



Notice of General Meeting and Explanatory Memorandum

Cokal Limited

ACN 082 541 437

Date of Meeting: Friday, 21 September 2018

Time of Meeting: 11.00am (AEST)

Place of Meeting: Level 5, 56 Pitt Street, Sydney NSW 2000

This document should be read in its entirety.

If you are in doubt about how to deal with this document, please consult your legal, financial or other professional advisor.

Notice of General Meeting

Notice is given that a General Meeting of shareholders of Cokal Limited ACN 082 541 437 (**Company**) will be held at Level 5, 56 Pitt Street, Sydney NSW 2000 on Friday, 21 September 2018 at 11.00am (AEST).

Terms used in this Notice of Meeting are defined in Section 10 of the accompanying Explanatory Memorandum.

AGENDA

ORDINARY BUSINESS

1. Resolution 1 – Ratification of Previous Issue of Private Placement Shares

To consider and, if thought fit, pass the following Ordinary Resolution:

'That, in accordance with the provisions of Listing Rule 7.4 and for all other purposes the Shareholders ratify the previous issue of 33,495,557 fully paid ordinary shares in the Company at an issue price of \$0.045 per Share to institutional and sophisticated investors on the terms and conditions set out in the Explanatory Memorandum.'

Voting Exclusion Statement

The Company will disregard any votes cast in favour of the resolution by or on behalf of:

- a person who participated in the issue; or
- an associate of those persons.

However, the Company need not disregard a vote if:

- 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
- 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.

2. Resolution 2 – Ratification of Previous Issue of Shares to Consultant

To consider and, if thought fit, pass the following Ordinary Resolution:

'That, in accordance with the provisions of Listing Rule 7.4 and for all other purposes the Shareholders ratify the previous issues of 600,000 fully paid ordinary shares in the Company to a consultant on the terms and conditions set out in the Explanatory Memorandum.'

Voting Exclusion Statement

The Company will disregard any votes cast in favour of the resolution by or on behalf of:

- the consultant; or
- an associate of that person.

However, the Company need not disregard a vote if:

- 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
- 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.

Notice of General Meeting

3. Resolution 3 – Approval to Issue Shares to Consultant

To consider and, if thought fit, pass the following Ordinary Resolution:

'That for the purposes of Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of 5,000,000 fully paid ordinary shares in the Company to a consultant or its nominee/s, on the terms and conditions set out in the Explanatory Memorandum.'

Voting Exclusion Statement

The Company will disregard any votes cast in favour of the resolution by or on behalf of:

- the consultant; or
- an associate of that person.

However, the Company need not disregard a vote if:

- 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
- 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.

4. Resolution 4 – Approval to Issue Options to Consultant

To consider and, if thought fit, pass the following Ordinary Resolution:

'That for the purposes of Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of 1,000,000 Options to acquire fully paid ordinary shares in the Company at an exercise price of \$0.045 per Option to a consultant or its nominee/s, on the terms and conditions set out in the Explanatory Memorandum.'

Voting Exclusion Statement

The Company will disregard any votes cast in favour of the resolution by or on behalf of:

- the consultant; or
- an associate of that person.

However, the Company need not disregard a vote if:

- 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
- 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.

Notice of General Meeting

5. Resolution 5 – Approval to Issue Shares to Domain

To consider and, if thought fit, pass the following Ordinary Resolution:

'That for the purposes of Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of fully paid ordinary shares in the Company to Domain International Holdings Limited or its nominee/s, up to the value of \$2,000,000 on the terms and conditions set out in the Explanatory Memorandum.'

Voting Exclusion Statement

The Company will disregard any votes cast in favour of the resolution by or on behalf of:

- Domain International Holdings Limited; or
- an associate of that person.

However, the Company need not disregard a vote if:

- 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
- 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.

6. Resolution 6 – Approval to Issue Shares to Aahana

To consider and, if thought fit, pass the following Ordinary Resolution:

'That for the purposes of Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of fully paid ordinary shares in the Company to Aahana Global Resources & Investment Pte Ltd or its nominee/s, up to the value of \$1,000,000 on the terms and conditions set out in the Explanatory Memorandum.'

Voting Exclusion Statement

The Company will disregard any votes cast in favour of the resolution by or on behalf of:

- Aahana Global Resources & Investment Pte Ltd; or
- an associate of that person.

However, the Company need not disregard a vote if:

- 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
- 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.

Notice of General Meeting

7. Resolution 7 – Approval to Issue Placement Shares

To consider and, if thought fit, pass the following Ordinary Resolution:

'That for the purposes of Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of Placement Shares to institutional and sophisticated investors up to the value of \$2,000,000 on the terms and conditions set out in the Explanatory Memorandum.'

