



International Coal Limited

ABN 65 149 197 651

NOTICE OF ANNUAL GENERAL MEETING

To be held at

10.30am (Sydney time) on Friday, 28 November 2013

at

the offices of Link Market Services Limited

Level 12, 680 George Street

Sydney, NSW 2000

This Notice of Meeting should be read in its entirety.

If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

Should you wish to discuss the matters in this Notice of Meeting please contact the Company Secretary on +61 7 3320 2205.

INTERNATIONAL COAL LIMITED

ABN 65 149 197 651

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of the Shareholders of INTERNATIONAL COAL LIMITED (**the Company**) will be held at the offices of Link Market Services Limited, Level 12, 680 George Street, Sydney NSW 2000 on Friday, 28 November 2014 commencing at 10.30am (Sydney time), for the purpose of transacting the following business referred to in this Notice of Annual General Meeting (**Notice**).

The accompanying Explanatory Statement and Proxy Form provide additional information relating to the matters to be considered at the Annual General Meeting, and form part of this Notice.

AGENDA

A. Consideration of Financial Reports

To receive and consider the Financial Report, the Directors' Report and the Independent Audit Report of the Company for the financial year ended 30 June 2014.

Unless the Company has been notified otherwise, shareholders have not been sent a hard copy of the Annual Report. Shareholders can view the Annual Report (which contains the Financial Report for the year ended 30 June 2014 on the Company's website www.intercoal.com.au).

B. Questions and Comments

Following the consideration of the Reports, the Chairman will give shareholders a reasonable opportunity to ask questions about, or comment on the management of the Company.

The Chairman will also give shareholders a reasonable opportunity to ask the Auditor questions relevant to:

- (a) the conduct of the audit;
- (b) the preparation and content of the Independent Audit Report;
- (c) the accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- (d) the independence of the Auditor in relation to the conduct of the audit.

The Chairman will also give the Auditor a reasonable opportunity to answer written questions submitted by shareholders that are relevant to the content of the Independent Audit Report or the conduct of the audit. A list of written questions, if any, submitted by shareholders will be made available at the start of the AGM and any written answer tabled by the Auditor at the AGM will be made available as soon as practicable after the AGM.

C. Items for Approval

RESOLUTION 1 - ADOPTION OF REMUNERATION REPORT

To consider, and if thought fit, to pass the following resolution as an **advisory resolution**:

"That the remuneration report contained in the Company's Directors' Report for the financial year ended 30 June 2014 be adopted".

Voting Exclusion Statement – Resolution 1:

A vote on Resolution 1 must not be cast (in any capacity) by or on behalf of:

- a. a member of the Key Management Personnel (**KMP**) (as that term is defined in the Corporations Act 2001 (Cth) (the Act), which includes each of the Directors of the Company) whose remuneration is disclosed in the 2014 Remuneration Report; or
- b. a closely related party (as that term is defined in the Act) (such as close family members and any controlled companies) (**Closely Related Party**) of such a KMP.

However, such a person may cast a vote on Resolution 1 as proxy for a person who is entitled to vote and:

- a. the proxy appointment is in writing and specifies how the proxy is to vote (for, against, abstain); or
- b. the vote is cast by the person chairing the Meeting and:
 - the appointment does not specify how the proxy is to vote; and
 - the appointment expressly authorises the Chair of the Meeting to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the KMP.

The Chairman of the Meeting intends to vote any undirected proxies in favour of Resolution 1.

RESOLUTION 2 - RE-ELECTION OF DIRECTOR – MR HUGH DAI

To consider, and if thought fit, to pass the following resolution as an **ordinary resolution**:

"That Mr Hugh Dai who retires by rotation in accordance with clause 8.3 of the Constitution of the Company, and being eligible for re-election, be re-elected as a Director of the Company."

The Chairman of the Meeting intends to vote undirected proxies in favour of Mr Dai's re-election.

