to Carabella Resources' 3 month volume weighted average price (**VWAP**) of $0.23;
- an 89% premium to the 6 month VWAP of $0.22; and
- a 49% premium to the 12 month VWAP of $0.28.

Strong market support for the Offer price

On 2 and 3 December 2013 Wealth Mining agreed to acquire Carabella Resources Shares at the Offer Price of $0.42 per Carabella Resources Share in a number of off-market transactions. These transactions indicate there is strong market support for the Offer Price. As a result of these transactions, Wealth Mining currently has Voting Power in Carabella Resources of approximately 11.06% as at the date of this Bidder's Statement.

Benefits of the Offer

Wealth Mining believes this is a compelling offer for Carabella Resources Shareholders:

Attractive premium

Wealth Mining's Offer provides you with certainty of value at a significant premium to the current market price of Your Carabella Resources Shares. Prior to the announcement of the Offer, the market price of Carabella Resources Shares had not closed above the Offer Price of $0.42 in over 12 months. Furthermore, Carabella Resources' shares have materially underperformed key market indices over the past 12 months, including both the S&P/ASX 200 Index and the S&P/ASX 300 Metals & Mining Index.

Cash certainty

Wealth Mining is offering 100% cash, enabling you to realise value for Your Carabella Resources Shares with the certainty of cash consideration. The Offer is subject only to a limited number of conditions, including that Wealth Mining acquires a relevant interest in at least 57% of Carabella Resources Shares. The conditions to the Offer are set out in full in Section 9.7 of this Bidder's Statement.

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Removal of risks associated with maintaining a shareholding in Carabella Resources

The Offer removes your exposure to the risks associated with your continued shareholding in Carabella Resources. In particular, project funding, operating and development risks for Carabella Resources' key projects as well as market and liquidity risks associated with maintaining a shareholding in Carabella Resources. Carabella Resources Shares have historically had low trading liquidity and, depending on the level of acceptances received under the Offer, the market for Your Carabella Resources Shares may become less liquid in the future.

The Offer provides you with a straightforward cash exit for Your Carabella Resources Shares. By accepting the Offer you will no longer have exposure to the risks and uncertainty associated with Carabella Resources' development pipeline including Carabella Resources' publicly stated need to fund $937.5m worth of capital expenditure in the future.[1]

About China Kingho Energy Group and Wealth Mining

China Kingho Energy Group was formed in 1996 and is one of China's largest privately held mining and energy companies. Wealth Mining is ultimately 100% owned and controlled by China Kingho Energy Group.

China Kingho Energy Group has developed significant expertise in the coal mining industry. China Kingho Energy Group's operations, which primarily consist of coal product, had annual production capacity of 15mtpa in 2012. In addition, over recent years, China Kingho Energy Group has been developing cleaner energy expertise, and now holds a leading position in China's coal gasification and comprehensive coal utilization process, in which raw coal is efficiently processed with minimum energy loss and transferred to multiple high value-added products, including gas, methanol, and oil.

Over the last three years, China Kingho Energy Group has advanced its business development ventures globally, including the development of iron ore and coal resources in countries outside of China, and is now focused on establishing a global headquarters for its non-China business activities in Australia.

For further information on China Kingho Energy Group and Wealth Mining, please refer to Section 2 of this Bidder's Statement.

Conclusion

Details of our Offer, including its terms, are set out in this Bidder's Statement. I encourage you to read this Bidder's Statement carefully and in full, and to accept the Offer as soon as possible.

The Offer is open for your acceptance until 7.00 pm (Sydney time) on [***insert***] 2014, unless otherwise extended.

To accept the Offer, you should follow the instructions in this Bidder's Statement and on the enclosed Acceptance Form.

If you have any questions about the Offer, please call the Offer Information Line on 1 800 441 104 (toll-free within Australia) or +61 2 8767 1213 (for callers from outside Australia) between 9.00 am and 5.00 pm Monday to Friday (Sydney time) during the Offer Period.

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[1] Carabella Resources has publicly disclosed that it needs $905m to develop the Grosvenor West Project under an owner operated model and $32.5m to develop the Bluff Project. Assuming a contractor operation for Grosvenor West, Carabella Resources has disclosed that the required capital expenditure would reduce to $500m.

Thank you for your consideration of our Offer. We look forward to receiving your acceptance.

Yours sincerely,

Qinghua Huo
Chairman
Wealth Mining

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Why you should accept the Offer

1 The Offer represents a significant premium to recent trading levels

The Offer price of $0.42 represents a substantial premium to recent trading prices of Carabella Resources Shares. In particular, it represents a:

- 110% premium to the closing Carabella Resources Share price of $0.20 on the last full Trading Day for Carabella Resources Shares prior to the Announcement Date
- 73% premium to the 1 month VWAP[2] of $0.24 of Carabella Resources Shares on the last full Trading Day for Carabella Resources Shares prior to the Announcement Date
- 81% premium to the 3 month VWAP of $0.23 of Carabella Resources Shares on the last full Trading Day for Carabella Resources Shares prior to the Announcement Date
- 89% premium to the 6 month VWAP of $0.22 of Carabella Resources Shares on the last full Trading Day for Carabella Resources Shares prior to the Announcement Date
- 49% premium to the 12 month VWAP of $0.28 of Carabella Resources Shares on the last full Trading Day for Carabella Resources Shares prior to the Announcement Date

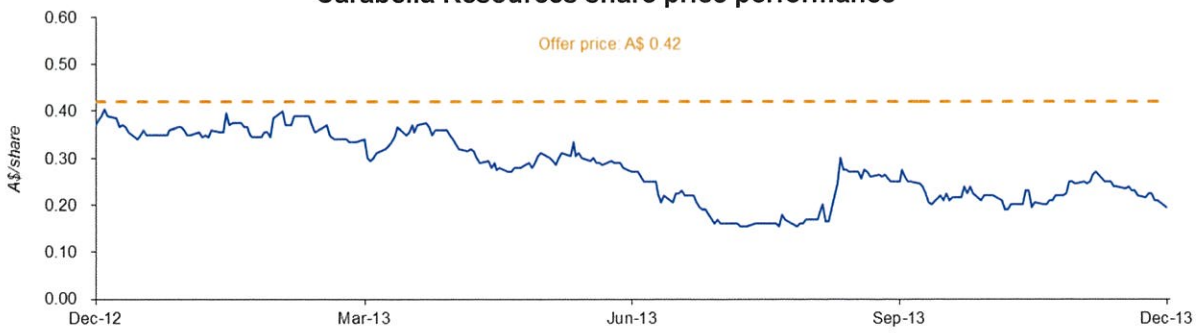
Offer Premium relative to recent Carabella Resources trading prices

Carabella Resources Shareholders have experienced a substantial decline in the Carabella Resources share price over more than 2 years. In the last 12 months, the price of Carabella Resources Shares has fallen from a high of $0.41 on 6 December 2012 to a price of $0.20 (as at the

[2] All premia calculations are based on exact numbers, notwithstanding that the VWAP numbers set out in this Bidder's Statement have been rounded to 2 decimal places.

last full Trading Day prior to the Announcement Date). Carabella Resources Shares have not closed above the Offer Price for over 12 months.

Carabella Resources share price performance



2 You will receive full cash consideration and certain value for Your Carabella Resources Shares

Accepting the Offer will enable you to realise a certain and attractive value for Your Carabella Resources Shares through 100% cash consideration.

If you accept the Offer and the Offer becomes unconditional, you will:

- be paid $0.42 cash for each of Your Carabella Resources Shares;
- not incur any brokerage fees, which you will likely incur if you sell Your Carabella Resources Shares on market; and
- receive your cash payment within 7 business days of the later of the date that you accept the Offer and the date that the Offer becomes unconditional.

3 Strong market support for the Offer price

Wealth Mining acquired a Relevant Interest in 17,501,619 Carabella Resources Shares at the Offer Price of $0.42 per Carabella Resources Share in a number of off-market transactions on 2 and 3 December 2013. These transactions indicate there is strong market support for the Offer Price. As a result of these transactions, Wealth Mining currently has Voting Power in Carabella Resources of approximately 11.06% as at the date of this Bidder's Statement.

4 Wealth Mining considers the likelihood of a counterbidder emerging with a superior proposal to be low

The Offer is the only offer available for all of Carabella Resources' shares as at the date of this Bidder's Statement. Wealth Mining believes that the likelihood of another bidder emerging with a superior proposal is low, given the substantial cash premium offered and Wealth Mining's 11.06% Voting Power in Carabella Resources as at the date of this Bidder's Statement.

5 Avoidance of future funding uncertainties

Carabella Resources' key projects, the Grosvenor West Project and the smaller Bluff Project, will require substantial capital to reach production.

Carabella Resources has disclosed that it needs $905m to develop the Grosvenor West Project under an owner operated model and $32.5m to develop the Bluff Project. As at 30 September 2013, Carabella Resources had a cash balance of $8.4m which represents around 1% of total funding requirements.

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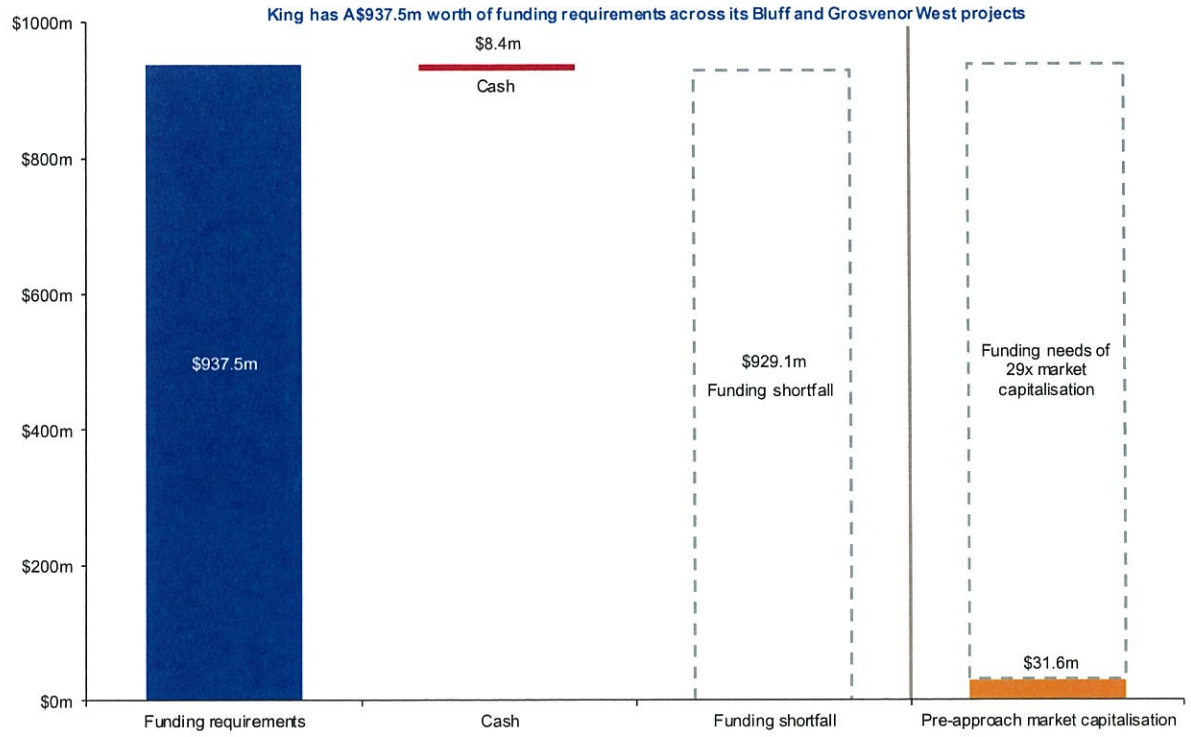

If Carabella Resources Shareholders do not accept the Offer, the development of the Bluff Project and Grosvenor West Project may give rise to a significant funding requirement for Carabella Resources Shareholders. This may take the form of substantial capital raisings, for example via rights issues or dilutive placements to third parties.