Voting Exclusion Statement

The Company will disregard any votes cast in favour of the resolution by or on behalf of:

- a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of Shares); or
- an associate of that person.

However, the Company need not disregard a vote if:

- 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
- 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.

8. Resolution 8 – Approval to Issue Shares to CEO

To consider and, if thought fit, pass the following Ordinary Resolution:

'That for the purposes of Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of 1,245,031 Shares to Mr James Coleman and/or his nominee on the terms and conditions set out in the Explanatory Memorandum.'

Voting Exclusion Statement

The Company will disregard any votes cast in favour of the resolution by or on behalf of:

- Mr James Coleman; or
- an associate of that person.

However, the Company need not disregard a vote if:

- 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
- 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.

Notice of General Meeting

9. Resolution 9 – Approval to Issue Options to CEO

To consider and, if thought fit, pass the following Ordinary Resolution:

'That for the purposes of Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of 14,000,000 Options to Mr James Coleman and/or his nominee on the terms and conditions set out in the Explanatory Memorandum.'

Voting Exclusion Statement

The Company will disregard any votes cast in favour of the resolution by or on behalf of:

- Mr James Coleman; or
- an associate of that person.

However, the Company need not disregard a vote if:

- 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
- 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.

GENERAL BUSINESS

To consider any other business as may be lawfully put forward in accordance with the Constitution of the Company.

By order of the Board



Louisa Martino
Company Secretary
21 August 2018

Explanatory Memorandum

1. Introduction

This Explanatory Memorandum is provided to shareholders of Cokal Limited ACN 082 541 437 (**Company**) to explain the resolutions to be put to Shareholders at the General Meeting to be held at Level 5, 56 Pitt Street, Sydney NSW 2000 on Friday, 21 September 2018 at 11.00am (AEST).

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 to be considered by the Meeting.

The Directors recommend that Shareholders read the Notice of Meeting (**Notice**) and this Explanatory Statement before determining whether to support the resolutions or otherwise.

Other than as contained in the Notice and Explanatory Statement, the Directors believe that there is no other information known to the Company or the Directors that is reasonably required by Shareholders to decide whether or not it is in the Company's best interests to pass any of the resolutions.

Terms used in this Explanatory Memorandum are defined in Section 10

2. Resolution 1 – Ratification of Previous Issue of Private Placement Shares

2.1 Introduction

On 2 February 2018, the Company announced that it had raised \$1,507,300 (before costs) by way of a private placement to institutional and sophisticated investors (**Private Placement**). A total of 33,495,557 Shares have been issued at \$0.045 per Share. The Shares were issued under the Company's placement availability in accordance with Listing Rule 7.1.

Resolution 1 seeks Shareholder ratification for the issue of the Shares under the Private Placement pursuant to ASX Listing Rule 7.4.

2.2 ASX Listing Rule 7.4

Under Chapter 7 of the ASX Listing Rules, there are limitations on the capacity of a company to enlarge its capital by the issue of equity securities. ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period, without shareholder approval (**Placement Capacity**).

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies a previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1 and will therefore not be included for the purpose of calculating the company's Placement Capacity.

Approval is sought under Resolution 1 to allow the Company to ratify the issue of 33,495,557 Shares issued under the Private Placement not previously approved by Shareholders pursuant to ASX Listing Rule 7.1. By ratifying this issue, the Shares issued under the Private Placement will not be included when determining the Company's Placement Capacity.

Explanatory Memorandum

2.3 Information required by ASX Listing Rule 7.5

The following information is provided to Shareholders for the purposes of obtaining Shareholder ratification of the Share issue under the Private Placement pursuant to and in accordance with ASX Listing Rule 7.5:

- (a) The number of securities issued by the Company pursuant to the Private Placement was 33,495,557 Shares issued pursuant to ASX Listing Rule 7.1.
- (b) The Shares were issued for consideration of \$0.045 per Share.
- (c) The issued Shares are fully paid ordinary shares in the capital of the Company and rank equally with the existing Shares on issue.
- (d) The allottees of the Shares were subscribers to the Private Placement who are exempt from the disclosure requirements of the Corporations Act. None of the allottees were related parties of the Company at the time of the Private Placement.
- (e) The funds raised from this issue were used to provide working capital for the Company.
- (f) A voting exclusion statement relating to this Resolution is included in the Notice of Meeting.

2.4 Recommendation

None of the Directors has a personal interest in the subject matter of Resolution 1. The Board recommends Shareholders vote in favour of Resolution 1.