RESOLUTION 3 - ELECTION OF DIRECTOR – MR HARRY KARELIS

To consider, and if thought fit, to pass the following resolution as an **ordinary resolution**:

"That Mr Harry Karelis who retires from office in accordance with clause 8.1 of the Constitution of the Company, and being eligible for election, be elected as a Director of the Company."

The Chairman of the Meeting intends to vote undirected proxies in favour of Mr Karelis' election.

RESOLUTION 4 – RATIFICATION OF PREVIOUS ISSUE OF OPTIONS – CONSUELO PROJECT

To consider, and if thought fit, to pass the following resolution as an **ordinary resolution**:

"That, for the purposes of Listing Rule 7.4 and for all other purposes, the Company ratifies the issue of 5,000,000 unlisted options (valid for 5 years at an exercise price of \$0.20 each) to Coal Face Resources Pty Ltd on the terms and conditions set out in the Explanatory Statement accompanying this Notice."

Voting Exclusion Statement – Resolution 4:

The Company will disregard any votes cast on Resolution 4 by Coal Face Resources Pty Ltd and its associates.

However, the Company need not disregard a vote cast on Resolution 4 if:

- a. it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form; or
- b. it is cast by the person chairing the meeting as proxy for a person who is entitled to vote in accordance with the direction on the proxy form to vote as the proxy decides.

The Chairman of the Meeting intends to vote undirected proxies in favour of Resolution 4.

RESOLUTION 5 – APPROVAL OF ADDITIONAL SHARE ISSUE CAPACITY UNDER LISTING RULE 7.1A

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

“That, pursuant to and in accordance with Listing Rule 7.1A and for all other purposes, shareholders approve the issue of equity securities up to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions described in the Explanatory Statement, which forms part of this Notice of Meeting.”

Voting Exclusion Statement – Resolution 5:

In accordance with Listing Rule 14.11, the Company will disregard any votes cast on Resolution 5 by a person (and any associates of such a person) who may participate in the 10% placement facility and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of shares, if this resolution is passed. At this point in time, there are no potential allottees to whom shares may be issued under this resolution.

However, the Company need not disregard a vote cast on Resolution 5 if:

- a. it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- b. it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

The Chairman of the Meeting intends to vote undirected proxies in favour of Resolution 5.

BY ORDER OF THE BOARD

Kate O'Donohue
COMPANY SECRETARY

Dated: 22 October 2014

Entitlement to attend and vote (if required)

In accordance with Regulation 7.11.37 of the Corporations Regulations 2001, the Board has determined that persons who are registered holders of shares of the Company as at 7:00pm (AEDT) on Wednesday, 26 November 2014 will be entitled to attend and vote (if required) at the Meeting as a shareholder.

If more than one joint holder of shares is present at the Meeting (whether personally, by proxy or by attorney or by representative) and tenders a vote, only the vote of the joint holder whose name appears first on the register will be counted.

Attendance by Proxy

If you are a shareholder entitled to attend and vote, you may appoint an individual or a body corporate as a proxy. If a body corporate is appointed as a proxy, that body corporate must ensure that it appoints a corporate representative in accordance with section 250D of the Corporations Act 2001 to exercise its powers as proxy at the Meeting.

A proxy need not be a shareholder of the Company.

A shareholder may appoint up to two proxies and specify the proportion or number of votes each proxy may exercise. If the shareholder does not specify the proportion or number of votes to be exercised, each proxy may exercise half of the shareholder's votes.

To be effective, the proxy form must be received by the Company no later than 10.30am (AEDT) on Wednesday, 26 November 2014, being 48 hours before the Meeting. Proxy forms must be received before that time by one of the following methods:

By post:	International Coal Limited, GPO Box 2537, Brisbane QLD 4001
By facsimile:	+61 7 3228 4999
By delivery:	International Coal Limited, Level 15, 324 Queen Street, Brisbane QLD 4000

Attendance by Attorney

A proxy form and the original power of attorney (if any) under which the proxy form is signed (or a certified copy of that power of attorney or other authority) must be received by the Company no later than 10.30am (AEDT) on Wednesday, 26 November 2014, being 48 hours before the Meeting.

