



Notice of Annual General Meeting and Explanatory Memorandum

Cokal Limited

ACN 082 541 437

Date of Meeting: Friday, 30 November 2018

Time of Meeting: 11.00am (AEDT)

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

This is an important document that requires your attention

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

Notice of Annual General Meeting

Notice is given that the Annual 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 30 November 2018 at 11.00am (AEDT).

Terms used in this Notice of Meeting are defined in Section 7 of the accompanying Explanatory Memorandum.

AGENDA

ORDINARY BUSINESS

Financial Statements

To receive and consider the Company's 2018 Annual Report comprising the Directors' Report, Independent Auditors' Report, Directors' Declaration, Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows and notes to and forming part of the financial statements for the Company and its controlled entities for the financial year ended 30 June 2018.

1. Resolution 1 – Adoption of Remuneration Report

To consider and, if thought fit, pass the following Resolution as a non-binding ordinary resolution under section 250R(2) of the *Corporations Act 2001*:

“That the Remuneration Report for the year ended 30 June 2018 (as set out in the Directors' Report) is adopted.”

The vote on this Resolution 1 is advisory only and does not bind the Directors or the Company.

If 25% or more of votes that are cast are voted against the remuneration report at two consecutive AGMs, Shareholders will be required to vote at the second of those AGMs on a resolution proposing that an extraordinary general meeting be held within 90 days at which all of the Company's directors (other than the Managing Director) must stand for re-election (a 'spill resolution').

Voting Prohibition Statement:

A vote on this Resolution must not be cast (in any capacity) by or on behalf of either of the following persons:

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member.

However, a person (the **voter**) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- (a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or
- (b) the voter is the Chair and the appointment of the Chair as proxy:
 - (i) does not specify the way the proxy is to vote on this Resolution; and
 - (ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

Notice of Annual General Meeting

2. Resolution 2 – Re-election of Mr Patrick Hanna as a Director

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

"That Mr Patrick Hanna, who retires at the close of the Annual General Meeting in accordance with Rule 5.2 of the Company's Constitution and Listing Rule 14.4 and, being eligible, offers himself for re-election, be re-elected as a Director."

3. Resolution 3 – Approval of 10% Placement Capacity

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

"That, for the purposes of Listing Rule 7.1A and for all other purposes, approval is given for the issue of Equity Securities totalling up to 10% of the issued capital of the Company at the time of issue, calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion: 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 ordinary securities in the Company) or an associate of that person (or those persons). However, the Company will not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

4. Resolution 4 – Approval for the grant of Options to Platinum Entities or their nominee

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

"That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, the Shareholders approve the grant of 37.5 million Options to acquire fully paid ordinary shares in the Company at an exercise price of 1.6 cents per Option to Northrock Financial LLC, Platinum Partners Credit Opportunities Master Fund LP and Platinum Partners Value Arbitrage Fund LP (in official liquidation) or their nominees on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion: 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 ordinary securities in the Company) or an associate of that person (or those persons). However, the Company will not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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
26 October 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 Annual General Meeting to be at Level 5, 56 Pitt Street, Sydney NSW 2000 on Friday, 30 November 2018 at 11.00am (AEDT).

The purpose of this Explanatory Memorandum 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 Memorandum before determining whether to support the resolutions or otherwise.

Other than as contained in the Notice and Explanatory Memorandum, 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 7.

2. Financial Statements

The Corporations Act requires the financial report, the directors' report and the auditor's report to be laid before the Annual General Meeting. There is no requirement either in the Corporations Act or in the Constitution of the Company for Shareholders to approve the financial report, the directors' report or the auditor's report. The Company's 2018 Annual Report is placed before the Shareholders for discussion. No voting is required for this item.

The Company will not provide a hard copy of the Company's Annual Financial Report to Shareholders unless specifically requested to do so. The Company's Annual Financial Report is available on its website at www.cokal.com.au

3. Resolution 1 - Adoption of Remuneration Report

3.1 Remuneration Report

The Remuneration Report is set out in the Directors' Report section of the Company's 2018 Annual Report. The Annual Report is available to download on the Company's website, www.cokal.com.au

Under Section 250R(3) of the Corporations Act, the vote is advisory only and does not bind the Directors or the Company.