Carabella Resources stated in its announcement to the market on 29 July 2013 that given Carabella Resources' cash reserves and forecast expenditures, and the focus on funding the Bluff Project at the project level, the Board does not anticipate a requirement to raise equity capital in the short to medium term. Wealth Mining notes that while Carabella Resources has stated that it does not envisage a requirement to raise equity, there remains a risk that the requirement for substantial amounts of development capital may negatively impact the price of Carabella Resources Shares in the future.

6 There are significant operating and project development risks associated with Carabella Resources

The Bluff Project and Grosvenor West Project will require a substantial amount of expertise, resources and capital, including for the development of infrastructure needed to deliver coal to market. Carabella Resources is progressing access to rail and port facilities for this purpose, but there is no guarantee that these discussions will result in rail and port access on favourable terms or otherwise.

Carabella Resources Shareholders who accept the Offer will be able to avoid these risks by instead receiving a substantial cash premium for their Carabella Resources Shares.

7 If you do not accept the offer you will be exposed to a variety of risks

Aside from the funding, operating and development risks described above, there are a number of other risks associated with maintaining your investment in Carabella Resources. These include:

1 **The Carabella Resources Share price listed on ASX may fall and trade at a discount to the Offer Price**

- If the Offer does not proceed and no other proposal is received, the Carabella Resources Share price may fall. While there are many factors that will influence the market price of Carabella

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Resources Shares, in the absence of the Offer or a competing proposal it is likely that the Carabella Resources Share price will fall below the value implied by the Offer.

- For the 1 month period prior to the Announcement Date, the volume weighted average price of Carabella Resources Shares was $0.24.

2 The market for Your Carabella Resources Shares may become less liquid

- Depending on the level of acceptances received under the Offer, the market for Your Carabella Resources Shares may become less liquid or less active.

- ASX requires a listed entity to maintain a sufficient spread of shareholders to ensure there is an orderly and liquid market in the listed entity's shares. ASX has the power to suspend Carabella Resources Shares from quotation if the spread requirement is not met.

3 Your shareholding may continue to be subject to market volatility

- The Australian and international economic outlook and recent volatility in world markets may continue to impact upon:
  - movements in general levels of security prices on local stock markets, including Carabella Resources;
  - Carabella Resources' ability to access debt and equity capital;
  - general economic conditions including inflation and interest rates that may impact upon Carabella Resources' business operations; and
  - the demand for listed shares, including Carabella Resources;

4 If Wealth Mining becomes entitled to compulsorily acquire Your Carabella Resources Shares and does so, you will receive consideration at a later date than if you had accepted the Offer

- If Wealth Mining becomes entitled to compulsorily acquire Your Carabella Resources Shares, it reserves the right to exercise those rights. If Your Carabella Resources Shares are compulsorily acquired, you will still receive the Offer Price for Your Carabella Resources Shares but at a later date than you would have received it if you had accepted the Offer.

8 The risks to completion of the Offer are low

The Offer is subject only to some common defeating Conditions, which therefore should provide you with increased confidence that the acquisition of Your Carabella Resources Shares will occur should you accept the Offer. These conditions include:

- Wealth Mining obtaining a Relevant Interest in at least 57% of Carabella Resources Shares;
- Wealth Mining receiving all remaining required Chinese regulatory approvals and no adverse regulatory action;
- No material adverse change or Prescribed Occurrence events occurring;
- Carabella Resources not making any material acquisitions or disposals or material new capital expenditure;
- No person terminating or varying any material agreement of Carabella Resources as a result of Wealth Mining acquiring or proposing to acquire Carabella Resources Shares; and
- the S&P/ASX 200 Index not closing below 4730 for 3 or more consecutive trading days.

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The Conditions are set out in full in Section 9.7 of this Bidder's Statement.

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1 Summary of the Offer

Set out below is a summary of the Offer. It is qualified by the detailed information set out elsewhere in this Bidder's Statement. You should read the entire Bidder's Statement before deciding whether to accept the Offer.

What is the Offer?	Wealth Mining is offering to buy all of Your Carabella Resources Shares by way of an off-market takeover bid on the terms set out in this Bidder's Statement. The Offer consideration is $0.42 in cash for each of Your Carabella Resources Shares. You may only accept this Offer in respect of all of Your Carabella Resources Shares. The offer consideration of $0.42 cash per Carabella Resources Share you receive will be reduced by the amount or value of any Rights (including dividends) attaching to Your Carabella Resources Shares, on or after the Announcement Date, which Wealth Mining does not receive. For the full terms of the Offer, please see section 9.
What is the Bidder's Statement?	This Bidder's Statement was prepared by Wealth Mining for distribution to Carabella Resources Shareholders. The Bidder's Statement describes the terms of Wealth Mining's Offer for Your Carabella Resources Shares and information relevant to your decision whether or not to accept the Offer. This Bidder's Statement is an important document. Should you have any doubt as to how to deal with this document, you should consult your financial, legal or other professional adviser.
Who is Wealth Mining?	The bidder under the Offer is Wealth Mining, an entity ultimately owned and controlled by China Kingho Energy Group. For information on Wealth Mining, please see section 2.
If I accept the Offer, when will I be paid?	If you accept the Offer and the Offer becomes unconditional, Wealth Mining will pay you the consideration to which you are entitled on or before the date that is 7 Business Days after the later of the date on which you validly accept the Offer and the date on which the Offer is declared or becomes unconditional. Full details of when you will be paid are set out in section 9.6 of this Bidder's Statement.
Will I pay brokerage or stamp duty if I accept the Offer?	You will not incur any stamp duty and generally will not incur brokerage charges. For full details, please see section 9.13.
What are the conditions of the Offer?	The Offer is subject to the conditions set out in section 9.7 of this Bidder's Statement. In summary they are: • the Minimum Acceptance Condition;

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	• no material adverse change occurring in relation to the Carabella Resources Group (taken as a whole); • all necessary Chinese regulatory approvals are received; • no regulatory action which would prohibit the Offer from proceeding; • no prescribed occurrences; • no additional material capital expenditure or material acquisitions or disposals committed to by Carabella Resources; • no change of control right being triggered in a material contract; and • the S&P/ASX 200 Index not closing below 4730 for 3 or more consecutive trading days. The Offer is not subject to a FIRB or NDRC approval condition. The full terms of the conditions are set out in section 9.7 of this Bidder's Statement. If the Offer closes with conditions remaining unsatisfied or not waived the Offer will lapse, and acceptances will be cancelled. This means that the Offer will not proceed and you will continue to hold Your Carabella Resources Shares.
How do I accept the Offer?	You may only accept the Offer in respect of all of Your Carabella Resources Shares. Depending on the nature of your holding, you may accept the Offer in the following ways: **Issuer sponsored shareholders** (your SRN starts with an "I") If Your Carabella Resources Shares are held on Carabella Resources' issuer sponsored subregister, complete and sign the Acceptance Form enclosed with this Bidder's Statement in accordance with the instructions on the form and send it to the address set out on the form so it is received before the Offer closes. **CHESS shareholders** (your HIN starts with an "X") If Your Carabella Resources Shares are in a CHESS Holding, • complete and sign the Acceptance Form enclosed with this Bidder's Statement in accordance with the instructions on the form and send it to the address set out on the form, so that it is received in sufficient time for your Controlling Participant to effect acceptance before the Offer closes; or • contact your broker and instruct your Controlling Participant (normally your broker) to accept the Offer on your behalf, before the Offer closes. **Participants** If you are a Participant, acceptance of this Offer must be initiated in accordance with Rule 14.14 of the ASX Settlement Operating Rules before the Offer closes. Full details on how to accept the Offer are set out in section 9.3 of this

	Bidder's Statement. **If you have any further questions on how to accept the Offer, please call the Wealth Mining Offer Information Line 1800 441 104 (within Australia) or +61 2 8767 1213 (international) between 9.00am and 5.00pm (Sydney time) on Business Days.**
When does the Offer close?	The Offer closes at 7.00pm (Sydney time) ***[insert]*** 2014, unless it is extended in accordance with the Corporations Act.
What if I am a foreign shareholder?	Foreign Carabella Resources Shareholders will be paid the same cash consideration as stipulated under the Offer. You will be paid in Australian dollars by cheque drawn on an Australian bank branch.
Does the Offer apply to options?	The Offer does not apply to options in Carabella Resources, however the Offer does apply to any Carabella Resources securities (including options) that come to be Carabella Resources Shares during the period from the Register Date to the end of the Offer Period due to the conversion of, or exercise of rights conferred by, such securities and which are on issue as at the Register Date.
Can I withdraw my acceptance?	Under the Offer, you cannot withdraw your acceptance unless a withdrawal right arises under the Corporations Act.
Can the Offer Period be extended?	Yes, the Offer Period may be extended at the election of Wealth Mining and as required under the Corporations Act. Wealth Mining will give written notice of any extension of the Offer Period in accordance with the Corporations Act. Any extension will be announced to the ASX.
What are the tax implications of accepting the Offer?	Please refer to section 7 of this Bidder's Statement for an overview of the Australian taxation treatment for Carabella Resources Shareholders accepting the Offer. Carabella Resources Shareholders should not rely on that description as advice for their own affairs and Wealth Mining recommends you should consult your taxation adviser for detailed taxation advice before making a decision as to whether or not to accept the Offer.
What if I have further questions or require further information in relation to the Offer?	If you have any questions in relation to the Offer, please contact the Wealth Mining Offer Information Line on 1800 441 104 (within Australia) or +61 2 8767 1213 (international) between 9.00am and 5.00pm (Sydney time) on Business Days. Please note that calls to the above numbers will be recorded. Inquiries in relation to the Offer will not be received on any other telephone numbers of Wealth Mining or its advisers.

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2 Information on Wealth Mining

2.1 Overview of Wealth Mining

Wealth Mining has been formed specifically for the purpose of acquiring Carabella Resources Shares pursuant to the Offer.