Corporate Representatives

A body corporate which is a shareholder, or which has been appointed as a proxy, is entitled to appoint any person to act as its representative at the Meeting. The appointment of the representative must comply with the requirements under section 250D of the Corporations Act 2001. The representative should bring to the Meeting a properly executed letter or other document confirming its authority to act as the company's representative.

Shareholder Questions

If you wish a question to be put to the Chairman of the Meeting and you are not able to attend the Meeting please email your question to the Company Secretary at odonohuek@intercoal.com.au. To allow time to collate questions and prepare answers, questions must be received by the Company Secretary by 5:00pm (AEDT) on 20 November 2014.

While the Chairman of the Meeting will endeavour to address as many of the more frequently raised shareholder topics as possible during the course of the Meeting, there may not be sufficient time available to address all topics raised. Please note that individual responses to questions raised will not be sent to shareholders.

INTERNATIONAL COAL LIMITED

ABN 65 149 197 651

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of shareholders of the Company (Shareholders) in relation to the business to be conducted at the Company's Annual General Meeting to be held at the offices of Link Market Services Limited, Level 12, 680 George Street, Sydney NSW 2000 on Friday, 28 November 2014 commencing at 10.30am (AEDT). The purpose of this Explanatory Statement is to provide Shareholders with information that is reasonably required by Shareholders to decide how to vote upon the resolutions. The Directors recommend that Shareholders read this Explanatory Statement before determining whether or not to support the Resolutions.

Resolution 1 is an advisory resolution. An advisory resolution does not bind the Company or its Directors. Resolutions 2, 3 and 4 are ordinary resolutions. For an ordinary resolution to be passed, a simple majority of votes cast by Shareholders present and entitled to vote on the resolution must be in favour of the resolution. Resolution 5 is a special resolution. For a special resolution to be passed, 75% of votes cast by shareholders present and entitled to vote on the resolution must be in favour of the resolution.

The Chairman of the Annual General Meeting intends to vote undirected proxies in favour of all resolutions to be considered at the Meeting.

RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

Section 250R(2) of the *Corporations Act 2001* (Cth) (**the Act**) requires the shareholders to vote on an advisory resolution that the Remuneration Report be adopted.

The Remuneration Report details the remuneration policy for the Company and reports the remuneration arrangements for Key Management Personnel that includes Directors and other Employees. The Remuneration Report is contained in the Company's 2014 Annual Report available at the Company's website at www.intercoal.com.au.

The Chairman will give Shareholders a reasonable opportunity to ask questions about or make comments on the Remuneration Report. A reasonable opportunity will be provided for discussion of the Remuneration Report at the meeting. Pursuant to the Act, the vote on this resolution is advisory only and does not bind the Company or its Directors.

Directors' Recommendation

The Directors abstain, in the interests of corporate governance, from making a recommendation in relation to Resolution 1.

RESOLUTION 2 – RE-ELECTION OF DIRECTOR – MR HUGH DAI

Clause 8.3(a) of the Company's Constitution states that no Director shall hold office for a continuous period in excess of 3 years or until the third annual general meeting following a Director's appointment, whichever is longer, without submitting for a re-election. Clause 8.3(b) further states that at every annual general meeting, one-third of the Directors shall retire from office. Mr John Lester and Mr Noel Halgreen were re-elected at the 2013 AGM. Therefore, by rotation, Mr Hugh Dai has been selected to retire and offers himself for re-election at this AGM.

Mr Dai will retire in accordance with clause 8.3(a) of the Constitution of the Company and being eligible, will seek re-election.

Mr Dai was appointed as a Director of International Coal in February 2011.

He has over 25 years' experience in the mining and resources, finance and international trade sector businesses in both China and Australia. This gives him a vital understanding and awareness of the practices of the relevant regulatory bodies, financial institutions and government agencies in both countries and how these can be brought to bear in regard to the Company's operations. He has regularly played key roles in the negotiating international trade and mining

agreements, particularly in the formation of investment ventures between Chinese corporations and Australian mining companies.