Under the Corporations Act, if at least 25% of the votes cast on the resolution are voted against adoption of the Remuneration Report at two consecutive Annual General Meetings, the Company will be required to put to Shareholders a resolution at the second of those Annual General Meetings proposing the calling of an extraordinary general meeting within 90 days to consider the re-election of all of the directors of the Company (other than the Managing Director) ("spill resolution").

Explanatory Memorandum

If more than 50% of Shareholders vote in favour of the spill resolution, the Company must convene the extraordinary general meeting ("spill meeting") within 90 days of the second Annual General Meeting. All of the directors who were in office when the second (consecutive) Directors' Report was considered at the second (consecutive) Annual General Meeting, other than the Managing Director, will cease to hold office immediately before the end of the spill meeting but may stand for re-election at the spill meeting. Following the spill meeting those persons whose election or re-election as directors are approved will be the directors of the Company.

At the 2017 Annual General Meeting less than 25% of the votes cast were voted against adoption of the Remuneration Report included in the 2017 Annual Report.

In summary the Remuneration Report:

- explains the Board's policy for determining the nature and amount of remuneration of executive directors and senior executives of the Company;
- explains the relationship between the Board's remuneration policy and the Company's performance;
- sets out remuneration details for each Director and the most highly remunerated senior executive of the Company; and
- details and explains any performance conditions applicable to the remuneration of executives directors and senior executives of the Company.

A reasonable opportunity will be provided for discussion of the Remuneration Report at the Meeting.

3.2 Recommendation

As the Directors have a personal interest in the proposed Resolution 1, they make no recommendation as to how Shareholders should vote on the Resolution.

3.3 Voting restrictions on Key Management Personnel and their Closely Related Parties and their proxies

As set out in the notes to Resolution 1, a voting exclusion statement applies with respect to the voting on this Resolution by certain persons connected to the Company.

Shareholders should be aware that any undirected proxies given to the Chairman will be cast by the Chairman and counted in favour of the Resolutions the subject of this Meeting, including this Resolution 1, subject to compliance with the Corporations Act.

4. Resolution 2 – Re-election of Mr Patrick Hanna as a Director

4.1 Background

Mr Patrick Hanna retires by rotation in accordance with Rule 5.2 of the Company's Constitution and Listing Rule 14.4 and, being eligible, offers himself for re-election as a Director.

Under Rule 5.2 of the Company's Constitution, one-third of Directors are required to retire at each annual general meeting (excluding directors seeking election at the meeting for the first time, or the Managing Director).

4.2 Patrick Hanna's qualifications and experience

Mr Hanna has over 40 years' experience as a coal geologist in the areas of exploration and evaluation including planning, budgeting and managing drilling programs in Australia and Indonesia,

Explanatory Memorandum

gained since graduating from the University of New South Wales in 1976. Mr Hanna has authored and co-authored numerous coal industry publications.

Mr Hanna's experience includes:

- Geologist with over 40 years' experience all in coal.
- Extensive experience in Indonesian coal.
- Exploration Manager for Riversdale Mining, principal responsibility for discovery and documentation of new coking coal basin in Mozambique.
- Ex-member of JORC committee.
- Principal Geologist SRK Australia for 6 years.
- Author of 19 technical publications.
- Reviewed and consulted on over 40 coal projects globally.

Mr Hanna holds no other directorships in other listed entities.

If elected, the board considers Mr Hanna will not be an independent director.

4.3 Recommendation

The Directors (with Mr Hanna abstaining) recommend that you vote in favour of this Ordinary Resolution.

5. Resolution 3 – Approval of 10% Placement Capacity

5.1 General

ASX Listing Rule 7.1A provides that an Eligible Entity may seek Shareholder approval at its annual general meeting to allow it to issue Equity Securities up to 10% of its issued capital (**10% Placement Capacity**) without using that company's existing 15% annual placement capacity granted under ASX Listing Rule 7.1.