3. Resolution 2 – Ratification of Previous Issue of Shares to Consultant

3.1 Introduction

On 24 November 2017, the Company issued 600,000 Shares to a consultant at an issue price of \$0.10 per Share for services provided to the Company. The Shares were issued under the Company's existing Placement Capacity.

Resolution 2 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Shares.

3.2 ASX Listing Rule 7.4

An explanation of the applicable Listing Rules is contained in Section 2.2.

3.3 Information required by ASX Listing Rule 7.5

The following information is provided to Shareholders for the purposes of obtaining Shareholder ratification of the Share issue to the consultant pursuant to and in accordance with ASX Listing Rule 7.5:

- (a) The number of securities issued by the Company was 600,000 Shares issued pursuant to ASX Listing Rule 7.1.
- (b) The Shares were issued for consideration of \$0.10 per Share.
- (c) The issued Shares are fully paid ordinary shares in the capital of the Company and rank equally with the existing Shares on issue.
- (d) The allottee of the Shares was EGN Media Pty Ltd. The allottee is not a related party of the Company.
- (e) The shares were issued in payment of public relations services provided totalling \$60,000.
- (f) A voting exclusion statement relating to this Resolution is included in the Notice of Meeting.

Explanatory Memorandum

3.4 Recommendation

None of the Directors has a personal interest in the subject matter of Resolution 2. The Board recommends Shareholders vote in favour of Resolution 2.

4. Resolution 3 - Issue Shares to Consultant

4.1 Background

The Company has agreed to issue a consultant or its nominee/s 5,000,000 Shares for advisory services provided to the Company.

4.2 ASX Listing Rule 7.1

As noted in Section 2.2 above, in general terms, Listing Rule 7.1 imposes a 15% cap on the number of securities that can be issued by a company without shareholder approval in any 12 month period. However, if shares are issued with shareholder approval, those shares will not be included in the Placement Capacity.

If Shareholder approval is not obtained for the issue of Shares, the Company will issue the Shares to the extent permissible under the Company's existing Placement Capacity.

4.3 Information required by ASX Listing Rule 7.3

The following information is required by Listing Rule 7.3, for the purpose of Shareholder approval under Listing Rule 7.1:

- (a) The maximum number of securities to be issued is 5,000,000 Shares
- (b) If approved, the Shares will be issued no later than 3 months after the Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules).
- (c) The Shares will be issued for nil cash consideration. The Shares are being issued in consideration of advisory services provided.
- (d) The Shares will be issued to the consultant or its nominee/s approved by the Board. The allottees are not related parties of the Company.
- (e) The Shares will be fully paid ordinary Shares in the Company that will rank pari passu and form one class with all other ordinary Shares of the Company.
- (f) Nil funds will be raised as the Shares are issued in payment of advisory services provided.
- (g) A voting exclusion statement is included in the Notice of Meeting.

4.4 Recommendation

None of the Directors has a personal interest in the subject matter of Resolution 3. The Board recommends Shareholders vote in favour of Resolution 3.

5. Resolution 4 - Issue Options to Consultant

5.1 Background

The Company has agreed to issue a consultant or its nominee/s 1,000,000 Options with a 3 year term and an exercise price of \$0.045, for consulting services provided to the Company.

Explanatory Memorandum

5.2 ASX Listing Rule 7.1

An explanation of the applicable Listing Rules is contained in Section 4.2.

5.3 Information required by ASX Listing Rule 7.3

The following information is required by Listing Rule 7.3, for the purpose of Shareholder approval under Listing Rule 7.1:

- (a) The maximum number of securities to be issued is 1,000,000 Options.
- (b) If approved, the Options will be issued no later than 3 months after the Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules).
- (c) The Options will be issued for nil cash consideration. The Options are being issued in consideration of consultancy services.
- (d) The Options will be issued to a consultant or its nominees approved by the Board. The allottees are not related parties of the Company.
- (e) The Options will be issued on the terms and conditions set out in Schedule 1.
- (f) Funds raised on the exercise of the Options will be used for working capital purposes.
- (g) A voting exclusion statement is included in the Notice of Meeting.

5.4 Recommendation

None of the Directors has a personal interest in the subject matter of Resolution 4. The Board recommends Shareholders vote in favour of Resolution 4.