Directors' Recommendation

The Directors (with Mr Dai abstaining) recommend that Shareholders vote in favour of Resolution 2.

RESOLUTION 3 – ELECTION OF DIRECTORS – MR HARRY KARELIS

Clause 8.1 of the Company's Constitution allows the Directors at any time to appoint any person as a Director and the person appointed shall hold office only until the end of the next following annual general meeting and be eligible for re-election at that meeting.

Mr Harry Karelis was appointed by the Directors as a Director of the Company on 17 October 2014 and will retire in accordance with clause 8.1 and being eligible, offer himself for election at this AGM.

Mr Karelis is the founder of Titan Capital Partners - a privately held investment group involved in a range of projects. He graduated from The University of Western Australia with Bachelors and Honours in Science majoring in Biochemistry and Microbiology, as well as a Masters in Business Administration. He is a Fellow of the Financial Services Institute of Australia, a Fellow of the Australian Institute of Company Directors and has qualified as a Chartered Financial Analyst (CFA) from the CFA Institute in the United States.

The Directors believe that the skills and experience Mr Karelis brings to the Board will be an excellent fit to the Board's existing knowledge and experience.

Directors' Recommendation

The Directors (with Mr Karelis abstaining) recommend that Shareholders vote in favour of Resolution 3.

RESOLUTION 4 – RATIFICATION OF PREVIOUS ISSUE OF SHARES AND OPTIONS – CONSUELO PROJECT

Pursuant to the Deed of Variation and Joint Venture Agreements between the Company and Coal Face Resources Pty Ltd, the Company issued 6,750,000 Shares and 7,250,000 unlisted Options to Coal Face Resources Pty Ltd on 19 June 2014. The Options have an exercise price of \$0.20 per Option and an expiry date of 18 June 2019.

The issuances allow the Company to earn further interests in three highly prospective applications in the Southern Bowen Basin. The tenements within the Consuelo Project are:

- EPC 2332 – (20% interest) (granted);
- EPC 2318 – (20% interest) (granted); and
- EPC 2327 – (20% interest) (granted).

Shareholders approved the issuance of 6,750,000 Shares and 2,250,000 unlisted Options in the capital of the Company to Coal Face Resources at the 2013 AGM. An additional 5,000,000 unlisted Options were issued to Coal Face Resources on 19 June 2014 pursuant to the Joint Venture Agreements following the grant of EPC 2318 and EPC 2332 on 23 July 2013 and EPC 2327 on 30 January 2014.

Under Listing Rule 7.1, a company must obtain shareholder approval if it wants to issue more than 15% of its equity securities. Listing Rule 7.4.2 provides that shareholders may approve an issue of securities after the fact so that the securities issued are regarded as having been made with approval for the purpose of Listing Rule 7.1.

Accordingly, Resolution 4 seeks ratification of the issue by the Company of 5,000,000 unlisted Options to Coal Face Resources Pty Ltd on 19 June 2014 without Shareholder approval. The issue of these Options was within the 15% limit permitted by Listing Rule 7.1. By ratifying this issue, the Company will retain the flexibility to issue equity securities in

the future up to the 15% annual placement capacity set out in Listing Rule 7.1 without the requirement to obtain prior Shareholder approval. The Terms of the Options are set out in Schedule 1.