An Eligible Entity is one that, as at the date of the relevant annual general meeting:

- (a) is not included in the S&P/ASX 300 Index; and
- (b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.

As at the date of this Notice, the Company is an Eligible Entity as it is not included in the S&P/ASX 300 Index and has a current market capitalisation of \$26,707,789 (based on the number of Shares on issue and the closing price of Shares on the ASX on 28 September 2018).

An Equity Security is a share, a unit in a trust, a right to a share or unit in a trust or option, an option over an issued or unissued security, a convertible security, or, any security that ASX decides to classify as an equity security.

Any Equity Securities issued under the 10% Placement Capacity must be in the same class as an existing class of quoted Equity Securities.

As at the date of this Notice, the Company currently has one (1) class of quoted Equity Securities on issue, being Shares (ASX Code: CKA) and seven (7) classes of unquoted Equity Securities on issue, being Unquoted Options.

Explanatory Memorandum

The exact number of Equity Securities that the Company may issue under an approval under Listing Rule 7.1A will be calculated according to the following formula:

$$(A \times D) - E$$

Where:

A is the number of Shares on issue 12 months before the date of issue or agreement:

- (i) plus the number of Shares issued in the previous 12 months under an exception in ASX Listing Rule 7.2;
- (ii) plus the number of partly paid shares that became fully paid in the previous 12 months;
- (iii) plus the number of Shares issued in the previous 12 months with approval of holders of Shares under Listing Rules 7.1 and 7.4. This does not include an issue of fully paid ordinary shares under the entity's 15% placement capacity without shareholder approval; and
- (iv) less the number of Shares cancelled in the previous 12 months.

D is 10%.

E is the number of Equity Securities issued or agreed to be issued under ASX Listing Rule 7.1A.2 in the 12 months before the date of issue or agreement to issue that are not issued with the approval of holders of Ordinary Securities under ASX Listing Rule 7.1 or 7.4.

Resolution 3 is a special resolution. Accordingly, at least 75% of votes cast by Shareholders present and eligible to vote at the Meeting must be in favour of Resolution 3 for it to be passed.

5.2 Technical information required by ASX Listing Rule 7.1A

Pursuant to and in accordance with ASX Listing Rule 7.3A, the information below is provided in relation to this Resolution 3:

(a) Minimum Price

The minimum price at which the Equity Securities may be issued is 75% of the volume weighted average price of Equity Securities in that class, calculated over the 15 ASX trading days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 5 ASX trading days of the date in section 1.1(a)(a)(i), the date on which the Equity Securities are issued.

(b) Date of Issue

The Equity Securities may be issued under the 10% Placement Capacity commencing on the date of the Meeting and expiring on the first to occur of the following:

- (i) 12 months after the date of this Meeting; and
- (ii) the date of approval by Shareholders of any transaction under ASX Listing Rules 11.1.2 (a significant change to the nature or scale of the Company's activities) or

Explanatory Memorandum

11.2 (disposal of the Company's main undertaking) (after which date, an approval under Listing Rule 7.1A ceases to be valid),

(10% Placement Capacity Period).

(c) Risk of voting dilution

Any issue of Equity Securities under the 10% Placement Capacity will dilute the interests of Shareholders who do not receive any Shares under the issue.

If Resolution 3 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 10% Placement Capacity, the economic and voting dilution of existing Shares would be as shown in the table below.

The table below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in ASX Listing Rule 7.1A(2), on the basis of the current market price of Shares and the current number of Equity Securities on issue as at the date of this Notice.

The table also shows the voting dilution impact where the number of Shares on issue (Variable A in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the 10% Placement Capacity.