6. Resolution 5 - Issue of Shares to Domain

6.1 Background

As announced on 11 May 2018, Cokal has entered into a term sheet with Domain International Holdings Limited (**Domain**) for the development of the BBM Coking Coal Project. Pursuant to this term sheet, the Company has agreed to issue Domain or its nominee/s Shares to the value of \$2,000,000 on the following terms and conditions:

- A \$2,000,000 subscription for Cokal shares.
- The Cokal shares subscribed for by Domain will be priced at a 10% discount to the 5 day volume weighted average price for the 5 trading days after receipt of the funds by Cokal.
- The issuance of Cokal shares under the term sheet is contingent on shareholder approval.

The funds will be used for working capital purposes and for the BBM Coking Coal Project.

Resolution 5 seeks shareholder approval to issue the shares to Domain (or its nominee/s) under the term sheet.

6.2 ASX Listing Rule 7.1

An explanation of the applicable Listing Rules is contained in Section 4.2.

Explanatory Memorandum

6.3 Information required by ASX Listing Rule 7.3

The following information is required by Listing Rule 7.3, for the purpose of Shareholder approval under Listing Rule 7.1:

- (a) The table below shows a worked example for illustrative purposes, of the number of Shares to be issued for the \$2,000,000, for various issue prices taking into account various 5 day VWAPs. The 5 day VWAP is dependent upon the price and volume traded of the Shares 5 days after the receipt of the funds:

	50% decrease in 10% discount to 5 Day VWAP	10% discount to 5 Day VWAP	50% increase in 10% discount to 5 Day VWAP
Issue price	\$0.0162*	\$0.0324*	\$0.0648*
Number of Shares	123,456,790	61,728,395	30,864,197

* Assuming VWAP of the Shares for the 5 day period ended 16 August 2018 of \$0.036.

- (b) If approved, the Shares will be issued no later than 3 months after the Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules) in up to three tranches.
- (c) The Shares will be issued for \$2,000,000 cash consideration (in up to three tranches) at a 10% discount to the 5 Day VWAP 5 days after the receipt of each tranche of the funds.
- (d) The Shares will be issued to Domain International Holdings Ltd or its nominee/s approved by the Board. The allottees are not related parties of the Company.
- (e) The Shares will be fully paid ordinary Shares in the Company that will rank pari passu and form one class with all other ordinary Shares of the Company.
- (f) Funds raised on the issue of the Shares will be used for working capital purposes.
- (g) A voting exclusion statement is included in the Notice of Meeting.

6.4 Recommendation

None of the Directors has a personal interest in the subject matter of Resolution 5. The Board recommends Shareholders vote in favour of Resolution 5.

7. Resolution 6 - Issue of Shares to Aahana

7.1 Background

As announced on 1 August 2018, Cokal has entered into a binding term sheet with Aahana Global Resources & Investment Pte Ltd (**Aahana**) for development of the BBM PCI Project. Pursuant to this term sheet, the Company has agreed to issue Aahana or its nominee/s Shares to the value of \$1,000,000, at an issue price of \$0.032.

The funds will be used for working capital purposes, to develop the BBM PCI Project area and commence mining activities.

Resolution 6 seeks shareholder approval to issue the shares to Aahana (or its nominee/s) under the term sheet.

Explanatory Memorandum

7.2 ASX Listing Rule 7.1

An explanation of the applicable Listing Rules is contained in Section 4.2.

7.3 Information required by ASX Listing Rule 7.3

The following information is required by Listing Rule 7.3, for the purpose of Shareholder approval under Listing Rule 7.1:

- (a) The maximum number of securities to be issued is 31,250,000 Shares.
- (b) If approved, the Shares will be issued no later than 3 months after the Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules).
- (c) The Shares will be issued for \$1,000,000 cash consideration at an issue price of \$0.032 per Share.
- (d) The Shares will be issued to Aahana or its nominee/s approved by the Board. The allottees are not related parties of the Company.
- (e) The Shares will be fully paid ordinary Shares in the Company that will rank pari passu and form one class with all other ordinary Shares of the Company.
- (f) Funds raised on the issue of the Shares will be used for working capital purposes.
- (g) A voting exclusion statement is included in the Notice of Meeting.

7.4 Recommendation

None of the Directors has a personal interest in the subject matter of Resolution 6. The Board recommends Shareholders vote in favour of Resolution 6.

8. Resolution 7 - Issue of Placement Shares

8.1 Background

Resolution 7 seeks shareholder approval for the issue of Shares to institutional and sophisticated investors up to the value of \$2,000,000 at a minimum issue price that is at least 90% of the volume weighted average market price for Shares, calculated over the last 5 days on which sales in the Shares were recorded before the day on which the issue is made.

8.2 ASX Listing Rule 7.1

An explanation of the applicable Listing Rules is contained in Section 4.2.