4.1 Technical information required by ASX Listing Rule 7.4

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to Resolution 4:

- (a) 5,000,000 unlisted Options were issued on 19 June 2014;
- (b) the Options were issued for nil consideration in part satisfaction of the Farm in agreement with Coal Face Resources Pty Ltd in the Consuelo Project;
- (c) the Options are not quoted on the ASX. They have an exercise price of \$0.20 per Option and will convert on a one-for-one basis with an expiry date of 18 June 2019. The Company will seek quotation from the ASX of any shares issued as a result of the exercise of the Options. Such shares will be ordinary fully paid ordinary shares in the capital of the Company and will be issued on the same terms and conditions of the Company's existing shares;
- (d) the Options were issued to Coal Face Resources Pty Ltd on 19 June 2014;
- (e) it is expected that funds raised upon exercise of the Options will be used towards an acquisition of new assets or investments (including expenses associated with such acquisition), continued development of the Company's current assets and/or general working capital; and
- (f) a Voting Exclusion Statement is set out under Resolution 4 in the Notice of Meeting.

Directors' Recommendation

The Directors recommend that Shareholders vote in favour of Resolution 4.

RESOLUTION 5 – ADDITIONAL SHARE CAPACITY UNDER LISTING RULE 7.1A

ASX Listing Rule 7.1A enables small to mid-cap listed companies to seek shareholder approval by special resolution to issue equity securities equivalent to an additional 10% of the number of ordinary securities on issue by way of placements over a 12 month period (**10% Placement Facility**). This is in addition to the existing 15% placement capacity permitted by Listing Rule 7.1.

Accordingly, Resolution 5 is seeking approval of ordinary shareholders by special resolution for issue of such number of equity securities as calculated under the formula in ASX Listing Rule 7.1A.2, at an issue price as permitted by Listing Rule 7.1A.3 to such persons as the Board may determine and on the terms described in this Explanatory Statement, which forms a part of the Notice of Meeting.

A company is eligible to seek shareholder approval for this additional placement capacity if it satisfies both of the following criteria at the date of the AGM:

- (a) have a market capitalisation of \$300 million or less; and
- (b) not included in the S&P/ASX 300 Index.

The Company currently satisfies both the above criteria, and it is anticipated that it will satisfy both these criteria at the date of the Meeting as well.

Accordingly, Resolution 5 seeks approval of ordinary shareholders by special resolution for issue of such number of equity securities as calculated under the formula in ASX Listing Rule 7.1A.2 at an issue price as permitted by ASX Listing Rule 7.1A.3 to such persons as the Board may determine, on the terms as described in this Explanatory Statement, which forms part of the Notice of Meeting.

At the date of this Notice, the Company has on issue 159,730,003 Shares and therefore has a capacity to issue:

- (i) 9,247,000 equity securities under Listing Rule 7.1; and
- (ii) Subject to Shareholder approval being sought under Resolution 5, 15,498,000 equity securities under Listing Rule 7.1A.

The actual number of equity securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the equity securities in accordance with the formula prescribed in Listing Rule 7.1A.2.

The effect of Resolution 5 will be to allow the Directors to issue equity securities under Listing Rule 7.1A during the 10% Placement Period, without using the Company's 15% placement capacity under Listing Rule 7.1.

5.1 Technical Information required by Listing Rule 7.3A

Pursuant to and in accordance with Listing Rule 7.3A, the information below is provided in relation to Resolution 4, including risks for Shareholders:

The minimum price at which the equity securities will be issued will be no less than 75% of the volume weighted average market price for ordinary shares calculated over the 15 trading days on which trades are recorded immediately before:

- (a) the date on which the price at which the securities are to be issued is agreed; or
- (b) if the securities are not issued within five trading days of the date in paragraph (a), the date on which the securities are issued.

If Resolution 5 is approved by Shareholders and the Company issues securities under the 10% Placement Facility, the existing ordinary shareholders face the risk of economic and voting dilution as a result of the issue of equity securities which are the subject of this resolution, to the extent that such equity securities are issued; including:

- (a) the market price of equity securities may be significantly lower on the issue date than on the date on which this approval is being sought; and
- (b) the equity securities may be issued at a price that is at a discount to the market price for those equity securities on the issue date, or the equity securities may be issued as part consideration for the acquisition of a new asset, which may have an effect on the amount of funds raised by the issue of the equity securities.

The following table gives examples of the potential dilution of existing ordinary shareholders on the basis of the current market price of shares and the current number of ordinary securities for variable "A" calculated in accordance with the formula in Listing Rule 7.1A.2 as at the date of the Notice.