Number of Shares on Issue (Variable 'A' in ASX Listing Rule 7.1A2)	Dilution			
	Issue Price (per Share)	0.0185 50% decrease in Issue Price	0.037 Issue Price	0.056 50% increase in Issue Price
721,832,128 (Current Variable A)	Shares issued - 10% voting dilution	72,183,213 Shares	72,183,213 Shares	72,183,213 Shares
	Funds raised	\$1,335,389	\$2,670,779	\$4,006,168
1,082,748,192 (50% increase in Variable A)	Shares issued - 10% voting dilution	108,274,819 Shares	108,274,819 Shares	108,274,819 Shares
	Funds raised	\$2,003,084	\$4,006,168	\$6,009,252
1,443,664,256 (100% increase in Variable A)	Shares issued - 10% voting dilution	144,366,426 Shares	144,366,426 Shares	144,366,426 Shares
	Funds raised	\$2,670,779	\$5,341,558	\$8,012,337

*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 above uses the following assumptions:

1. There are currently a total of 721,832,128 Shares on issue as at the date of this Notice of Meeting.
2. The issue price set out above is the closing price of the Shares on the ASX on 28 September 2018.

Explanatory Memorandum

3. The Company issues the maximum possible number of Equity Securities under the 10% Placement Capacity.
4. The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in ASX Listing Rule 7.2 or with approval under ASX Listing Rule 7.1.
5. The issue of Equity Securities under the 10% Placement Capacity consists only of Shares. It is assumed that no Options are exercised into Shares before the date of issue of the Equity Securities.
6. The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
7. This table does not set out any dilution pursuant to approvals under ASX Listing Rule 7.1.
8. The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
9. 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 Capacity, based on that Shareholder's holding at the date of the Meeting.

Shareholders should note that there is a risk that:

- (i) the market price for the Company's Shares may be significantly lower on the issue date than on the date of the Meeting; and
- (ii) the Shares may be issued at a price that is at a discount to the market price for those Shares on the date of issue.

(d) **Purpose of Issue under 10% Placement Capacity**

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

- (i) as cash consideration in which case the Company intends to use funds raised for the acquisition of new resources, assets and investments (including expenses associated with such an acquisition), continued exploration expenditure on the Company's current assets, ongoing project administration and for general working capital; or
- (ii) as non-cash consideration for the acquisition of new resources, assets and investments and in such circumstances the Company will provide a valuation of the non-cash consideration as required by listing Rule 7.1A.3.

The Company will comply with the disclosure obligations under Listing Rules 7.1A(4) and 3.10.5A upon issue of any Equity Securities.

(e) **Allocation policy under the 10% Placement Capacity**

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

The recipients of the Equity Securities to be issued under the 10% Placement Capacity have not yet been determined. However, the recipients of Equity Securities could consist of current Shareholders or new investors (or both), none of whom will be related parties of the Company.

The Company will determine the recipients at the time of the issue under the 10% Placement Capacity, having regard to the following factors:

Explanatory Memorandum

- (i) the purpose of the issue;
- (ii) alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue or other offer where existing Shareholders may participate;
- (iii) the effect of the issue of the Equity Securities on the control of the Company;
- (iv) the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;
- (v) prevailing market conditions; and
- (vi) advice from corporate, financial and broking advisers (if applicable).

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

(f) **Previous approval under ASX Listing Rule 7.1A**

The Company obtained approval from its Shareholders pursuant to Listing Rule 7.1A at its annual general meeting held on 29 November 2016. (**Previous Approval**).

During the 12-month period preceding the date of the Meeting, the Company issued 83,877,948 Shares and 80,000,000 Options which represents approximately 23% of the total diluted number of Equity Securities on issue in the Company 12 months prior to the Meeting, which was 706,398,483 (includes estimate of conversion of Convertible Notes on issue 12 months prior to the Meeting).

Further details of the issues of Equity Securities by the Company during the 12 month period preceding the date of the Meeting are set out in Schedule 1 – Issues of Equity Securities Since 29 November 2017.

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

When the Company issues Equity Securities pursuant to the 10% Placement Capacity, it must give to ASX:

- (i) a list of the recipients of the Equity Securities and the number of Equity Securities issued 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.

