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15 July 2001

Form 603Corporations Act 2001
Section 671B**Notice of initial substantial holder**To Company Name/Scheme Coalspur Mines LimitedACN/ARSN 003 041 594**1. Details of substantial holder (1)**Name KC Euroholdings S.à r.l., each person listed in Annexure A and Mr Chris ClineACN/ARSN (if applicable) N/AThe holder became a substantial holder on 25 / 02 / 15.**2. Details of voting power**

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in on the date the substantial holder became a substantial holder are as follows:

Class of securities (4)	Number of securities	Persons' votes (5)	Voting power (6)
Ordinary shares	127,667,346	127,667,346	19.90%

3. Details of relevant interests

The nature of the relevant interest the substantial holder or an associate had in the following voting securities on the date the substantial holder became a substantial holder are as follows:

Holder of relevant interest	Nature of relevant interest (7)	Class and number of securities
KC Euroholdings S.à r.l.	Relevant interest under section 608(1)(c) of the Corporations Act (power to control the exercise of a power to dispose of the securities) arising under a Standstill Agreement between KC Euroholdings S.à r.l. and Borrowdale Park S.A. dated 25 February 2015, a copy of which is contained in Annexure B to this notice.	127,667,346 ordinary shares
Each of the companies listed in Part 1 of Annexure A	Relevant interest under section 608(3) of the Corporations Act as persons who control, or have voting power above 20% in, KC Euroholdings S.à r.l.	127,667,346 ordinary shares

4. Details of present registered holders

The persons registered as holders of the securities referred to in paragraph 3 above are as follows:

Holder of relevant interest	Registered holder of securities	Person entitled to be registered as holder (8)	Class and number of securities
KC Euroholdings S.à r.l.	Borrowdale Park S.A.	Borrowdale Park S.A.	127,667,346 ordinary shares
Mr Chris Cline and each of the companies listed in Part 1 of Annexure A	Borrowdale Park S.A.	Borrowdale Park S.A.	127,667,346 ordinary shares

5. Consideration

The consideration paid for each relevant interest referred to in paragraph 3 above, and acquired in the four months prior to the day that the substantial holder became a substantial holder is as follows:

Holder of relevant interest	Date of acquisition	Consideration (9)		Class and number of securities
		Cash	Non-cash	
KC Euroholdings S.à r.l.	25 February 2015	\$10.00 (in aggregate)	Nil	127,667,346 ordinary shares
Mr Chris Cline and each of the companies listed in Part 1 of Annexure A	25 February 2015	Nil	Nil	127,667,346 ordinary shares

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6. Associates

The reasons the persons named in paragraph 3 above are associates of the substantial holder are as follows:

Name and ACN/ARSN (if applicable)	Nature of association
See Annexure A	Associates pursuant to section 12(2)(a) of the Corporations Act

7. Addresses

The addresses of persons named in this form are as follows:

Name	Address
See Annexure A	See Annexure A

Signature

print name Robert Keith Varney capacity Class A Manager

sign here Robert Keith Varney Date 27 February 2015

DIRECTIONS

- (1) If there are a number of substantial holders with similar or related relevant interests (eg. a corporation and its related corporations, or the manager and trustee of an equity trust), the names could be included in an annexure to the form. If the relevant interests of a group of persons are essentially similar, they may be referred to throughout the form as a specifically named group if the membership of each group, with the names and addresses of members is clearly set out in paragraph 7 of the form.
- (2) See the definition of "associate" in section 9 of the Corporations Act 2001.
- (3) See the definition of "relevant interest" in sections 608 and 671B(7) of the Corporations Act 2001.
- (4) The voting shares of a company constitute one class unless divided into separate classes.
- (5) The total number of votes attached to all the voting shares in the company or voting interests in the scheme (if any) that the person or an associate has a relevant interest in.
- (6) The person's votes divided by the total votes in the body corporate or scheme multiplied by 100.
- (7) Include details of:
 - (a) any relevant agreement or other circumstances by which the relevant interest was acquired. If subsection 671B(4) applies, a copy of any document setting out the terms of any relevant agreement, and a statement by the person giving full and accurate details of any contract, scheme or arrangement, must accompany this form, together with a written statement certifying this contract, scheme or arrangement; and
 - (b) any qualification of the power of a person to exercise, control the exercise of, or influence the exercise of, the voting powers or disposal of the securities to which the relevant interest relates (indicating clearly the particular securities to which the qualification applies).