The table also shows:

- (a) two examples where variable "A" has increased, by 50% and 100%. Variable "A" is based on the number of ordinary securities the Company has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under ASX Listing Rule 7.1 that are approved at a future Shareholders' meeting; and
- (b) two examples of where the issue price of ordinary securities has decreased by 50% and increased by 100% as against the current market price.

No. of Shares on Issue*	Dilution			
	Issue price (per Share)	\$0.018 50% decrease in Issue Price	\$0.036 Issue Price	\$0.072 100% increase in Issue Price
159,730,003 (Current)	Shares issued	15,973,000	15,973,000	15,973,000
	Funds raised	\$287,514	\$575,028	\$1,150,056
239,595,004 (50% increase)	Shares issued	23,959,500	23,959,500	23,959,500
	Funds raised	\$431,271	\$862,542	\$1,725,084
319,460,006 (100% increase)	Shares issued	31,946,000	31,946,000	31,946,000
	Funds raised	\$575,028	\$1,150,056	\$2,300,112

*The number of shares on issue (Variable A in the formula) could increase as a result of the issue of shares that do not require Shareholder approval (such as under a pro-rata rights issue or scrip issued under a takeover offer) or that are issued with Shareholder approval under Listing Rule 7.1.

The table has been prepared on the following assumptions:

1. There are currently 159,730,003 Shares on issue.
2. The issue price set out above is the closing price of Shares on the ASX on 20 October 2014.
3. The table only shows the effect of issues of equity securities under Listing Rule 7.1A.
4. The issue of equity securities under the 10% Placement Facility consists only of shares.
5. No unlisted Options in ordinary shares are exercised before the date of issue of ordinary shares under Listing Rule 7.1A.
6. This table does not set out any dilution pursuant to approvals under Listing Rule 7.1.
7. The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of the Meeting.

(a) If any of the shares being approved by Resolution 5 are issued, they will be issued during the Placement Period, that is, within 12 months of the date the AGM, i.e. by 28 November 2015, and the approval being sought by this resolution will cease to be valid if Shareholders approve a transaction under Listing Rules 11.1.2 or 11.2 prior to 28 November 2015.

(b) Purpose of Issue under 10% Placement Capacity

The Company may issue Equity Securities under the 10% Placement Facility for the following purposes:

- (i) as cash consideration in which case the Company intends to use funds raised for its current exploration assets, namely further development of its existing project at South Blackall, to advance exploration at other tenements held and acquire new resources assets and investments; or
- (ii) as non-cash consideration for the acquisition of new resources, assets and investments, in such circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3.

(c) The Company will comply with the disclosure obligations under Listing Rules 7.1A.4 and 3.10.2A upon issue of any equity securities.

(d) Allocation under the 10% Placement Capacity

The Company's allocation policy for the issue of equity securities under the 10% Placement Facility will be dependent on the prevailing market conditions at the time of the proposed placement(s).

The identity of the allottees of any equity securities that may be issued (subject to Resolution 5) under the 10% Placement Facility have not yet been determined at the date of this Notice, but may include existing Shareholders and/or parties who are not currently Shareholders and are not related parties or associates of the Company. Any potential allottees will be determined on a case by case basis, having regard to factors including, but not limited to the following:

- i. the methods of raising funds that are available to the Company and balancing interest from potential allottees with the interests of existing Shareholders;
- ii. the effect of the issue of the Shares on the control of the Company. Allocation will be subject to takeover thresholds;
- iii. the financial situation and solvency of the Company and its projected need for working capital at any given time; and
- iv. advice from corporate, financial and broking advisors (if applicable).

Further, if the Company is successful in acquiring new resources, assets or investments, it is likely that the allottees under the 10% Placement Facility will be vendors of the new resources, assets or investments.

(e) Previous Approval under ASX Listing Rule 7.1A

The Company has previously obtained approval under Listing Rule 7.1A at its 2013 Annual General Meeting held on 13 November 2013.