8.3 Information required by ASX Listing Rule 7.3

The following information is required by Listing Rule 7.3, for the purpose of Shareholder approval under Listing Rule 7.1:

- (a) The table below shows a worked example for illustrative purposes, of the number of Shares to be issued for the \$2,000,000, for various issue prices taking into account various 5 day VWAPs. The 5 day VWAP is the volume weighted average market price for Shares, calculated over the last 5 days on which sales in the Shares were recorded before the day on which the issue is made:

Explanatory Memorandum

	50% decrease in 10% discount to 5 Day VWAP	10% discount to 5 Day VWAP	50% increase in 10% discount to 5 Day VWAP
Issue price	\$0.0162*	\$0.0324*	\$0.0648*
Number of Shares	123,456,790	61,728,395	30,864,197

* Assuming VWAP of the Shares for the 5 day period ended 16 August 2018 of \$0.036.

- (b) If approved, the Shares will be issued no later than 3 months after the Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules).
- (c) The Shares will be issued for \$2,000,000 cash consideration at up to a 10% discount to the 5 Day VWAP before the day on which the issue is made.
- (d) The Shares will be issued to institutional and sophisticated investors. The allottees will not be related parties of the Company.
- (e) The Shares will be fully paid ordinary Shares in the Company that will rank pari passu and form one class with all other ordinary Shares of the Company.
- (f) Funds raised on the issue of the Shares will be used for working capital purposes.
- (g) A voting exclusion statement is included in the Notice of Meeting.

8.4 Recommendation

None of the Directors has a personal interest in the subject matter of Resolution 7. The Board recommends Shareholders vote in favour of Resolution 7.

9. Resolutions 8 and 9- Issue of Shares and Options to CEO

9.1 Background

As announced on ASX on 27 July 2018, the Company appointed Mr James (Jim) Coleman as Chief Executive Officer on the following terms:

- Base salary of \$250,000 exclusive of superannuation;
- First three months' net salary (\$39,841) to be paid in fully paid ordinary shares, subject to shareholder approval. Issue price of Shares is the closing market value of the Shares on the day prior to the announcement of appointment on ASX (\$0.032);
- 14,000,000 options as a sign-on bonus with an expiry date three years from the date of issue, subject to shareholder approval. The Options have an exercise price, and vest upon the satisfaction of key performance indicators, as follows:
 - 3 million options @ \$0.045 upon production of 20,000 tonnes per month of coal (including PCI) for three consecutive months;
 - 3million options @ \$0.055 upon production of 40,000 tonnes per month of coal (including PCI) for three consecutive months;
 - 3million options @ \$0.07 upon commencement of shallow river barging; and
 - 5million options @ \$0.10 upon first shipment of coking coal from BBM

Resolutions 8 and 9 therefore seek shareholder approval for the issue of Shares and Options to the Chief Executive Officer, Mr James (Jim) Coleman and/or his nominee.

Explanatory Memorandum

9.2 ASX Listing Rule 7.1

An explanation of the applicable Listing Rules is contained in Section 4.2.

9.3 Information required by ASX Listing Rule 7.3

- (a) The maximum number of securities to be issued is 1,245,031 Shares and 14,000,000 Options.
- (b) If approved, the securities will be issued no later than 3 months after the Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules).
- (c) The Shares will be issued for nil cash consideration at an issue price of \$0.032 per Share in payment of net salary expenses totalling \$39,841. The Options will be issued for nil cash consideration as a sign-on bonus;
- (d) The Shares and Options will be issued to Mr James Coleman and/or his nominee/s approved by the Board. The allottees are not related parties of the Company;
- (e) The Shares will be fully paid ordinary Shares in the Company that will rank pari passu and form one class with all other ordinary Shares of the Company. The Options will be issued on the terms and conditions set out in Schedule 2;
- (f) Nil funds will be raised on the issue of the Shares. The issue of Shares will pay for the first three months' salary of the Chief Executive Officer. Funds raised on the exercise of the Options will be used for working capital purposes;
- (g) A voting exclusion statement is included in the Notice of Meeting.

9.4 Recommendation

None of the Directors has a personal interest in the subject matter of Resolutions 8 and 9. The Board recommends Shareholders vote in favour of Resolutions 8 and 9.

Explanatory Memorandum

10. Interpretation

\$ means Australian Dollars

Aahana means Aahana Global Resources & Investment Pte Ltd

AEST means Australian Eastern Standard Time

ASX means the ASX Limited ACN 008 624 691

Board means the board of directors of the Company

Company means Cokal Limited ACN 082 541 437

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

Directors means the directors of the Company

Domain means Domain International Holdings Limited

General Meeting or **Meeting** means the General Meeting of the Company to be held on 3 April 2018

Listing Rules means the listing rules of the ASX.