5.3 Voting Exclusion

A voting exclusion statement is included in this Notice. As at the date of this Notice, the Company has not invited any existing Shareholder to participate in an issue of Equity Securities under ASX Listing Rule 7.1A. Therefore, no existing Shareholders will be excluded from voting on Resolution 3.

Explanatory Memorandum

6. Resolution 4 – Approval for the grant of Options to Platinum Entities or their nominee

6.1 Background

On 20 February 2018, the Company issued 75 million Options to the Platinum Entities with an expiry date of 20 February 2023 and an exercise price of 1.6 cents (**Existing Platinum Options**). Each Existing Platinum Option currently vests once all the Platinum Loans have been released and discharged.

The Company is proposing to issue Northrock Financial LLC, Platinum Partners Credit Opportunities Master Fund LP and Platinum Partners Value Arbitrage Fund LP (in official liquidation) (**Platinum Entities**) or their nominees 37.5 million Options with a 4 year term and at an exercise price of 1.6 cents (**New Platinum Options**), as consideration for the Platinum Entities agreeing to extend part of the Debt Restructure Transaction (refer Section 6.5 below).

The issue of the New Platinum Options is subject to Shareholder approval and the Platinum Entities agreeing to not exercise half (being 37.5 million) of the Existing Platinum Options. The New Platinum Options will only be issued once these conditions have been met.

To the extent the Company is able, subject to regulatory requirements, half of the Existing Platinum Options will be cancelled immediately. The cancellation of these options is not conditional on the issue of the New Platinum Options.

6.2 Regulatory requirements

Listing Rule 7.1 provides, subject to certain exceptions, that Shareholder approval is required for any issue of equity securities, where the securities proposed to be issued represent more than 15% of the company's ordinary shares then on issue (**Placement Capacity**).

By approving the grant of the New Platinum Options, the Company will retain the flexibility to issue equity securities in the future up to the Placement Capacity, without the requirement to obtain Shareholder approval.

In the event that Shareholder approval is not obtained for the grant of the New Platinum Options, the Company will issue the New Platinum Options to the extent permissible under the Company's existing Placement Capacity.

6.3 Information required by Listing Rule 7.3

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

- (a) the maximum number of securities to be issued is 37,500,000 New Platinum Options;
- (b) If approved, it is intended that the New Platinum Options be granted no later than 3 months after the AGM (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules) and will be issued on the same date;
- (c) the New Platinum Options will be issued for nil cash consideration. The New Platinum Options are being issued in consideration of the Platinum Entities extending the date for satisfaction of the Subsequent Conditions as set out in section 6.5 below;
- (d) the New Platinum Options will be issued to the Platinum Entities or their nominees approved by the Board. The allottees are not a related party of the Company;
- (e) the New Platinum Options will be issued on the terms and conditions set out in

Explanatory Memorandum

Schedule 2;

- (f) funds raised on the exercise of the New Platinum Options will be used for working capital purposes.
- (g) a voting exclusion applies to this resolution - please see the notes to Resolution 4 in the Notice.

6.4 Recommendation

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

6.5 Debt Restructure Transaction

On 22 July 2016, the Company announced that it had reached an agreement to convert the Blumont Loan and Northrock Loan (together the **Platinum Loans**) into a production royalty, subject to the preparation of definitive agreements (**Debt Restructure Transaction**).

The Company entered into a definitive royalty deed on 29 April 2017 under which the Company will be granted a discharge and release of its obligations under the Platinum Loans in exchange for a production royalty, subject to certain conditions being satisfied.

The terms and conditions of the royalty deed (including the conditions) were announced to the market on 2 May 2017. The royalty deed included conditions precedent. Certain conditions precedent set out in the royalty deed have already been satisfied as previously announced by the Company. The conditions precedent relating to ongoing production and financing budgets (Subsequent Conditions) have not yet been satisfied. These are as follows:

1) (**Ongoing production**) the Company providing satisfactory evidence that:

(A) after achieving commercial quantity of production and sales (being 15,000 tonnes per month) (**Commencement Date**), the average of the next 6 consecutive months' commercial production is no less than 8,500 tonnes per month; or

(B) coal production in each of the 3 consecutive months after the month of the Commencement Date is of such quantity that is in accordance with an annual production plan to deliver an aggregate of at least 100,000 tpa of Coal,

provided the 6 months under (A) and the 3 months under (B) occur between 9 June 2017 until 9 December 2018.