As the Company has previously obtained Shareholder approval under Listing Rule 7.1A, the following information is provided to Shareholders, in accordance with Listing Rule 7.3A.6, regarding the equity securities issued in the previous 12 months preceding the date of the AGM (that is, since 28 November 2013):

Listing Rule 7.3A.6(a): Total equity securities issued in previous 12 months are set out below.

Number of equity securities on issue at commencement of 12 month period	152,980,003
Equity securities issued in prior 12 month period	14,000,000
Percentage above issues represent of total number of equity securities on issue at commencement of 12 month period	9.15%

Listing Rule 7.3A.6(b): Details of equity securities issued in the 12 months preceding the date of the Meeting is set out in Schedule 2.

(f) Compliance with ASX Listing Rules 7.1A.4 and 3.10.5A

When the Company issues equity securities pursuant to the 10% Placement Facility, it will give to ASX:

- (i) a list of the allottees of the equity securities and the number of equity securities allotted to each (not for release to the market), in accordance with Listing Rule 7.1A.4; and
- (ii) the information required by Listing Rule 3.10.5A for release to the market.

5.2 Voting Exclusion

A voting exclusion statement is included in this Notice. At the date of the Notice, the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in an issue of shares. Therefore, no existing Shareholder's votes will be excluded under the voting exclusion in the Notice.

Resolution 5 is a special resolution. For a special resolution to be passed, at least 75% of the votes cast by Shareholders entitled to vote on Resolution 6 must be in favour of the resolution.

Directors' Recommendation

The Directors recommend that Shareholders vote in favour of Resolution 5.

Schedule 1 – Terms and Conditions of Options for Consuelo Project

The terms and conditions of the Options are as follows:

- (a) Each New Option entitles the holder to acquire one fully paid Share in the Company.
- (b) The New Options are exercisable at any time on or prior to 5.00pm AEST on 18 June 2019 by completing an option exercise form and delivering it together with the payment for the number of Shares in respect of which the New Options are exercised to the registered office of the Company or to the Company's Share Registry.
- (c) The New Option exercise price is 20 cents per New Option.
- (d) A New Option does not confer the right to a change in exercise price or a change in the number of underlying Shares over which the New Option can be exercised.
- (e) Shares issued on the exercise of the New Options will be issued no more than fourteen (14) days after receipt of a properly executed exercise notice and application monies. Shares allotted pursuant to the exercise of a New Option will rank equally with the then issued ordinary shares of the Company in all respects. Quotation of the Shares will be sought.
- (f) New Option holders shall be permitted to participate in new issues of securities on the prior exercise price of options in which case the New Option holders shall be afforded the period of at least nine (9) business days prior to and inclusive of the record date (to determine entitlements to the issue) to exercise the New Option.
- (g) In the event of any reconstruction (including consolidation, sub-division, reduction or return) of the issued capital of the Company, all rights of the New Option holder will be changed to the extent necessary to comply with the Listing Rules applying to the reconstruction of capital at the time of the reconstruction.
- (h) If there is a bonus issue to shareholders, the number of shares over which the New Option is exercisable may be increased by the number of shares which the holder of the New Option would have received if the New Option had been exercised before the record date for the bonus issue.
- (i) In the event that a pro rata issue (except a bonus issue) is made to the holders of the underlying securities in the Company, the exercise price of the New Option may be reduced in accordance with Listing Rule 6.22.