All shares in Wealth Mining are currently held by Wealth Resources Pty Ltd (ACN 162 882 840). Wealth Resources Pty Ltd is 100% owned by Kingho Investment Company Limited (which is wholly owned by China Kingho Energy Group). China Kingho Energy Group Ltd is ultimately 100% owned by the founder of China Kingho Energy Group, Qinghua Huo and his family.

2.2 Overview of China Kingho Energy Group

China Kingho Energy Group was established in 1996 and is one of China's largest privately-owned energy companies with over 19,000 employees. While possessing significant experience in coal mining, China Kingho Energy Group has also been developing cleaner energy technology, and now holds a leading position in China's coal gasification and comprehensive coal utilization, in which raw coal is efficiently processed with minimum energy loss and transferred to multiple high value-added products, including gas, methanol, and oil.

China Kingho Energy Group has a strong balance sheet and, as at 31 December 2012, held assets including:

(a) 8 coal mines with 3 billion tonnes of resources, 930mt of reserves and production capacity of approximately 15mtpa;

(b) 4 coal industrial parks, located in Inner Mongolia, Ningxia and Qinghai, capable of producing 7.6mtpa clean coal, 5mtpa coke, 0.4mtpa methanol and a 5.5bcmpa coal gasification project in Xinjiang; and

(c) 3 iron ore mines with 736mt of mineable reserves and production capacity of approximately 3.85mt.

For the year ended 31 December 2012, China Kingho Energy Group had total assets of approximately $6.95billion, and revenue of approximately $1.94billion (based on AUD/CNY exchange rate of 6.5349 being an average of the daily exchange rates published by the Reserve Bank of Australia for 2012). As of 30 September 2013, China Kingho Energy Group held cash and cash equivalents of approximately $662million (based on AUD/CNY exchange rate of 5.6960 being the spot exchange published by the Reserve Bank of Australia on 30 September 2013).

2.3 Wealth Mining Directors

The directors of Wealth Mining are:

- Mr Qinghua Huo (Chairman)
- Mr Ian Hutchinson (Deputy Chairman)
- Mr Dennis Shen (Managing Director)
- Ms Lei Yang (Director)
- Mr Soo Tee Cheong (Non-Executive Director)

Mr Qinghua Huo has more than 30 years' of industry experience and is the founder of China Kingho Energy Group. Mr Huo introduced the recycling coal utilization concept to the coal industry in China and is regarded as a leading entrepreneur in the sector in China. Mr Huo holds an MBA from Tsinghua University.

Mr Ian Hutchinson has more than 45 years' experience in legal practice and is the Deputy Chairman of Wealth Mining. He was previously a senior partner and chairman of Freehills, director of Zurich Financial Services Group, chairman of Global Mining Investments Limited, and a director of Australand Holdings Limited. Mr Hutchinson is currently a director of Propertylink (Holdings) Limited and chairs the audit, corporate governance and risk management committee. He is a Fellow of the Australian Institute of Company Directors, and a consultant to Herbert Smith Freehills.

Mr Dennis Shen has 15 years' working experience and is the Managing Director of Wealth Mining. He was previously CFO of Yancoal Australia where he led major M&A transactions in Australia. Before joining Yancoal, he was a director of the listing office of China Shenhua Energy Ltd, China's largest coal company with production over 300mtpa, and successfully managed US$12billion in capital raisings on the HKSE and SHSE. He began his career at Deloitte Touche in Beijing. He holds a Master's degree in finance from University of Melbourne.

Ms Lei Yang has 30 years' of experience, and is a director of Wealth Mining. She was the former Head of Finance for Sinomach, a large Chinese company with total asset of over US$32billion. Over her career, Ms Yang has supervised and participated in multiple IPOs in China and overseas with an aggregated market value of more than 1.4billion RMB (approximately US$235million), and 1.8billion RMB (approximately US$288million) bond issuances for China Kingho Energy Group. Ms Yang holds a Bachelor's degree from Renmin University of China.

Mr Soo-Tee Cheong has more than 40 years' experience in business and is a non-executive director of Wealth Mining. He is also the principal at STC Architects. In 2013 Mr Cheong served as Deputy Mayor of the Lane Cove Municipal Council in NSW. Mr Cheong's previous experience includes acting as chairman of Kendall Resources Pty Limited and as vice president of the Australian Chinese Community Association. He is a Fellow of the Australian Institute of Architects and holds a Bachelor's degree from the University of New South Wales.

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3 Information on Carabella Resources

3.1 Overview of Carabella Resources

Carabella Resources is an ASX-listed (ASX code: CLR) coal exploration and development company. Carabella Resources' head office is located in Queensland, Australia.

Carabella Resources holds interests in a portfolio of coal tenements across Queensland's coal basins.

3.2 Directors and senior management

As at the date of this Bidder's Statement, the directors of Carabella Resources are:

- Mr Andrew Amer, Non-Executive Chairman
- Mr Michael Addison, Non-Executive Director
- Mr Simon Kidston, Non-Executive Director
- Mr Allan Fidock. Non-Executive Director
- Mr Anthony Quin, Managing Director

3.3 History of Carabella Resources

Carabella Resources is an Australian incorporated company and was listed on the ASX in December 2010 after acquiring a portfolio of 6 coal exploration assets between May 2010 and November 2010.

3.4 Operations

Carabella Resources is focussed on the development of two key projects – the Bluff Project near Blackwater and the Grosvenor West Project near Moranbah.

Bluff Project

Carabella Resources is advancing its Bluff ULV PCI project with a view to commencing first production in 1H 2014. A feasibility study is expected to be completed in 4Q 2013 based on an open cut operation producing 1.2mtpa of saleable ULV PCI coal with an estimated mine life of 10 years or more. A concept study for the Bluff Project released in May 2013 indicated operating expenditure of $96 per produced tonne and an initial capital expenditure of $32.5 million. Carabella Resources has announced that the Bluff Project has JORC Resources of 21.5mt and on 25 November 2013 Carabella Resources announced an initial JORC Reserve estimate at Bluff of 11.0mt.

Carabella Resources' publicly disclosed efforts to secure financing for the development cost of the Bluff Project operation have not resulted in a successful transaction as at the date of this Bidder's Statement.

Grosvenor West Project

Carabella Resources is also advancing the Grosvenor West Project, which is a hard coking coal project located in Queensland's northern Bowen Basin. In August 2012 the project was progressed into feasibility based on an open cut operation with steady state ROM production of 5.5mtpa. Carabella Resources has announced that the Grosvenor West Project has JORC resources of 141 million tonnes with an estimated required capital expenditure of A$905 million under an owner operated model. Carabella Resources disclosed in its 2013 Annual Report that the feasibility study program for Grosvenor West is expected to be progressed in parallel with the development of the Bluff Project.

3.5 Disclaimer

The information on Carabella Resources has been prepared by Wealth Mining based on publicly available information. The information has not been independently verified and Wealth Mining does not make any representation or warranty, express or implied, as to the accuracy or completeness of that information.

The information on Carabella Resources in this Bidder's Statement should not be considered comprehensive.

Further information relating to Carabella Resources' business may be included in Carabella Resources' Target's Statement which Carabella Resources must provide to Carabella Resources' Shareholders in response to this Bidder's Statement.

3.6 Publicly available information about Carabella Resources

Carabella Resources is required to lodge various documents with ASIC. Copies of documents lodged with ASIC by Carabella Resources may be obtained from, or inspected at, an ASIC office.

Further information about Carabella Resources is available at www.carabellaresources.com.au.

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4 Information on Carabella Resources' securities

4.1 Carabella Resources' issued securities

According to Carabella Resources' 2013 Annual Report and subsequent ASX announcements:

(a) Carabella Resources' issued securities consisted of 158,236,547 Carabella Resources Shares; and

(b) Carabella Resources had 31,106,111 unlisted options on issue as summarised in the table below.

Grant date	Vesting date	Expiry date	Ex. price	No. of options
12/05/2010	12/05/2010	12/05/2015	0.25	5,000,000
14/05/2010	14/05/2010	14/05/2015	0.25	3,000,000
25/05/2010	25/05/2010	25/05/2015	0.25	1,000,000
15/09/2010	15/09/2010	15/09/2015	0.25	100,000
24/09/2010	24/09/2010	24/09/2015	0.25	511,111
14/12/2010	14/12/2010	14/12/2015	0.25	1,500,000
7/06/2010	7/06/2010	7/06/2015	0.25	2,000,000
17/12/2010	17/12/2012	17/12/2013	0.50	135,000
17/12/2010	17/12/2012	17/12/2013	0.60	135,000
17/12/2010	17/12/2012	17/12/2013	0.70	135,000
17/12/2010	17/12/2012	17/12/2013	0.80	135,000
4/01/2011	4/01/2013	4/01/2014	0.50	18,750
4/01/2011	4/01/2013	4/01/2014	0.60	18,750
4/01/2011	4/01/2013	4/01/2014	0.70	18,750
4/01/2011	4/01/2013	4/01/2014	0.80	18,750
14/02/2011	14/02/2013	14/02/2014	1.94	200,000
14/02/2011	14/02/2013	14/02/2014	2.33	150,000
14/02/2011	14/02/2013	14/02/2014	2.72	150,000
14/03/2011	6/09/2013	6/09/2014	2.00	490,000
21/03/2011	6/09/2013	6/09/2014	2.00	220,000
11/04/2011	6/09/2013	6/09/2014	2.00	80,000
14/04/2011	6/09/2013	6/09/2014	2.00	160,000
14/04/2011	6/09/2013	6/09/2014	2.00	80,000
18/04/2011	6/09/2013	6/09/2014	2.00	510,000
26/04/2011	6/09/2013	6/09/2014	2.00	10,000
2/05/2011	6/09/2013	6/09/2014	2.00	180,000
3/05/2011	6/09/2013	6/09/2014	2.00	590,000
16/05/2011	6/09/2013	6/09/2014	2.00	200,000
15/08/2011	30/01/2014	30/01/2015	2.00	160,000
6/09/2011	6/09/2013	6/09/2014	2.00	500,000
6/09/2011	6/09/2013	6/09/2014	2.00	180,000
10/10/2011	30/09/2013	10/10/2014	2.00	3,500,000
4/11/2011	4/11/2013	4/11/2014	2.00	20,000
20/12/2012	20/12/2012	30/06/2014	0.50	10,000,000
				31,106,111

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4.2 Interests in Carabella Resources' securities

As at the date of this Bidder's Statement and the date of the Offer:

(a) Wealth Mining's Voting Power in Carabella Resources was 11.06%; and

(b) Wealth Mining had a Relevant Interest in 17,501,619 Carabella Resources Shares (11.06% of Carabella Resources Shares on issue).