2) (**Budgets**) Review and approval of (such approval not to be unreasonably withheld or delayed) all budgets prepared for all financing proposals made before the conditions precedent have been satisfied

Under the current terms of the royalty deed, the Subsequent Conditions must be satisfied by 9 December 2018. The Company is negotiating an extension to this date to 31 July 2020 on the basis of the issue of the New Platinum Options and the Platinum Entities agreeing not to exercise 37.5 million of the Existing Platinum Options.

Explanatory Memorandum

7. Interpretation

\$ means Australian Dollars

AEDT means Australian Eastern Daylight Saving Time

Annual General Meeting or Meeting means the Annual General Meeting of the Company to be held on 30 November 2018

ASIC means the Australian Securities and Investments Commission

ASX means the ASX Limited ACN 008 624 691

Board means the board of directors of the Company

Closely Related Party (as defined in the Corporations Act) of a member of the Key Management Personnel for an entity means:

- (a) a spouse or child of the member; or
- (b) a child of the member's spouse; or
- (c) a dependent of the member or the member's spouse; or
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealings with the entity; or
- (e) a company the member controls; or
- (f) a person prescribed by the regulations for the purposes of this paragraph

Company means Cokal Limited ACN 082 541 437

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

Debt Restructure Transaction means the conversion of the Platinum Loans into a production royalty

Directed Proxy Form means a proxy form which specifies how the proxy is to vote

Directors means the directors of the Company

Equity Securities has the meaning give to that term in the Listing Rules

Existing Platinum Options means 75 million Options held by the Platinum Entities with an expiry date 20 February 2023 and an exercise price of 1.6 cents

Listing Rules means the listing rules of the ASX

Key Management Personnel has the definition given in the accounting standards as those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly and indirectly, including any director (whether executive or otherwise) of that entity. The Remuneration Report identifies the Company's key management personnel for the financial year ended 30 June 2018

Market Price has the meaning given to that term in the Listing Rules

New Platinum Options means 37.5 million Options with a 4 year term and at an exercise price of 1.6 cents

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

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

Option means an option to subscribe for a Share

Platinum Entities means Northrock Financial LLC, Platinum Partners Credit Opportunities Master Fund LP and Platinum Partners Value Arbitrage Fund LP (in official liquidation)

Platinum Loans means Blumont loan and Northrock Loan

Explanatory Memorandum

Remuneration Resolution means a resolution connected directly or indirectly with the remuneration of a member of the Key Management Personnel and includes Resolution 1 in this Notice of Meeting

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

Special Resolution means a resolution:

(a) of which notice has been given as set out in paragraph 249L(1)(c) of the Corporations Act; and

(b) passed by at least 75% of the votes cast by members entitled to vote on the Resolution

Undirected Proxy Form means a proxy form which does not specify how the proxy is to vote