Date of Issue:	Number Issued:	Class/Type of equity security:	Summary of terms:	Names of persons who received securities or basis on which those persons was determined:	Price at which equity securities were issued:	Discount to market price (if any):	For cash issues:			For non-cash issues:		
							Total cash consideration received:	Amount of cash consideration spent:	Use of cash consideration:	Intended use for remaining amount of cash (if any):	Non-cash consideration paid:	Current value of that non-cash consideration:
19/06/14	7,250,000	Unlisted options	Unlisted options with an exercise price of \$0.20 expiring 18/06/2019.	Coal Face Resources Pty Ltd	Nil	Nil	Nil	N/A	N/A	N/A	N/A	\$44,225 (value of option at grant date, valued using Black-Scholes methodology)
19/06/14	6,750,000	Fully paid ordinary shares	Share rank pari passu with all other fully paid ordinary shares on issue in the Company.	Coal Face Resources Pty Ltd	Nil	Nil	Nil	N/A	N/A	N/A	N/A	\$243,000 (based on closing price of \$0.036 on 20/10/14)

International Coal Limited

ABN 65 149 197 651

LODGE YOUR VOTE



By mail:
International Coal Limited
GPO Box 2537
Brisbane QLD 4001
Australia



By fax: +61 7 3228 4999



All enquiries to: Telephone: +61 7 3320 2205



X99999999999

PROXY FORM

I/We being a member(s) of International Coal Limited and entitled to attend and vote hereby appoint:

STEP 1

APPOINT A PROXY

☐

the Chairman
of the Meeting
(mark box)

OR if you are NOT appointing the Chairman of the Meeting
as your proxy, please write the name of the person or
body corporate you are appointing as your proxy

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Annual General Meeting of the Company to be held at 10:30am (Sydney time) on Friday, 28 November 2014 at the offices of Link Market Services Limited, Level 12, 680 George Street, Sydney, NSW 2000 (the Meeting) and at any postponement or adjournment of the Meeting.

Important for Resolution 1: If the Chairman of the Meeting is your proxy, either by appointment or by default, and you have not indicated your voting intention below, you expressly authorise the Chairman to exercise the proxy in respect of Resolution 1, even though the Resolution is connected directly or indirectly with the remuneration of a member of Key Management Personnel (KMP).

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting.

Please read the voting instructions overleaf before marking any boxes with an ☒

STEP 2

VOTING DIRECTIONS

	For	Against	Abstain*
Resolution 1 Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 Re-election of Director - Mr Hugh Dai	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 Election of Director - Mr Harry Karelis	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 Ratification of previous issue of shares and options - Consuelo Project	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5 Approval of additional share issue capacity under Listing Rule 7.1A	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



* If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

STEP 3

SIGNATURE OF SECURITYHOLDERS - THIS MUST BE COMPLETED

Securityholder 1 (Individual)

Sole Director and Sole Company Secretary

Joint Securityholder 2 (Individual)

Director/Company Secretary (Delete one)

Joint Securityholder 3 (Individual)

Director

This form should be signed by the securityholder. If a joint holding, either securityholder may sign. If signed by the securityholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the Corporations Act 2001 (Cth).

ICX PRX401B



HOW TO COMPLETE THIS PROXY FORM

Your Name and Address

This is your name and address as it appears on the Company's security register. If this information is incorrect, please make the correction on the form. Securityholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your securities using this form.**

Appointment of Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that individual or body corporate in Step 1. A proxy need not be a securityholder of the Company.

Default to Chairman of the Meeting

Any directed proxies that are not voted on a poll at the meeting will default to the Chairman of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted as set out in this proxy form, including where the resolution is connected directly or indirectly with the remuneration of KMP.

Votes on Items of Business - Proxy Appointment

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of securities you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

Appointment of a Second Proxy

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's security registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- (a) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- (b) return both forms together.

Signing Instructions

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, either securityholder may sign.

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

Corporate Representatives

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's security registry or online at www.linkmarketservices.com.au.

Lodgement of a Proxy Form

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **10:30am (Sydney time) on Wednesday, 26 November 2014**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged using the reply paid envelope or:



by mail:

International Coal Limited
GPO Box 2537
Brisbane QLD 4001
Australia



by fax:

+61 7 3228 4999



by hand:

delivering it to Level 15, 324 Queen Street, Brisbane QLD 4000.

If you would like to attend and vote at the Meetings, please bring this form with you.
This will assist in registering your attendance.