Notice of Meeting or **Notice** means this notice of meeting.

Option means an option to subscribe for a Share.

Ordinary Resolution means a resolution passed by more than 50% of the votes cast by members entitled to vote on the Resolution.

Placement Shares means Shares issued to institutional and sophisticated investors up to the value of \$2,000,000 at a minimum issue price that is at least 90% of the 5 day VWAP before the day on which the issue is made.

Resolution means a resolution to be proposed at the Meeting

Shares means ordinary fully paid shares in the issued capital of the Company

Shareholder means a holder of one Share

VWAP means the volume weighted average market price of the Shares

5 day VWAP means VWAP calculated over the last 5 days on which sales in the Shares were recorded.

Any inquiries in relation to the Resolutions or the Explanatory Memorandum should be directed to Louisa Martino (Company Secretary):

Phone: +61 2 8823 3179

Email: louisa@indianoceancapital.com

SCHEDULE 1 – TERMS OF CONSULTANT OPTIONS

- 1 Each Option is an option to subscribe for one Share in the capital of the Company.
- 2 Each Option is exercisable from the date of issue, until 5.00pm (Sydney time) on the date, which is 3 years from the date of issue (**Exercise Period**).
- 3 An Option automatically lapses immediately after the Exercise Period.
- 4 The exercise price of each Option is \$0.045 (4.5 cents).
- 5 The Options are transferable in whole or in part to a person that comes within sections 708(8), (10) and (11) of the *Corporations Act 2001* (Cth) (sophisticated and professional investors) without the Company's consent.
- 6 The Options may be exercised wholly or in part by delivering a duly completed form of notice of exercise together with payment of an amount equal to the exercise price per Option to the Company at any time on or before the Expiry Date.
- 7 Upon the valid exercise of the Options and payment of the exercise price, the Company will issue Shares ranking pari passu with the existing Shares at the date of issue.
- 8 Option holders do not have any right to participate in new issues of securities in the Company made to Shareholders generally. The Company will, where required pursuant to the ASX Listing Rules, provide Option holders with notice prior to the books record date (to determine entitlements to any new issue of securities made to Shareholders generally) to exercise the Options, in accordance with the requirements of the ASX Listing Rules.
- 9 The Option holder does not participate in any dividends unless the Options are exercised and the resultant Shares of the Company are issued prior to the record date to determine entitlements to the dividend.
- 10 The Company does not intend to apply for listing of the Options on the ASX.
- 11 The Company shall apply for listing on the ASX of the resultant Shares of the Company issued upon exercise of any Option.
- 12 If at any time the issued share capital of the Company is reconstructed (whether by way of consolidation of capital, sub-division of capital, return of capital, reduction of capital by cancellation of paid up capital that is lost or not represented by available assets where no securities are cancelled, a pro-rata cancellation of share capital or otherwise) all rights of the option holder will be amended to the extent necessary to comply with the ASX Listing Rules applying to a reorganisation of capital at the time of the reorganisation.

Explanatory Memorandum

- 13 If there is a pro rata issue (except a bonus issue), the exercise price of an Option may be reduced according to the following formula:

$$O^n = \frac{O - E[P - (S + D)]}{N + 1}$$

Where:

- O^n = the new exercise price of the Option;
- O = the old exercise price of the Option;
- E = the number of underlying Shares into which one Option is exercisable;
- P = the average market price per Share (weighted by reference to volume) of the underlying Shares during the five (5) trading days ending on the day before the ex-rights date or ex entitlements date;
- S = the subscription price for a Share under the pro rata issue;
- D = the dividend due but not yet paid on existing underlying Shares (except those to be issued under the pro rata issue); and
- N = the number of Shares with rights or entitlements that must be held to receive a right to one new Share.
- 14 If there is a bonus issue to the holders of Shares in the Company, the number of Shares over which the Option is exercisable may be increased by the number of Shares which the Option holder would have received if the Option had been exercised before the record date for the bonus issue and no change will be made to the exercise price.