See the definition of "relevant agreement" in section 9 of the Corporations Act 2001.
- (8) If the substantial holder is unable to determine the identity of the person (eg. If the relevant interest arises because of an option) write "unknown".
- (9) Details of the consideration must include any and all benefits, money and other, that any person from whom a relevant interest was acquired has, or may, become entitled to receive in relation to that acquisition. Details must be included even if the benefit is conditional on the happening or not of a contingency. Details must be included of any benefit paid on behalf of the substantial holder or its associate in relation to the acquisitions, even if they are not paid directly to the person from whom the relevant interest was acquired.

This is Annexure A of 2 pages (including this page) referred to in the Form 603 ('Notice of initial substantial holder') signed by me and dated 27 February 2015

Robert Keith Varney
Signature

Robert Keith Varney
Name

KC Euroholdings S.à r.l.
40, avenue Monteray,
L-2163 Luxembourg
Luxembourg

Part 1 –

Persons who have a relevant interest under section 608(3) of the Corporations Act as persons who control, or have voting power above 20% in, KC Euroholdings S.à r.l.

- Cutlass Collieries LLC
- Cline Trust Company LLC

each of:

3801 PGA Boulevard, Suite 903
Palm Beach Gardens, FL 33410
United States of America

Part 2 –

Other associates

- Kameron Coal Management Limited
- Kameron Collieries ULC
- 3287139 Nova Scotia Company
- Donkin Coal Marketing Limited
- Donkin Tenements Inc

each of:

Purdy's Wharf, Tower I
1100-1959 Upper Water Street
Halifax, NS B3J 3N2
Canada

This is Annexure B of 13 pages (including this page) referred to in the Form 603 ('Notice of initial substantial holder') signed by me and dated 27 February 2015

Robert Kenta Varney
Signature

Robert Kenta Varney
Name

Standstill Agreement

KC Euroholdings S.à r.l.

Borrowdale Park S.A.

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This Agreement is made this 25th day of February

2015

Parties **KC Euroholdings S.à r.l.**, a company existing under the laws of Luxembourg, with its registered address at 40, avenue Monterey, L-2163, Luxembourg, Luxembourg (**KCE**)

and

Borrowdale Park S.A., a company existing under the laws of Panama, with its registered address at P.H. Proconsa II Building, Beatriz M. Cabal Street, Panama, Republic of Panama (**Borrowdale**)

Recitals

- A. Borrowdale is the registered holder of 130,903,302 fully paid ordinary shares in Coalspur.
- B. Coalspur intends to propose the Scheme to its members.
- C. Borrowdale has agreed not to dispose of its Standstill Shares on the terms and conditions of this document.

This Agreement provides

1. Interpretation

1.1 Definitions

In this document:

Business Day means a day which is not a Saturday, Sunday or bank or public holiday in Perth, Western Australia.

Coalspur means Coalspur Mines Limited ACN 003 041 594.

Coalspur Share means a fully paid ordinary share in the capital of Coalspur

Competing Proposal has the meaning in the SIA (as if references to the Scheme were references to the takeover bid referred to in clause 2.2 of this document).

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

Court means a court of competent jurisdiction.

Effective means the coming into effect, pursuant to section 411(10) of the Corporations Act, of the order of the court made under section 411(4)(b) in relation to the Scheme.

Effective Date means the date on which the Scheme becomes Effective.

Encumbrance means:

- (a) a mortgage, charge, pledge, lien, hypothecation, power of attorney or title retention arrangement, a right of set-off or right to withhold payment of a deposit or other money, a notice under section 255 of the *Income Tax*

Assessment Act 1936 (Cth), subdivision 260-A in schedule 1 of the Taxation Administration Act 1953 (Cth) or any similar legislation;

- (b) any other interest or arrangement of any kind that secures the payment of money or the performance of an obligation or which gives a creditor priority over unsecured creditors in relation to any property; or
- (c) any agreement to create any of them or to allow any of them to exist.

SIA means the Scheme Implementation Agreement between KCE and Coalspur in relation to the Scheme.

Scheme means a scheme of arrangement under Part 5.1 of the Corporations Act between Coalspur and its members, which, if implemented, will result in KCE acquiring all of the Coalspur Shares.

Standstill Shares means 127,667,346 Coalspur Shares held by Borrowdale.

Standstill Period has the meaning given to it in clause 2.2.