4.3 Dealings in Carabella Resources Shares

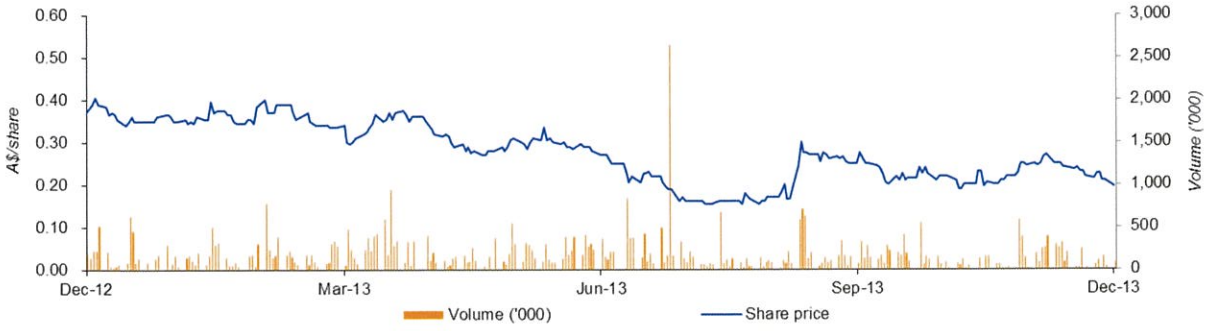
Neither Wealth Mining nor any associate of Wealth Mining has provided, or agreed to provide, consideration for Carabella Resources Shares under any purchase or agreement during the 4 months before the date of this Bidder's Statement, except as described below.

On 2 and 3 December 2013, Wealth Mining acquired a Relevant Interest in 17,501,619 Carabella Resources Shares at the Offer Price of $0.42 per Carabella Resources Share in a number of off-market transactions.

4.4 Recent share price performance of Carabella Resources

The last recorded sale price of Carabella Resources Shares on ASX on 3 December 2013, being the last full Trading Day prior to the date on which the Bidder's Statement was lodged with ASIC, ASX and Carabella Resources, was $0.20 per Carabella Resources Share.

Share price performance – since December 2012



4.5 No pre-Offer benefits

Except as set out in this Bidder's Statement, during the period commencing 4 months before the date of this Bidder's Statement, and the period from the date of this Bidder's Statement to the date before the date of the Offer, neither Wealth Mining nor any associate of Wealth Mining gave, or offered to give, or agreed to give a benefit to another person which was likely to induce the other person, or an associate of the other person, to:

(a) accept the Offer; or

(b) dispose of Carabella Resources Shares,

and which is not offered to all holders of Carabella Resources Shares under the Offer.

4.6 No escalation agreements

Neither Wealth Mining nor any associate of Wealth Mining has entered into any escalation agreement that is prohibited by section 622 of the Corporations Act.

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5 Sources of consideration

5.1 Total consideration

The consideration for the acquisition of the Carabella Resources Shares to which the Offer relates will be satisfied by the payment of cash for each Carabella Resources Share.

The maximum amount of cash that Wealth Mining would be required to pay under the Offer if acceptances are received for all Carabella Resources Shares on issue as at the date of this Bidder's Statement in which Wealth Mining does not already hold a Relevant Interest is approximately $59,108,670 (**Offer Amount**).

5.2 Sources of cash consideration

The cash required to fund the Offer Amount will be obtained by Wealth Mining from its available cash reserves and intra-group funding from China Kingho Energy Group and its subsidiaries.

China Kingho Energy Group has agreed to provide, and will provide, any and all additional amounts Wealth Mining is required to pay for the acquisition of Carabella Resources Shares in excess of Wealth Mining's available cash reserves pursuant to the Offer (refer to section 2.2 of this Bidder's Statement for further details on the financial position of China Kingho Energy Group). These amounts will be provided either by way of equity or debt from China Kingho Energy Group to Wealth Mining and China Kingho Energy Group has committed to provide such amounts to Wealth Mining as required to fund the maximum amount of cash that Wealth Mining would be required to pay under the Offer if acceptances are received for all Carabella Resources Shares.

China Kingho Energy Group and its subsidiaries have available cash reserves in excess of the Offer Amount and these cash reserves are not subject to any security interest or any other arrangement which will materially affect Wealth Mining's ability to use them. These cash reserves are held with Commonwealth Bank of Australia and Agricultural Bank of China. Further, if the holders of options on issue as at the Register Date convert those options into Carabella Resources Shares and accept the Offer, China Kingho Energy Group and its subsidiaries have available cash sufficient to pay the additional consideration required to acquire any such Shares.

The Offer is not subject to any financing conditions. However, one of the conditions to the Offer (refer to section 9.7) requires Wealth Mining to obtain Chinese regulatory consent for the payment of the consideration for Carabella Resources Shares under the Offer and transfer of that consideration out of China. As at the date of this Bidder's Statement Wealth Mining has applied for such remaining approvals and has no reason to believe that such approvals will be denied.

On the basis of the arrangements described above, Wealth Mining is of the opinion that it has a reasonable basis for forming the view, and it holds the view, that it will be able to pay the consideration required for the acquisition of Carabella Resources Shares pursuant to the Offer to satisfy its obligations under the Offer.

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6 Wealth Mining's intentions in relation to Carabella Resources

6.1 Introduction

This section 6 sets out the intentions of Wealth Mining in relation to:

(a) the continuation of the business of Carabella Resources;

(b) any major changes to the business of Carabella Resources and any redeployment of the fixed assets of Carabella Resources;

(c) the compulsory acquisition of Carabella Resources Shares and the delisting of Carabella Resources; and

(d) the future employment of the present employees of Carabella Resources.

The intentions of Wealth Mining have been formed on the basis of publicly available facts and information concerning Carabella Resources, and the general business environment, which are known at the time of preparing this Bidder's Statement. Final decisions regarding these matters will only be reached by Wealth Mining in light of material information and circumstances at the relevant time. Accordingly, the statements set out in this section are statements of current intention only and may vary as new information becomes available or circumstances change.

The articulation and formulation of the intentions of Wealth Mining are necessarily limited by virtue of the fact that it has only had access to publicly available information about Carabella Resources and its affairs prior to making this Offer.

The intentions of Wealth Mining described in this section reflect the intentions of China Kingho Energy Group as shareholder of Wealth Mining.

6.2 Intentions for Carabella Resources as a wholly-owned controlled entity

This section describes the intentions of Wealth Mining if Wealth Mining has relevant interests in 90% or more of the Carabella Resources Shares at the end of the Offer Period, and becomes entitled to proceed to compulsory acquisition of outstanding Carabella Resources Shares in accordance with Part 6A.1 of the Corporations Act. As at the date of this Bidder's Statement, Wealth Mining has not formed an intention as to whether it would proceed to compulsory acquisition if permitted under Part 6A.1 of the Corporations Act but reserves its right to do so.

In the circumstance that Wealth Mining exercises any right to proceed with compulsory acquisition of the outstanding Carabella Resources Shares in accordance with the provisions of Part 6A.1 of the Corporations Act, the current intentions of Wealth Mining are as follows.

(a) Corporate matters

Wealth Mining would:

(i) arrange for Carabella Resources to be removed from the official list of ASX; and

(ii) exercise its right as a shareholder to replace the current non-executive members of the Carabella Resources Board with the following candidates:

- Mr Qinghua Huo;
- Mr Ian Hutchinson;
- Mr Dennis Shen;
- Ms Lei Yang; and

- Mr Soo-Tee Cheong.

In circumstance where Wealth Mining does not exercise any right to proceed with compulsory acquisition of the outstanding Carabella Resources Shares in accordance with the provisions of Part 6A.1 of the Corporations Act, Wealth Mining would not seek to arrange for Carabella Resources to be removed from the official list of ASX.

For more details on these individuals, refer to section 2.3.

(b) General operational review and structural considerations

Wealth Mining intends to conduct a review of Carabella Resources' operations on both a strategic and financial level to evaluate Carabella Resources' performance, profitability and prospects in relation to its business and tenements. Wealth Mining would seek to enhance Carabella Resources development and mining operations pending the outcome of that review.

(c) Impact on employees

Wealth Mining expects to rely on Carabella Resources' existing workforce and Wealth Mining presently intends to maintain the current employment arrangements of all of Carabella Resources' employees.

6.3 Intentions for Carabella Resources as a part owned controlled entity

This section describes Wealth Mining's intentions if Carabella Resources becomes a controlled entity of Wealth Mining, but Wealth Mining is not entitled to proceed to compulsory acquisition in accordance with Part 6A.1 of the Corporations Act.

In any of those circumstances, Wealth Mining's current intentions are as follows:

(a) Corporate matters

After the end of the Offer Period, Wealth Mining intends, subject to the Corporations Act and the constitution of Carabella Resources, to seek to replace some or all of the members of the Carabella Resources Board and any company in respect of which Carabella Resources has nominated directors, with nominees of Wealth Mining such that the proportion of Wealth Mining's nominees is at least in line with Wealth Mining's Voting Power in Carabella Resources. Those nominees are expected to be one or more of the persons described in section 6.2(a)(ii).

Wealth Mining will seek, to the extent possible through its nominees on the Carabella Resources Board, to implement the intentions detailed in section 6.2 where they are consistent with Carabella Resources being a controlled entity of (but not wholly-owned by) Wealth Mining and are considered to be in the best interests of Carabella Resources Shareholders as a whole.

(b) Limitations in giving effect to intentions

The ability of Wealth Mining to implement the intentions set out in this section will be subject to the legal obligations of Carabella Resources directors to have regard to the interests of Carabella Resources and all Carabella Resources Shareholders and the requirements of the Corporations Act and the Listing Rules relating to transactions between related parties.

6.4 Other intentions

Subject to the matters described above in this section 6 and elsewhere in this Bidder's Statement and, in particular, the completion of the strategic review of Carabella Resources' operations, it is the intention of Wealth Mining, on the basis of the facts and information concerning Carabella Resources that are known to it and the existing circumstances affecting the assets and operations of Carabella Resources at the date of this Bidder's Statement, that:

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(a) the business of Carabella Resources will be conducted in substantially the same manner as at the date of this Bidder's Statement;

(b) no other major changes will be made to the business of Carabella Resources;

(c) there will be no redeployment of the fixed assets of Carabella Resources; and

(d) the present employees of Carabella Resources will continue to be employed by Carabella Resources.

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7 Tax considerations

7.1 Introduction

The tax information provided below is intended to be a brief guide only and does not purport to be a complete analysis of the potential Australian tax consequences of accepting the Offer.

Carabella Resources Shareholders are specifically informed that the outline below regarding Australian taxation considerations:

(a) does not constitute tax advice by Wealth Mining to any Carabella Resources Shareholder;

(b) is an indicative guide of the understanding of Wealth Mining of the possible Australian capital gains tax (**CGT**), stamp duty and Australian Goods and Services Tax (**GST**) consequences on disposal of the Carabella Resources Shares acquired (or taken to be acquired) after 19 September 1985 and does not consider any broader Australian tax implications;

(c) does not consider the Australian income tax implications if Wealth Mining elects to proceed to compulsory acquisition in accordance with Part 6A.1 of the Corporations Act; and

(d) should not be relied upon by a Carabella Resources Shareholder in making a decision on the Australian tax consequences of their decision to acquire, hold or dispose of any Carabella Resources Shares to Wealth Mining.