Explanatory Memorandum

SCHEDULE 2 – TERMS OF CEO OPTIONS

- 1 Each Option is an option to subscribe for one Share in the capital of the Company.
- 2 Each Option is exercisable from the date of vesting, until 5.00pm (Sydney time) on the date, which is 3 years from the date of issue (**Exercise Period**).
- 3 An Option automatically lapses immediately after the Exercise Period.
- 4 The exercise price and vesting conditions of each Option are as follows:

No. of Options	Exercise Price	Vesting Condition
3,000,000	\$0.045	Vesting upon production of 20,000 tonnes per month of coal (including PCI) for three consecutive months;
3,000,000	\$0.055	Vesting upon production of 40,000 tonnes per month of coal (including PCI) for three consecutive months;
3,000,000	\$0.07	Vesting upon commencement of shallow river barging;
5,000,000	\$0.10	Vesting upon first shipment of coking coal from BBM

- 5 The Options are transferable in whole or in part to a person that comes within sections 708(8), (10) and (11) of the *Corporations Act 2001* (Cth) (sophisticated and professional investors) without the Company's consent.
- 6 The Options may be exercised wholly or in part by delivering a duly completed form of notice of exercise together with payment of an amount equal to the exercise price per Option to the Company at any time on or before the Expiry Date.
- 7 Upon the valid exercise of the Options and payment of the exercise price, the Company will issue Shares ranking pari passu with the existing Shares at the date of issue.
- 8 Option holders do not have any right to participate in new issues of securities in the Company made to Shareholders generally. The Company will, where required pursuant to the ASX Listing Rules, provide Option holders with notice prior to the books record date (to determine entitlements to any new issue of securities made to Shareholders generally) to exercise the Options, in accordance with the requirements of the ASX Listing Rules.
- 9 The Option holder does not participate in any dividends unless the Options are exercised and the resultant Shares of the Company are issued prior to the record date to determine entitlements to the dividend.
- 10 The Company does not intend to apply for listing of the Options on the ASX.
- 11 The Company shall apply for listing on the ASX of the resultant Shares of the Company issued upon exercise of any Option.
- 12 If at any time the issued share capital of the Company is reconstructed (whether by way of consolidation of capital, sub-division of capital, return of capital, reduction of capital by cancellation of paid up capital that is lost or not represented by available assets where no securities are cancelled, a pro-rata cancellation of share capital or otherwise) all rights of the option holder will be amended to the extent necessary to comply with the ASX Listing Rules applying to a reorganisation of capital at the time of the reorganisation.

Explanatory Memorandum

- 13 If there is a pro rata issue (except a bonus issue), the exercise price of an Option may be reduced according to the following formula:

$$O^n = \frac{O - E[P - (S + D)]}{N + 1}$$

Where:

- O^n = the new exercise price of the Option;
- O = the old exercise price of the Option;
- E = the number of underlying Shares into which one Option is exercisable;
- P = the average market price per Share (weighted by reference to volume) of the underlying Shares during the five (5) trading days ending on the day before the ex-rights date or ex entitlements date;
- S = the subscription price for a Share under the pro rata issue;
- D = the dividend due but not yet paid on existing underlying Shares (except those to be issued under the pro rata issue); and
- N = the number of Shares with rights or entitlements that must be held to receive a right to one new Share.
- 14 If there is a bonus issue to the holders of Shares in the Company, the number of Shares over which the Option is exercisable may be increased by the number of Shares which the Option holder would have received if the Option had been exercised before the record date for the bonus issue and no change will be made to the exercise price.

Proxy, representative and voting entitlement instructions

PROXIES AND REPRESENTATIVES

Shareholders are entitled to appoint a proxy to attend and vote on their behalf. Where a shareholder is entitled to cast two or more votes at the meeting, they may appoint two proxies. Where more than one proxy is appointed, each proxy may be appointed to represent a specific proportion or number of votes the shareholder may exercise. If the appointment does not specify the proportion or number of votes each proxy may exercise, each proxy may exercise half of the votes. The proxy may, but need not, be a shareholder of the Company.

Shareholders who are a body corporate are able to appoint representatives to attend and vote at the meeting under Section 250D of the Corporations Act.

The proxy form must be signed by the shareholder or his/her attorney duly authorised in writing or, if the shareholder is a corporation, in a manner permitted by the Corporations Act.

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. A form of the certificate may be obtained from the Company.

A proxy form is **attached** to this Notice.

VOTING ENTITLEMENT

For the purposes of determining voting entitlements at the Meeting, shares will be taken to be held by the persons who are registered as holding the shares at 7.00pm (Sydney time) on Wednesday, 19 September 2018. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

SIGNING INSTRUCTIONS

You must sign the proxy 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, all of the security holders should sign.
Power of Attorney:	To sign under Power of Attorney, please attach a certified photocopy of the Power of Attorney to this form when you return it.
Companies:	<p>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 sign alone.</p> <p>Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary.</p> <p>Please indicate the office held by signing in the appropriate place.</p>


ONLINE VOTE
www.advancedshare.com.au/investor-login

MOBILE DEVICE VOTE

Lodge your proxy by scanning the QR code below, and enter your registered postcode.
It is a fast, convenient and a secure way to lodge your vote.