VWAP means the volume weighted average market price of the Shares

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

Explanatory Memorandum

SCHEDULE 1 – ISSUES OF EQUITY SECURITIES SINCE 29 NOVEMBER 2017

Date	Quantity	Class	Recipients	Issue price and discount to Market Price (if applicable) ¹	Form of consideration
Issue – 4 December 2017	17,250,055	Shares ²	Issued to MEF I LP	Issue price: \$0.042 Discount to Market Price: 28%	Consideration: Issued on conversion of Convertible Notes Current value ³ : \$638,252
Issue – 22 December 2017	5,000,000	Options ⁴	Issued to Garry Kielenstyn	Not applicable	Consideration: Issued as incentive Current value ³ : \$127,019
Issue – 2 January 2018	25,000,000	Shares ²	Issued to the vendors of PT Tambung Benua Alam Raya (TBAR)	Issue price: \$0.10 per Share Discount to Market Price: Nil	Amount raised: Shares issued in satisfaction of payment claims Current value ³ : \$925,000
Issue – 7 February 2018	28,606,669	Shares ²	Issued to Sophisticated and Professional Investors	Issue price: \$0.045 per Share Discount to Market Price: Nil	Amount raised = \$1,287,300 Amount spent = \$1,287,300 Use of funds Exploration and evaluation expenditure on the Company's projects and for general working capital
Issue – 20 February 2018	4,888,888	Shares ²	Issued to Sophisticated and Professional Investors	Issue price: \$0.045 per Share Discount to Market Price: Nil	Amount raised = \$220,000 Amount spent = \$220,000 Use of funds Exploration and evaluation expenditure on the Company's projects and for general working capital
Issue – 20 February 2018	75,000,000	Options ⁵	Issued to Northrock Financial LLC, Platinum Partners Credit Opportunities Master Fund LP, Platinum Partners Value Arbitrage Fund LP (in official liquidation) Platinum	Not applicable	Consideration: In accordance with the debt restructure agreement Current value ³ : \$1,862,082
Issue – 3 August 2018	3,888,975	Shares ²	Issued to MEF I LP	Issue price; \$0.029 per Share Discount to Market Price: 31%	Consideration: Issued on conversion of Convertible Notes Current value ³ : \$143,892

Explanatory Memorandum

Date	Quantity	Class	Recipients	Issue price and discount to Market Price (if applicable) ¹	Form of consideration
Issue – 3 August 2018	540,540	Shares ²	Issued to Athena Swan	Issue price: \$0.033 per Share Discount to Market Price: 21%	Consideration: Issued on conversion of loan to equity Current value ³ : \$20,000
Issue – 25 September 2018	3,702,821	Shares ²	Issued to MEF I LP	\$0.031 Discount to Market Price: 33%	Consideration: Issued on conversion of Convertible Notes Current value ³ : \$137,004

Notes:

1. Market Price means the closing price on ASX (excluding special crossings, overnight sales and exchange traded option exercises). For the purposes of this table the discount is calculated on the Market Price on the last trading day on which a sale was recorded prior to the date of issue of the relevant Equity Securities.
2. Fully paid ordinary shares in the capital of the Company, ASX Code: CKA (terms are set out in the Constitution).
3. In respect of quoted Equity Securities the value is based on the closing price of the Shares (\$0.037) on the ASX on 29 September 2018. In respect of unquoted Equity Securities the value of Options is measured at the time of issue using the Black & Scholes option pricing model. Measurement inputs include the Share price on the measurement date, the exercise price, the term of the Option, the impact of dilution, the expected volatility of the underlying Share (based on weighted average historic volatility adjusted for changes expected due to publicly available information), the expected dividend yield and the risk free interest rate for the term of the Option.
4. Unquoted Options: 1,000,000 exercisable at \$0.12 each, on or before 22 December 2020 (vesting on production of 100,000 tonnes of coal). 4,000,000 exercisable at \$0.15 each, on or before 22 December 2020 (vesting once consistently operating at a production rate for three months of 45,000 tonnes of coal per month).
5. Unquoted Options, exercisable at \$0.016 each, on or before 16 February 2023, vesting on completion of debt to royalty conversion.

SCHEDULE 2 – TERMS OF THE NEW PLATINUM OPTIONS

- 1 Each New Platinum Option is an option to subscribe for one Share in the capital of the Company.
- 2 Each New Platinum Option is exercisable from the date of grant of the New Platinum Options, subject to the satisfaction of the conditions referred to in section 6.1 and 6.2, until 5.00pm (Sydney time) on the date which is 4 years from the date of grant (**Exercise Period**).
- 3 A New Platinum Option automatically lapses immediately after the Exercise Period.
- 4 The exercise price of each New Platinum Option is A\$0.016 (1.6 cents).
- 5 The New Platinum 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 New Platinum 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 New Platinum Option to the Company at any time during the Exercise Period.
- 7 Upon the valid exercise of the New Platinum 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 New Platinum 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 New Platinum 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 New Platinum Options, in accordance with the requirements of the ASX Listing Rules.
- 9 The option holder does not participate in any dividends unless the New Platinum 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 New Platinum 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 New Platinum 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.
- 13 If there is a pro rata issue (except a bonus issue), the exercise price of a Platinum Option may be reduced according to the following formula:

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

Explanatory Memorandum

Where:

O^n = the new exercise price of the New Platinum Option;

O = the old exercise price of the New Platinum Option;

E = the number of underlying Shares into which one New Platinum 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 New Platinum Option is exercisable may be increased by the number of Shares which the New Platinum Option holder would have received if the New Platinum 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.

This proxy form (and the power of attorney or other authority, if any, under which the proxy form is signed) or a copy or facsimile which appears on its face to be an authentic copy of the proxy form (and the power of attorney or other authority) must be **deposited at, posted to, scanned and emailed or sent by facsimile transmission to the address on the proxy form**, not less than 48 hours before the time for holding the meeting, or adjourned meeting as the case may be, at which the individual named in the proxy form proposes to vote.

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 (AEDT) on 28 November 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>

THIS PAGE HAS BEEN LEFT BLANK INTENTIONALLY



LODGE YOUR PROXY APPOINTMENT ONLINE



ONLINE PROXY APPOINTMENT

www.advancedshare.com.au/investor-login



MOBILE DEVICE PROXY APPOINTMENT

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.

Sub-Register	
HIN / SRN	

2018 ANNUAL GENERAL MEETING PROXY FORM

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

APPOINT A PROXY

The Chair of the meeting **OR**

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

or failing the individual(s) or body corporate(s) named, or if no individual(s) or body corporate(s) named, the Chair 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 Annual General Meeting of the Company to be held **at Level 5, 56 Pitt Street, Sydney NSW 2000 on Friday, 30 November 2018 at 11.00am (AEDT)** and at any adjournment or postponement of that Meeting.

Chair authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chair of the Meeting as my/our proxy (or the Chair becomes my/our proxy by default), I/we expressly authorise the Chair to exercise my/our proxy on Item 1 (except where I/we have indicated a different voting intention below) even though this Item is connected directly or indirectly with the remuneration of a member(s) of key management personnel, which includes the Chair.

I/we acknowledge the Chair of the Meeting intends to vote all undirected proxies available to them in favour of each Item of Business.

VOTING DIRECTIONS

Agenda Items	For	Against	Abstain*
1 Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Re-election of Mr Patrick Hanna as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Approval of 10% Placement Capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Approval for the grant of Options to Platinum Entities or their nominee	<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.

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)	Joint Shareholder 2 (Individual)	Joint Shareholder 3 (Individual)
<input type="text"/>	<input type="text"/>	<input type="text"/>

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

This form shows 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 Chair as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chair, 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.

DEFAULT TO THE CHAIR OF THE MEETING

If you leave Step 1 blank, or if your appointed proxy does not attend the Meeting, then the proxy appointment will automatically default to the Chair of the Meeting.

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 permitted by law. If you mark more than one box on an item, your vote on that item will be invalid.

PROXY VOTING BY KEY MANAGEMENT PERSONNEL

If you wish to appoint a Director (other than the Chair) or other member of the Company's key management personnel, or their closely related parties, as your proxy, you must specify how they should vote on Item 1, by marking the appropriate box. If you do not, your proxy will not be able to exercise your vote for Item 1.

PLEASE NOTE: If you appoint the Chair as your proxy (or if they are appointed by default) but do not direct them how to vote on an item (that is, you do not complete any of the boxes "For", "Against" or "Abstain" opposite that item), the Chair may vote as they see fit on that item.

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 11.00am (AEDT) on 28 November 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



ALL ENQUIRIES TO

Telephone: +61 8 9389 8033