The following outline is not intended to be an authoritative or complete statement of the Australian tax law applicable to the specific circumstances of every Carabella Resources Shareholder. In particular, the comments contained in this summary are only relevant to those Carabella Resources Shareholders who hold their shares on capital account for income tax purposes. The outline does not apply to Carabella Resources Shareholders who:

(a) are in the business of trading, dealing in securities or otherwise hold their Carabella Resources Shares on revenue account;

(b) work out gains and losses on Carabella Resources Shares under the taxation of financial arrangements regime;

(c) acquired their Carabella Resources Shares as the result of an employee share plan or employee share option plan;

(d) are banks, insurance companies, tax exempt organisations or superannuation funds or dealers in securities; or

(e) are non-resident Carabella Resources Shareholders who at any time hold Carabella Resources Shares through a permanent establishment in Australia.

Except where expressly mentioned, this summary only provides a guide to the general Australian CGT, stamp duty and GST consequences of accepting the Offer, based on the existing tax laws and administrative practice as at the date of this Bidder's Statement. The tax law is complex and subject to change periodically as is its interpretation by the courts and the Australian Taxation Office.

The information contained in this summary is not intended to be, and should not be relied upon as, personal taxation or financial advice. The Australian CGT, stamp duty and GST treatment may vary according to individual circumstances, and each Carabella Resources Shareholder should seek their own tax advice that is specific to their particular circumstances.

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7.2 Taxation on the disposal of Carabella Resources Shares

A Carabella Resources Shareholder that accepts this Offer (and the Offer becomes unconditional) will be treated as having disposed of Carabella Resources Shares for Australian CGT purposes. The disposal of a Carabella Resources Share will constitute a disposal of a CGT asset.

7.3 Australian resident Carabella Resources Shareholders

A Carabella Resources Shareholder should realise a capital gain in connection with the disposal of a Carabella Resources Share equal to the amount by which the Offer consideration exceeds the cost base of that Carabella Resources Share. A Carabella Resources Shareholder will alternatively realise a capital loss equal to the amount by which the reduced cost base of the Carabella Resources Share exceeds the Offer consideration. A capital loss may be used to offset a capital gain made in the same income year or be carried forward to offset a capital gain made in a future income year, subject to the satisfaction of certain loss recoupment tests applicable.

The cost base and reduced cost base of a Carabella Resources Share should generally include the amount paid (or deemed to be paid) to acquire the Carabella Resources Share which includes certain incidental costs (such as brokerage fees) of the acquisition.

A Carabella Resources Shareholder who is an individual, trust or complying superannuation fund may be entitled to claim the CGT discount in calculating any capital gain provided that:

(a) the Carabella Resources Shares were acquired at least 12 months before disposal to Wealth Mining (excluding the date of acquisition and the date of disposal);

(b) the Carabella Resources Shareholder did not choose to index the cost base of their Carabella Resources Shares (where applicable); and

(c) the CGT discount is applied to the capital gain after any available capital losses are first offset against that capital gain.

The applicable CGT discount which should reduce a net capital gain arising from the disposal of Carabella Resources Shares is as follows:

(a) 50% for individuals and trustees (except a trust that is a complying superannuation entity); and

(b) 33.33% for a complying superannuation entity.

The CGT discount is not available to any Carabella Resources Shareholders that are companies.

7.4 Non-resident Carabella Resources Shareholders

Any Carabella Resources Shareholders that are not a resident of Australia for income tax purposes, should generally not have to pay Australian income tax on any capital gain arising on the disposal of their Carabella Resources Shares, unless both of the following requirements are satisfied:

(a) The Carabella Resources Shareholder (and any associates) owned at least 10% of Carabella Resources either at the time the Carabella Resources Shares were disposed of or for at least 12 months during the 24 months before the Carabella Resources Shares were sold (the 'non-portfolio' interest test); and

(b) 50% or more of the value of Carabella Resources is represented by real property in Australia (the 'principal asset test'). Carabella Resources Shares would generally pass this test if the market value of Carabella Resources' direct and indirect interests in Australian land (including leases and mining rights) is more than the market value of other assets at the time of the CGT event.

If either element is absent, any capital gain made on the disposal of a Carabella Resources Share should not be subject to income tax in Australia.

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Non-resident Carabella Resources Shareholders should also note that recent changes to the tax law mean that a non-resident may no longer be able to access the CGT discount.

Further, proposed changes to the tax law announced on 14 May 2013 (as part of the Federal Budget) (**the Budget Proposals**) will, if enacted, need to be taken into account in determining whether a non-resident Carabella Resources Shareholder is taxable on a disposal of their Carabella Resources Shares. Among other changes, the Budget Proposals are proposed to operate so that intangible assets connected to rights to mine, quarry or prospect for natural resources (notably mining, quarrying or prospecting information, rights to such information and goodwill) will be treated as part of the rights to which they relate.

Any Carabella Resources Shareholders that are not residents of Australia for income tax purposes that acquired Carabella Resources Shares as trading stock (or otherwise hold Carabella Resources Shares on revenue account) should seek independent professional advice. The Australian income tax treatment should depend on the source of any gain and whether a double tax agreement exists between the relevant country of residence and Australia.

7.5 Stamp duty

Any stamp duty payable on the transfer of Carabella Resources Shares to Wealth Mining pursuant to the Offer will be paid by Wealth Mining.

7.6 GST

It is not anticipated that Carabella Resources Shareholders will be subject to any Australian GST in respect of their disposal of Carabella Resources Shares.

Carabella Resources Shareholders should seek their own advice to determine whether any GST incurred on costs in relation to the sale of their Carabella Resources Shares is recoverable.

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8 Additional information

8.1 Date for determining holders of Carabella Resources Shares

For the purposes of section 633 of the Corporations Act, the date for determining the people to whom information is to be sent under items 6 and 12 of section 633(1) is the Register Date.

8.2 Interests in Carabella Resources Shares

As at the date of this Bidder's Statement, the directors of Wealth Mining do not have a relevant interest in any of Carabella Resources' securities other than Mr Qinghua Huo who is taken to have the same Relevant Interest in Carabella Resources Shares as Wealth Mining through his ultimate control of Wealth Mining.

8.3 Consents

The following persons have consented to being named in this Bidder's Statement in the form and context in which their names appear and have not withdrawn their consent prior to the lodgement of this Bidder's Statement with ASIC:

(a) Gilbert + Tobin, to be named as the legal adviser to Wealth Mining; and

(b) Link Market Services, to be named as the registrar for the Offer.

Deutsche Bank AG, is acting as financial adviser to Wealth Mining. None of the abovementioned persons have made any statement in this Bidder's Statement, or on which a statement in this Bidder's Statement is based, and (to the maximum extent permitted by law) expressly disclaims all liability, in respect of, makes no representation regarding and takes no responsibility for, any part of this Bidder's Statement (other than as specified above).

This Bidder's Statement contains statements made by, or statements based on statements made by, China Kingho Energy Group. China Kingho Energy Group has consented to being named in this Bidder's Statement and has consented to the inclusion of:

(a) each statement it has made; and

(b) each statement which is said in this Bidder's Statement to be based on a statement it has made,

in the form and content in which the statements made have been included, and has not withdrawn its consent as at the date of this Bidder's Statement.

This Bidder's Statement includes statements which are made in, or based on statements made in, documents lodged with ASIC or given to ASX. Under the terms of ASIC Class Order 01/1543, the parties making those statements are not required to consent to, and have not consented to, inclusion of those statements in this Bidder's Statement. If you would like to receive a copy of any of those documents, or the relevant parts of the documents containing the statements (free of charge) please contact the Wealth Mining Offer Information Line on 1 800 441 104 (within Australia) or +61 2 8767 1213 (international) between 9.00am and 5.00pm (Sydney time) on Business Days during the Offer Period.

As permitted by ASIC Class Order 03/635, this Bidder's Statement may include or be accompanied by certain statements:

(a) fairly representing a statement by an official person; or

(b) from a public official document or a published book, journal or comparable publication.

In addition, as permitted by ASIC Class Order 07/429, this Bidder's Statement contains share price trading data sourced from IRESS without their consent.

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8.4 FIRB and NDRC

Wealth Mining has received confirmation from FIRB that the Offer is exempt in relation to Australia's foreign investment policy and as such FIRB approval is not required in relation to the Offer.

Wealth Mining has received approval from NDRC to make the Offer and complete the acquisition of Carabella Resources Shares pursuant to the Offer.

8.5 Other material information

Except as disclosed elsewhere in this Bidder's Statement, there is no other information that is:

(a) material to the making of a decision by a Carabella Resources Shareholder whether or not to accept the Offer; and

(b) known to Wealth Mining,

which has not previously been disclosed to Carabella Resources Shareholders.

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9 The terms and conditions of the Offer

9.1 Offer

(a) Wealth Mining offers to acquire all of Your Carabella Resources Shares on and subject to the terms and conditions set out in this section 9 of this Bidder's Statement.

The consideration under the Offer is $0.42 in cash for each Carabella Resources Share.

(b) By accepting this Offer, you undertake to transfer to Wealth Mining not only Your Accepted Carabella Resources Shares, but also all Rights attached to those Carabella Resources Shares (see section 9.5(b)(vi) and section 9.6(c)).

(c) This Offer is being made to:

(i) each person registered as the holder of Carabella Resources Shares in the register of Carabella Resources Shareholders at 7.00pm (Sydney time) on the Register Date;

(ii) holders of securities that come to be Carabella Resources Shares during the period from the Register Date to the end of the Offer Period due to the conversion of, or exercise of rights conferred by, such securities and which are on issue as at the Register Date; and

(iii) any person who becomes registered as the holder of Your Carabella Resources Shares during the Offer Period.

(d) If, at the time the Offer is made to you, or at any time during the Offer Period, another person is, or is entitled to be, registered as the holder of some or all of Your Carabella Resources Shares, then:

(i) a corresponding offer on the same terms and conditions as this Offer will be deemed to have been made to that other person in respect of those Carabella Resources Shares;

(ii) a corresponding offer on the same terms and conditions as this Offer will be deemed to have been made to you in respect of any other Carabella Resources Shares you hold to which the Offer relates; and

(iii) this Offer will be deemed to have been withdrawn immediately at that time.

(e) If at any time during the Offer Period you are registered or entitled to be registered as the holder of one or more parcels of Carabella Resources Shares as trustee or nominee for, or otherwise on account of, another person, you may accept as if a separate and distinct offer on the same terms and conditions as this Offer had been made in relation to each of those parcels and any parcel you hold in your own right. To validly accept the Offer for each parcel, you must comply with the procedure in section 653B(3) of the Corporations Act. If, for the purposes of complying with that procedure, you require additional copies of this Bidder's Statement and/or the Acceptance Form, please call the Wealth Mining Offer Information Line on 1 800 441 104 (within Australia) or +61 2 8767 1213 (international) to request those additional copies.