GENERAL MEETING PROXY FORM

I/We being shareholder(s) of Cokal Limited and entitled to attend and vote hereby:

STEP 1
APPOINT A PROXY


The Chairman of
the meeting

OR



PLEASE NOTE: If you leave the section blank, the Chairman of the Meeting will be your proxy.

If no individual(s) or body corporate(s) is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting 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 law, as the proxy sees fit), at the General Meeting of the Company to be held at **Level 5, 56 Pitt Street, Sydney NSW 2000 on Friday, 21 September 2018 at 11am (AEST)** and at any adjournment or postponement of that Meeting.

STEP 2
VOTING DIRECTIONS

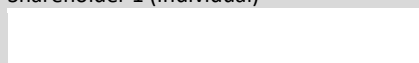
Resolutions	For	Against	Abstain*	Resolutions	For	Against	Abstain*
1 Ratification of Private Placement Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	6 Approval to Issue Shares to Aahana	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Ratification of Shares Issued to Consultant	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	7 Approval to Issue Placement Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Approval to Issue Shares to Consultant	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	8 Approval to Issue Shares to CEO	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Approval to Issue Options to Consultant	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	9 Approval to Issue Options to CEO	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5 Approval to Issue Shares to Domain	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				



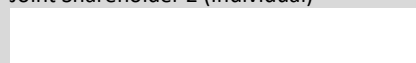
If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

STEP 3
SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

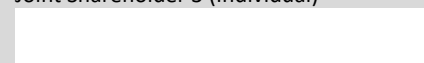
Shareholder 1 (Individual)



Joint Shareholder 2 (Individual)



Joint Shareholder 3 (Individual)



Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

This form should be signed by the shareholder. If a joint holding, all the shareholders should sign. If signed by the shareholder'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).

Email Address



Please tick here to agree to receive communications sent by the company via email. This may include meeting notifications, dividend remittance, and selected announcements.

HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE MEETING, PLEASE BRING THIS FORM WITH YOU.
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**

CHANGE OF ADDRESS

Your address as it appears on Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes.

APPOINTMENT OF A PROXY

If you wish to appoint the Chairman as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman, please write that person's name in the box in Step 1. A proxy need not be a shareholder of the Company. A proxy may be an individual or a body corporate. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman will be your proxy.

DEFAULT TO THE CHAIRMAN OF THE MEETING

If you leave Step 1 blank, or if your appointed proxy does not vote on a poll in accordance with your directions or does not attend the Meeting, then the proxy appointment will automatically default to the Chairman of the Meeting, who is required to vote the proxies as directed.

VOTING DIRECTIONS – PROXY APPOINTMENT

You may direct your proxy on how to vote by placing a mark in one of the boxes opposite each item of business. All your shares 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 shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy may vote as they choose to the extent they are able. 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 Advanced Share Registry Limited or you may copy this form and return them both together.

To appoint a second proxy you must:

- On each Proxy Form state the percentage of your voting rights or number of shares 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
- Return both forms together.

CORPORATE REPRESENTATIVES

If a representative of a nominated 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 Corporate Representative Form may be obtained from Advanced Share Registry.

SIGNING INSTRUCTIONS ON THE PROXY FORM

Individual:

Where the holding is in one name, the security holder must sign.

Joint Holding:

Where the holding is in more than one name, all of the security holders should sign.

Power of Attorney:

If you have not already lodged the Power of Attorney with Advanced Share Registry, please attach the original or 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 sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held.

LODGE YOUR PROXY FORM

This Proxy Form (and any power of attorney under which it is signed) must be received at an address given below by 11 am (AEST) on Wednesday, 19 September 2018, being not later than 48 hours before the commencement of the Meeting. Proxy Forms received after that time will not be valid for the scheduled meeting.



ONLINE PROXY APPOINTMENT

www.advancedshare.com.au/investor-login



BY MAIL

Advanced Share Registry Limited
110 Stirling Hwy, Nedlands WA 6009; or
PO Box 1156, Nedlands WA 6909



BY FAX

+61 8 9262 3723



BY EMAIL

admin@advancedshare.com.au



IN PERSON

Advanced Share Registry Limited
110 Stirling Hwy, Nedlands WA 6009; or



ALL ENQUIRIES TO

Telephone: +61 8 9389 8033