(f) If Your Carabella Resources Shares are registered in the name of a broker, investment dealer, bank, trust company or other nominee you should contact that nominee for assistance in accepting the Offer.

(g) The Offer is dated [***insert***] 2013.

9.2 Offer Period

(a) Unless withdrawn, the Offer will remain open for acceptance during the period commencing on the date of this Offer (being [***insert***] 2013 and ending at 7.00pm (Sydney time) on the later of:

(i) [***insert***] 2014; or

(ii) any date to which the Offer Period is extended.

(b) Wealth Mining reserves the right, exercisable in its sole discretion, to extend the Offer Period in accordance with the Corporations Act.

(c) If, within the last 7 days of the Offer Period, either of the following events occurs:

(i) the Offer is varied to improve the consideration offered; or

(ii) the voting power of Wealth Mining in Carabella Resources increases to more than 50%,

then the Offer Period will be automatically extended so that it ends 14 days after the relevant event in accordance with section 624(2) of the Corporations Act.

9.3 How to accept this Offer

(a) General

(i) Subject to section 9.1(d) and section 9.1(e), you may accept this Offer in respect of all of Your Carabella Resources Shares.

(ii) You may accept this Offer at any time during the Offer Period.

(b) Carabella Resources Shares held in your name on Carabella Resources' issuer sponsored subregister (your SRN starts with an "I")

To accept this Offer you must:

(i) complete and sign the Acceptance Form in accordance with the terms of this Offer and the instructions on the Acceptance Form; and

(ii) ensure that the Acceptance Form (including any documents required by the terms of this Offer and the instructions on the Acceptance Form) is received before the end of the Offer Period, at the address shown on the Acceptance Form.

(c) Carabella Resources Shares held in your name in a CHESS Holding (your HIN starts with an "X")

To accept this Offer you must:

(i) If you are not a Participant, you should instruct your Controlling Participant (this is normally your broker) to initiate acceptance of this Offer on your behalf in accordance with Rule 14.14 of the ASX Settlement Operating Rules before the end of the Offer Period.

(ii) If you are a Participant, you should initiate acceptance of this Offer in accordance with Rule 14.14 of the ASX Settlement Operating Rules before the end of the Offer Period.

(iii) Alternatively, you may sign and complete the Acceptance Form in accordance with the terms of this Offer and the instructions on the Acceptance Form and ensure that it (including any documents required by the terms of this Offer and the instructions on the Acceptance Form) is received at the address given on the Acceptance Form in sufficient time for it to be acted upon by your Controlling Participant before the end of the Offer Period, at the address shown on the Acceptance Form.

(iv) You must comply with any other applicable ASX Settlement Operating Rules.

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(d) Carabella Resources Shares of which you are entitled to be registered as holder

To accept this Offer for Carabella Resources Shares which are not held in your name, but of which you are entitled to be registered as holder, you must:

(i) complete and sign the Acceptance Form in accordance with the terms of this Offer and the instructions on the Acceptance Form; and

(ii) ensure that the Acceptance Form (including any documents required by the terms of this Offer and the instructions on the Acceptance Form) is received before the end of the Offer Period at the address shown in the Acceptance Form.

(e) Acceptance Form and other documents

(i) The Acceptance Form forms part of the Offer.

(ii) If your Acceptance Form (including any documents required by the terms of this Offer and the instructions on the Acceptance Form) is returned by post, for your acceptance to be valid you must ensure that they are posted or delivered in sufficient time for them to be received by Wealth Mining at the address shown on the Acceptance Form before the end of the Offer Period. You may only return your Acceptance Form by facsimile with the prior approval of Wealth Mining.

(iii) When using the Acceptance Form to accept this Offer in respect of Carabella Resources Shares in a CHESS Holding, you must ensure that the Acceptance Form (and any documents required by the terms of this Offer and the instruction on the Acceptance Form) are received by Wealth Mining in time for Wealth Mining to instruct your Controlling Participant to initiate acceptance of this Offer on your behalf in accordance with Rule 14.14 of the ASX Settlement Operating Rules before the end of the Offer Period.

(iv) The postage and transmission of the Acceptance Form and other documents is at your own risk.

9.4 Validity of acceptances

(a) Subject to this section 9.4, your acceptance of the Offer will not be valid unless it is made in accordance with the procedures set out in section 9.3.

(b) Wealth Mining will determine, in its sole discretion, all questions as to the form of documents, eligibility to accept the Offer and time of receipt of an acceptance of the Offer. Wealth Mining is not required to communicate with you prior to or after making this determination. The determination of Wealth Mining will be final and binding on all parties.

(c) Notwithstanding sections 9.3(b), 9.3(c), 9.3(d) and 9.3(e), Wealth Mining may, in its sole discretion, at any time and without further communication to you, deem any Acceptance Form it receives to be a valid acceptance in respect of Your Accepted Carabella Resources Shares, even if a requirement for acceptance has not been complied with but the payment of the consideration in accordance with the Offer may be delayed until any irregularity has been resolved or waived and any other documents required to procure registration have been received by Wealth Mining.

(d) Wealth Mining will provide the consideration to you in accordance with section 9.6, in respect of any part of an acceptance determined by Wealth Mining to be valid.

9.5 The effect of acceptance

(a) Once you have accepted the Offer, you will be unable to revoke your acceptance, the contract resulting from your acceptance will be binding on you and you will be unable to withdraw Your Accepted Carabella Resources Shares from the Offer or otherwise dispose of Your Accepted Carabella Resources Shares, except as follows:

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(i) if, by the end of the Offer Period, the conditions in section 9.7 have not all been fulfilled or freed, this Offer will automatically terminate and Your Accepted Carabella Resources Shares will be released to you; or

(ii) if the Offer Period is extended for more than one month and the obligations of Wealth Mining to pay the consideration are postponed for more than one month and, at the time, this Offer is subject to one or more of the conditions in section 9.7, you may be able to withdraw your acceptance and Your Accepted Carabella Resources Shares in accordance with section 650E of the Corporations Act. A notice will be sent to you at the time explaining your rights in this regard.

(b) By signing and returning the Acceptance Form, or otherwise accepting this Offer pursuant to section 9.3, you will be deemed to have:

(i) accepted this Offer (and any variation of it) in respect of, and, subject to all of the conditions to this Offer in section 9.7 being fulfilled or freed, agreed to transfer to Wealth Mining, Your Accepted Carabella Resources Shares, subject to section 9.1(d) and section 9.1(e);

(ii) represented and warranted to Wealth Mining, as a fundamental condition going to the root of the contract resulting from your acceptance, that at the time of acceptance, and the time the transfer of Your Accepted Carabella Resources Shares (including any Rights) to Wealth Mining is registered, that all Your Accepted Carabella Resources Shares are and will be free from all mortgages, charges, liens, encumbrances and adverse interests of any nature (whether legal or otherwise) and free from restrictions on transfer of any nature (whether legal or otherwise), that you have full power and capacity to accept this Offer and to sell and transfer the legal and beneficial ownership in Your Accepted Carabella Resources Shares (including any Rights) to Wealth Mining, and that you have paid to Carabella Resources all amounts which at the time of acceptance have fallen due for payment to Carabella Resources in respect of Your Accepted Carabella Resources Shares;

(iii) irrevocably authorised Wealth Mining (and any director, secretary, nominee or agent of Wealth Mining) to alter the Acceptance Form on your behalf by inserting correct details relating to Your Accepted Carabella Resources Shares, filling in any blanks remaining on the form and rectifying any errors or omissions as may be considered necessary by Wealth Mining to make it an effective acceptance of this Offer or to enable registration of Your Accepted Carabella Resources Shares in the name of Wealth Mining;

(iv) if you signed the Acceptance Form in respect of Carabella Resources Shares which are held in a CHESS Holding, irrevocably authorised Wealth Mining (or any director, secretary, nominee or agent of Wealth Mining) to instruct your Controlling Participant to initiate acceptance of this Offer in respect of Your Accepted Carabella Resources Shares in accordance with Rule 14.14 of the ASX Settlement Operating Rules;

(v) if you signed the Acceptance Form in respect of Carabella Resources Shares which are held in a CHESS Holding, irrevocably authorised Wealth Mining (or any director, secretary, nominee or agent of Wealth Mining) to give any other instructions in relation to Your Accepted Carabella Resources Shares to your Controlling Participant, as determined by Wealth Mining acting in its own interests as a beneficial owner and intended registered holder of those Carabella Resources Shares;

(vi) irrevocably authorised and directed Carabella Resources to pay to Wealth Mining, or to account to Wealth Mining for, all Rights in respect of Your Accepted Carabella Resources Shares, subject, if this Offer is withdrawn, to Wealth Mining accounting to you for any such Rights received by Wealth Mining;

(vii) irrevocably authorised Wealth Mining to notify Carabella Resources on your behalf that your place of address for the purpose of serving notices upon you in respect of Your

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Accepted Carabella Resources Shares is the address specified by Wealth Mining in the notification;

(viii) with effect from the time and date on which all the conditions to this Offer in section 9.7 have been fulfilled or freed, to have irrevocably appointed Wealth Mining (and any director, secretary or nominee of Wealth Mining) severally from time to time as your true and lawful attorney to exercise all your powers and rights in relation to Your Accepted Carabella Resources Shares, including (without limitation) powers and rights to requisition, convene, attend and vote in person, by proxy or by body corporate representative, at all general meetings and all court-convened meetings of Carabella Resources and to request Carabella Resources to register, in the name of Wealth Mining or its nominee, Your Accepted Carabella Resources Shares, as appropriate, with full power of substitution (such power of attorney, being coupled with an interest, being irrevocable);

(ix) with effect from the date on which all the conditions to this Offer in section 9.7 have been fulfilled or freed, to have agreed not to attend or vote in person, by proxy or by body corporate representative at any general meeting or any court-convened meeting of Carabella Resources or to exercise or purport to exercise any of the powers and rights conferred on Wealth Mining (and its directors, secretaries and nominees) in section 9.5(b)(viii);

(x) agreed that in exercising the powers and rights conferred by the powers of attorney granted under section 9.5(b)(viii), the attorney will be entitled to act in the interests of Wealth Mining as the beneficial owner and intended registered holder of Your Accepted Carabella Resources Shares;

(xi) agreed to do all such acts, matters and things that Wealth Mining may require to give effect to the matters the subject of this section 9.5(b) (including the execution of a written form of proxy to the same effect as this section 9.5(b) which complies in all respects with the requirements of the constitution of Carabella Resources) if requested by Wealth Mining;

(xii) agreed to indemnify Wealth Mining in respect of any claim or action against it or any loss, damage or liability whatsoever incurred by it as a result of you not producing your Holder Identification Number or SRN or in consequence of the transfer of Your Accepted Carabella Resources Shares to Wealth Mining being registered by Carabella Resources without production of your Holder Identification Number or your SRN for Your Accepted Carabella Resources Shares;

(xiii) represented and warranted to Wealth Mining that, unless you have notified it in accordance with section 9.1(e), Your Accepted Carabella Resources Shares do not consist of separate parcels of Carabella Resources Shares;

(xiv) irrevocably authorised Wealth Mining (and any nominee) to transmit a message in accordance with Rule 14.17 of the ASX Settlement Operating Rules to transfer Your Accepted Carabella Resources Shares to the Takeover Transferee Holding of Wealth Mining, regardless of whether it has paid the consideration due to you under this Offer;

(xv) agreed, subject to the conditions of this Offer in section 9.7 being fulfilled or freed, to execute all such documents, transfers and assurances, and do all such acts, matters and things that Wealth Mining may consider necessary or desirable to convey Your Accepted Carabella Resources Shares registered in your name and Rights to Wealth Mining; and

The undertakings and authorities referred to in section 9.5(b) will remain in force after you receive the consideration for Your Accepted Carabella Resources Shares and after Wealth Mining becomes registered as the holder of Your Accepted Carabella Resources Shares.

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9.6 Payment of consideration

(a) Subject to sections 9.4(b) and 9.6 and the Corporations Act, Wealth Mining will provide the consideration due to you for Your Accepted Carabella Resources Shares on or before the date that is 7 Business Days after the later of the date on which you validly accept the Offer in respect of Your Carabella Resources Shares and the date on which the Offer is declared or becomes unconditional.

(b) Where the Acceptance Form requires an additional document to be delivered with your Acceptance Form (such as a power of attorney):

(i) if that document is given with your Acceptance Form, Wealth Mining will provide the consideration in accordance with section 9.6(a);

(ii) if that document is given after your Acceptance Form and before the end of the Offer Period while this Offer is subject to a defeating condition, Wealth Mining will provide the consideration due to you on or before the seventh Business Day after this Offer becomes unconditional;

(iii) if that document is given after your Acceptance Form and before the end of the Offer Period while this Offer is not subject to a defeating condition, Wealth Mining will provide the consideration due to you on or before the seventh Business Day after that document is given;

(iv) if that document is given after the end of the Offer Period, and the Offer is not subject to a defeating condition, Wealth Mining will provide the consideration on or before the seventh Business Day after that document is given. However, if at the time the document is given, the Offer is still subject to a defeating condition that relates only to the happening of an event or circumstance referred to in section 652C(1) or (2) of the Corporations Act, Wealth Mining will provide the consideration due to you on or before the seventh Business Day after the Offer becomes unconditional.

(c) If you accept this Offer, Wealth Mining is entitled to all Rights in respect of Your Accepted Carabella Resources Shares. Wealth Mining may require you to provide all documents necessary to vest title to those Rights in Wealth Mining, or otherwise to give it the benefit or value of those Rights. If you do not give those documents to Wealth Mining, or if you have received the benefit of those Rights, Wealth Mining will deduct from the consideration otherwise due to you the amount (or value, as reasonably assessed by Wealth Mining) of those Rights, together with the value (as reasonably assessed by Wealth Mining) of the franking credits, if any, attached to the Rights.

(d) Payment of any cash amount to which you are entitled under the Offer will be made by cheque in Australian currency. Cheques will be posted to you at your risk by ordinary mail (or in the case of overseas shareholders, by airmail) to the address last provided to Wealth Mining by Carabella Resources.

(e) If at the time you accept the Offer any of the following:

(i) Banking (Foreign) Exchange Regulations 1959 (Cth);

(ii) Charter of the United Nations (Dealing with Assets) Regulations 2008 (Cth);

(iii) Charter of the United Nations (Sanctions – Afghanistan) Regulations 2008 (Cth);

(iv) Charter of the United Nations (Sanctions – Iraq) Regulations 2008 (Cth); or

(v) any other law of Australia,

require that an authority, clearance or approval of the Reserve Bank of Australia, the Australian Taxation Office or any other government authority be obtained before you receive any

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consideration for Your Accepted Carabella Resources Shares, or would make it unlawful for Wealth Mining to provide any consideration to you for Your Accepted Carabella Resources Shares, you will not be entitled to receive any consideration for Your Accepted Carabella Resources Shares until all requisite authorities, clearances or approvals have been received by Wealth Mining. As far as Wealth Mining is aware, as at the date of this Bidder's Statement, the persons to whom this section 9.6(e) will apply are: prescribed supporters of the former government of Yugoslavia; ministers and senior officials of the Government of Zimbabwe; persons associated with the former government of Iraq (including senior officials, immediate family members of senior officials, or an entity controlled by any of those persons); the Taliban; members of the Al Qaida organisation; and persons named in the list maintained pursuant to paragraph 2 of Resolution 1390 of the Security Council of the United Nations.

9.7 Conditions of this Offer

Subject to section 9.8, the completion of this Offer and any contract that results from an acceptance of this Offer, are subject to the fulfilment of the conditions set out below.

(a) Minimum Acceptance

During, or at the end of, the Offer Period, Wealth Mining and its associates have relevant interests in more than 57% (by number) of Carabella Resources Shares then on issue.

(b) No Material Adverse Change

Between the Announcement Date and the end of the Offer Period (each inclusive):

(i) no event, matter or thing occurs, and Carabella Resources does not disclose information concerning any event, matter or thing, which has, will or is reasonably likely to have a material adverse effect on the assets (including, without limitation, the licences or tenements or associated reserves), liabilities, business, financial or trading position, performance, profitability or prospects of the Carabella Resources Group taken as a whole (whether individually or when aggregated with one or more other events, matters or things); and

(ii) no event, matter or thing, as described in sub-paragraph (i), which occurred on or before the Announcement Date but was not apparent from publicly available information before then, becomes known.

(c) Regulatory approvals

Before the end of the Offer Period Wealth Mining receives all remaining Chinese regulatory approvals necessary, specifically that prior to the end of the Offer Period:

(i) (MOFCOM) the Chinese Ministry of Commerce approves Wealth Mining's acquisition of Carabella Resources Shares under the Offer; and

(ii) (SAFE) the Chinese State Administration of Foreign Exchange approves China Kingho Energy Group or any of its related bodies corporate paying the aggregate price for the Carabella Resources Shares to be acquired under the Offer and transferring funds in $A or another approved currency out of China to Australia for that purpose.

(d) No regulatory actions

During the Offer Period:

(i) there is not in effect any preliminary or final decision, order or decree issued by a Governmental Agency;

(ii) no action or investigation is announced, commenced or threatened by any Governmental Agency; and

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(iii) no application is made to any Governmental Agency (other than by Wealth Mining),

in consequence of, or in connection with, the Offer (other than an application to, or a decision or order of, ASIC or the Takeovers Panel in the exercise of powers and discretions conferred by the Corporations Act), which:

(iv) restrains, prohibits or impedes (or if granted or made could restrain, prohibit or impede), or otherwise materially adversely impacts upon:

(A) the making of the Offers or the completion of any transaction contemplated by the Offer; or

(B) the rights of Wealth Mining (or any Wealth Mining subsidiary) in respect of Carabella Resources or the Carabella Resources Shares; or

(v) requires the divestiture by Wealth Mining (or any Wealth Mining subsidiary) of any Carabella Resources Shares or the divestiture of any assets of the Carabella Resources Group.

(e) No prescribed occurrence

Between the Announcement Date and the end of the Offer Period (each inclusive) none of the following occur:

(i) Carabella Resources converts all or any of its shares into a larger or smaller number of shares;

(ii) any member of the Carabella Resources Group resolves to reduce its share capital in any way;

(iii) any member of the Carabella Resources Group:

(A) enters into a buy-back agreement; or

(B) resolves to approve the terms of a buy-back agreement under the Corporations Act;

(iv) any member of the Carabella Resources Group issues shares, or grants an option over its shares, or agrees to make such an issue or grant such an option;

(v) any member of the Carabella Resources Group issues, or agrees to issue, convertible notes;

(vi) any member of the Carabella Resources Group disposes, or agrees to dispose, of the whole, or a substantial part, of its business or property;

(vii) any member of the Carabella Resources Group grants, or agrees to grant, a security interest in the whole, or a substantial part, of its business or property;

(viii) any member of the Carabella Resources Group resolves to be wound up;

(ix) a liquidator or provisional liquidator of any member of the Carabella Resources Group is appointed;

(x) a court makes an order for the winding up of any member of the Carabella Resources Group;

(xi) an administrator of any member of the Carabella Resources Group is appointed under section 436A, 436B or 436C of the Corporations Act;

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(xii) any member of the Carabella Resources Group executes a deed of company arrangement;

(xiii) a receiver, or a receiver and manager, is appointed in relation to the whole, or a substantial part, of the property of any member of the Carabella Resources Group; or

(xiv) any member of the Carabella Resources Group:

(A) issues, grants or amends the terms of, any securities, options or rights to, or accelerates the rights of, any of the directors or employees of the Carabella Resources Group to compensation or benefits of any kind (including under any employee or director share, option or incentive plan and including by vesting any outstanding rights under any rights plan) otherwise than in the ordinary course of business and consistent with past practices and except for any vesting of rights on the Offer becoming unconditional; or

(B) waives or forgives any loans made by any member of the Carabella Resources Group in respect of Carabella Resources Shares issued under any employee or director share, option or incentive plan, or in respect of rights under any rights plan, the rights are cancelled for consideration higher than the net benefit to the director or employee had the rights been exercised and the Offer accepted.

(f) No additional capital expenditure, material acquisitions or disposals

Between the Announcement Date and the end of the Offer Period (each inclusive), neither Carabella Resources nor any of its subsidiaries incurs or commits to incur a capital expenditure, acquires or disposes, offers to acquire or dispose or enters into or announces any agreement to acquire or dispose one or more companies, businesses or assets (including, for the avoidance of doubt, any such transaction relating to the Bluff Project or the Grosvenor West Project) (or any interest in one or more companies, businesses or assets) or enters into any corporate transaction, which would or would be likely to involve a material change in:

(i) the manner in which Carabella Resources conducts its business;

(ii) the nature, extent or value of the assets held by Carabella Resources (including, for the avoidance of doubt, by entering into any offtake arrangements in relation to assets relating to the Bluff Project or the Grosvenor West Project or any other arrangement that would impact Carabella Resources' exposure to those assets); or

(iii) the nature, extent or value of the liabilities of Carabella Resources.

(g) Material contracts

Between the Announcement Date and the end of the Offer Period (each inclusive), no person exercises or purports to exercise, or states an intention to exercise, any rights under any provision of any agreement or other instrument to which Carabella Resources or any member of the Carabella Resources Group is a party, or by or to which Carabella Resources or any member of the Carabella Resources Group or any of its assets may be bound or subject, and which is material to Carabella Resources (being any agreement or instrument with a value of at least $3 million or with a term of longer than three years) which has or will or is likely to result in:

(i) any monies borrowed by Carabella Resources or any member of the Carabella Resources Group being or becoming repayable or being capable of being declared repayable immediately or earlier than the repayment date stated in such agreement or instrument;

(ii) any asset of Carabella Resources or any member of the Carabella Resources Group being or becoming the subject of a call option, transfer obligation or otherwise being the subject of a disposal right in favour of a third party;

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(iii) any such agreement or other instrument being terminated or modified or any action being taken or claim arising thereunder; or

(iv) the business of Carabella Resources or any member of the Carabella Resources Group with any other person being adversely affected,

as a result (directly or indirectly) of the acquisition or proposed acquisition of Carabella Resources Shares by Wealth Mining.

(h) Index Out

Between the Announcement Date and the end of the Offer Period (each inclusive), the S&P/ASX 200 does not close below 4730 for 3 or more consecutive trading days.

9.8 Nature and benefit of conditions

(a) The offer conditions in section 9.7 are conditions subsequent. The non-fulfilment of any offer condition does not, until the end of the Offer Period, prevent a contract to sell Your Accepted Carabella Resources Shares from arising, but entitles Wealth Mining by written notice to you, to rescind the contract resulting from your acceptance of the Offer.

(b) Subject to the Corporations Act, Wealth Mining alone is entitled to the benefit of the conditions in section 9.7, or to rely on any non-fulfilment of any of them.

(c) Each condition in section 9.7 is a separate, several and distinct condition. No condition will be taken to limit the meaning or effect of any other condition.

9.9 Freeing the Offer of conditions

(a) Wealth Mining may free this Offer, and any contract resulting from its acceptance, from all or any of the conditions in section 9.7, either generally or by reference to a particular fact, matter, event, occurrence or circumstance (or class thereof), by giving a notice to Carabella Resources and to ASX declaring this Offer to be free from the relevant condition or conditions specified, in accordance with section 650F of the Corporations Act. This notice may be given not less than 7 days before the end of the Offer Period.

(b) If, at the end of the Offer Period (or in the case of the condition in section 9.7(e), at the end of the third business day after the end of the Offer Period), the conditions in section 9.7 have not been fulfilled and Wealth Mining has not declared the Offer (or it has not become) free from those conditions, all contracts resulting from the acceptance of the Offer will be automatically void.

9.10 Notice on status of conditions

The date for giving the notice on the status of the conditions required by section 630(1) of the Corporations Act is [***insert***] 2014 (subject to extension in accordance with section 630(2) if the Offer Period is extended).

9.11 Withdrawal of this Offer

(a) This Offer may be withdrawn with the consent in writing of ASIC, which consent may be subject to conditions. If ASIC gives such consent, Wealth Mining will give notice of the withdrawal to ASX and to Carabella Resources and will comply with any other conditions imposed by ASIC.

(b) If, at the time this Offer is withdrawn, all the conditions in section 9.7 have been freed, all contracts arising from acceptance of the Offer before it was withdrawn will remain enforceable.

(c) If, at the time this Offer is withdrawn, the Offer remains subject to one or more of the conditions in section 9.7, all contracts arising from its acceptance will become void (whether or not the events referred to in the relevant conditions have occurred).

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(d) A withdrawal pursuant to section 9.11 will be deemed to take effect:

(i) if the withdrawal is not subject to conditions imposed by ASIC, on and after the date on which that consent in writing is given by ASIC; or

(ii) if the withdrawal is subject to conditions imposed by ASIC, on and after the date on which those conditions are satisfied.

9.12 Variation of this Offer

Wealth Mining may vary this Offer in accordance with the Corporations Act.

9.13 No stamp duty or brokerage

(a) Wealth Mining will pay any stamp duty on the transfer of Your Accepted Carabella Resources Shares to it.

(b) As long as Your Accepted Carabella Resources Shares are registered in your name in an Issuer Sponsored Holding and you deliver them directly to Wealth Mining, you will not incur any brokerage charges in connection with your acceptance of this Offer.

9.14 Governing laws

This Offer and any contract that results from your acceptance of it are to be governed by the laws in force in New South Wales, Australia.

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10 Definitions and interpretation

10.1 Definitions

In this Bidder's Statement and in the Acceptance Form unless the context otherwise appears, the following terms have the meanings shown below:

Term	Meaning
$ or A$	Australian dollars, the lawful currency of the Commonwealth of Australia.
Acceptance Form	the acceptance form enclosed with this Bidder's Statement.
Announcement Date	the date on which the Offer was announced by Wealth Mining, being 5 December 2013.
ASIC	the Australian Securities and Investments Commission.
ASX	ASX Limited (ABN 98 008 624 691) or the financial products market, Australian Securities Exchange, where the context requires.
ASX Settlement	ASX Settlement Pty Limited (ABN 49 008 504 532).
ASX Settlement Operating Rules	the operating rules of ASX Settlement which govern the administration of the Clearing House Electronic Subregister System.
Bidder's Statement	this document, being the statement of Wealth Mining under Part 6.5 Division 2 of the Corporations Act relating to the Offer.
Bluff Project	the project known as Bluff (EPC2121) located in the Bowen Basin with target coal type being PCI coal.
Business Day	a day on which banks are open for business in Sydney, excluding a Saturday, Sunday or public holiday.
Carabella Resources	Carabella Resources Limited (ACN 143 355 471).
Carabella Resources Board	the board of directors of Carabella Resources.
Carabella Resources Group	Carabella Resources and its subsidiaries (as defined in the Corporations Act).
Carabella Resources Registry	the share registry of Carabella Resources.
Carabella Resources Shareholder	a holder of Carabella Resources Shares as at the Register Date.
Carabella Resources Shares	fully paid ordinary shares in the capital of Carabella Resources.
China Kingho Energy Group	China Kingho Energy Group (Company number

	110105011796483)
CGT	capital gains tax.
CHESS Holding	a holding of Carabella Resources Shares on the CHESS subregister of Carabella Resources (being a register administered by the ASX Settlement and which records uncertificated holdings of shares). A CHESS holding will be administered through a Controlling Participant which is normally your broker.
Controlling Participant	in relation to Your Carabella Resources Shares, has the same meaning as in the ASX Settlement Operating Rules (normally your broker).
Corporations Act	the *Corporations Act 2001* (Cth).
FIRB	the Foreign Investment Review Board.
Governmental Agency	a government or governmental, semi-governmental, administrative, fiscal or judicial body, department, commission, authority, tribunal, agency or entity whether foreign, federal, state, territorial or local.
Grosvenor West Project	the project known as the Grosvenor West Project (MLA70480) located in the north western margin of the Bowen Basin with target coal type being coking and thermal coals.
GST	goods and services tax.
HIN	as defined in the ASX Settlement Operating Rules.
Issuer Sponsored Holding	a holding of Carabella Resources Shares on Carabella Resources issuer sponsored subregister.
JORC or **JORC Code**	the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC 2004 edition).
JORC Resource	a Measured, Indicated or Inferred Resource as defined in the JORC Code.
Listing Rules	the Official Listing Rules of ASX, as amended and waived by ASX from time to time.
Minimum Acceptance Condition	the condition set out in section 9.7(a) of this Bidder's Statement.
mt	million tonnes.
mtpa	million tonnes per annum.
NDRC	the Chinese National Development and Reform Commission.

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Offer	the offer for Carabella Resources Shares under the terms and conditions contained in section 9 of this Bidder's Statement.
Offer Amount	has the meaning given in section 5.1.
Offer Period	the period during which the Offer will remain open for acceptance in accordance with section 9.2 of this Bidder's Statement.
Offer Price	$0.42 per Carabella Resources Share.
Participant	an entity admitted to participate in the Clearing House Electronic Subregister system under Rule 4.3.1 and 4.4.1 of the ASX Settlement Operating Rules.
Register Date	5 December 2013, being the date set by Wealth Mining under section 633(2) of the Corporations Act.
Rights	all accretions, rights or benefits of whatever kind attaching or arising from Carabella Resources Shares directly or indirectly at or after the Announcement Date (including, but not limited to, all dividends or other distributions and all rights to receive them or rights to receive or subscribe for shares, notes, bonds, options or other securities declared, paid or issued by Carabella Resources or any of its subsidiaries).
SRN	has the same meaning as in the ASX Settlement Operating Rules.
Takeover Transferee Holding	has the same meaning as in the ASX Settlement Operating Rules.
Target's Statement	the target's statement to be prepared by Carabella Resources in relation to the Offer.
Trading Day	a day on which trading occurs on the ASX.
VWAP	volume weighted average trading price of Carabella Resources Shares on ASX.
Wealth Mining	Wealth Mining Pty Limited (ACN 162 884 068) of Level 32, 126-130 Phillip Street, Sydney NSW 2000.
Wealth Mining Offer Information Line	1800 441 104 (within Australia) +61 2 8767 1213 (international)
Your Accepted Carabella Resources Shares	the number of Your Carabella Resources Shares in respect of which you have accepted the Offer and completed the Acceptance Form.
Your Carabella Resources Shares	subject to section 9.3, the Carabella Resources Shares (a) in respect of which you are registered, or entitled to be registered, as holder in the register of shareholders of Carabella Resources at 7.00pm (Sydney time) on the Register Date, or (b) to which you are able to give good title at the time you accept this Offer

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during the Offer Period.

10.2 Interpretation

In this Bidder's Statement and in the Acceptance Form, unless the context otherwise requires:

(a) words and phrases have the same meaning (if any) given to them in the Corporations Act;

(b) words importing the singular include the plural and vice versa;

(c) an expression importing a natural person includes any company, partnership, joint venture, association, corporation or other body corporate and vice versa;

(d) a reference to a section, attachment and schedule is a reference to a section of and an attachment and schedule to this Bidder's Statement as relevant;

(e) a reference to any statute, regulation, proclamation, ordinance or by law includes all statutes, regulations, proclamations, ordinances, or by laws amending, varying, consolidating or replacing it and a reference to a statute includes all regulations, proclamations, ordinances and by laws issued under that statute;

(f) headings and bold type are for convenience only and do not affect the interpretation of this Bidder's Statement;

(g) a reference to time is a reference to time in Sydney, Australia;

(h) a reference to writing includes facsimile transmissions; and

(i) a reference to dollars, $, A$, cents, ¢ and currency is a reference to the lawful currency of the Commonwealth of Australia.

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11 Approval of Bidder's Statement

This Bidder's Statement has been approved by the directors of Wealth Mining.

date 5 December 2013.

Signed for and on behalf of Wealth Mining Pty Limited

by

sign here ▶ _____
Director

print name IAN HUTCHINSON

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Corporate Directory

Wealth Mining Pty Ltd
Level 32
126-130 Phillip Street
Sydney NSW 2000

Financial adviser
Deutsche Bank AG
Level 16,
126 Phillip Street,
Sydney NSW 2000

Legal adviser
Gilbert + Tobin
Level 37
2 Park Street
Sydney NSW 2000

Share Registrar
Link Market Services Limited
Level 12,
680 George Street
Sydney NSW 2000

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