Superior Offer has the meaning given to it in the SIA (as if references to the Scheme were references to the takeover bid referred to in clause 2.2 of this document).

1.2 Construction

Unless expressed to the contrary, in this document:

- (a) words in the singular include the plural and vice versa;
- (b) any gender includes the other genders;
- (c) if a word or phrase is defined its other grammatical forms have corresponding meanings;
- (d) "includes" means includes without limitation;
- (e) no rule of construction will apply to a clause to the disadvantage of a party merely because that party put forward the clause or would otherwise benefit from it;
- (f) a reference to:
 - (i) a person includes a partnership, joint venture, unincorporated association, corporation and a government or statutory body or authority;
 - (ii) a person includes the person's legal personal representatives, successors, assigns and persons substituted by novation;
 - (iii) any legislation includes subordinate legislation under it and includes that legislation and subordinate legislation as modified or replaced;
 - (iv) an obligation includes a warranty or representation and a reference to a failure to comply with an obligation includes a breach of warranty or representation;
 - (v) a right includes a benefit, remedy, discretion or power;

- (vi) time is to local time in Perth;
- (vii) "\$" or "dollars" is a reference to Australian currency;
- (viii) this or any other document includes the document as novated, varied or replaced and despite any change in the identity of the parties;
- (ix) writing includes any mode of representing or reproducing words in tangible and permanently visible form, and includes fax transmissions;
- (x) this document includes all schedules and annexures to it; and
- (xi) a clause, schedule or annexure is a reference to a clause, schedule or annexure, as the case may be, of this document;
- (g) the terms **control**, **related body corporate**, **related entity**, **relevant interest** and **takeover bid** have the meaning ascribed to them by the Corporations Act.
- (h) if the date on or by which any act must be done under this document is not a Business Day, the act must be done on or by the next Business Day; and
- (i) where time is to be calculated by reference to a day or event, that day or the day of that event is excluded.

1.3 Headings

Headings do not affect the interpretation of this document.

2. Standstill

2.1 Standstill

In return for KCE paying to Borrowdale \$10.00 (receipt of which is acknowledged by Borrowdale), Borrowdale agrees not to sell, assign, grant any option over, create an Encumbrance over, create an economic interest in or enter into any agreement, arrangement or understanding with any person which would otherwise give that person or any other person a relevant interest in the Standstill Shares (other than this agreement) or otherwise dispose of or deal with the Standstill Shares or any right or interest in the Standstill Shares during the Standstill Period without the prior written consent of KCE.

2.2 Standstill Period

The Standstill Period is the period commencing on the date of this agreement and ending on the date which is the earliest of:

- (a) the close of trading on ASX on the day on which the Scheme becomes Effective; and
- (b) the day on which either the Scheme or the SIA is terminated; and
- (c) 31 March 2015 (or any later date agreed in writing by Borrowdale) but only if the SIA has not been executed by that date by KCE and Coalspur,

unless KCE or any related entity of KCE has publicly announced a takeover bid for all the Coalspur Shares at a price per Coalspur Share not less than the Scheme

consideration per Coalspur Share, in which case the Standstill Period will be taken not to have ended (if it otherwise would have ended as a result of subclauses (a), (b) or (c)) and will instead end on the date which is the earliest of:

- (d) the day on which the offer period (including any extensions of that offer period) under that takeover bid ends; or
- (e) the day which is 5 Business Days after Coalspur announces that it recommends a scheme of has determined an Competing Proposal to be a Superior Offer.

2.3 Takeover bid

Clause 2.1 does not apply to the acceptance by Borrowdale of an offer under a takeover bid made by KCE or any related entity of KCE for Coalspur Shares.

3. Exclusivity

3.1 No existing discussions

As at the date of this agreement, Borrowdale represents and warrants that, other than the discussions with KCE in respect of this agreement:

- (a) it has not entered into any agreement, arrangement or understanding with any other person; and
- (b) is not in any other negotiations or discussions with any other person,

in respect of the acquisition of a relevant interest in all or any of the Standstill Shares by any other person.

3.2 No talk

During the Standstill Period, Borrowdale must ensure that none of it, its officers nor any of its related bodies corporate or their officers, employees, agents or advisers negotiates or enters into or participates in negotiations or discussions with any other person regarding the acquisition of a relevant interest in all or any of the Standstill Shares by any other person.

3.3 No shop restriction

During the Standstill Period, Borrowdale must ensure that none of it, its officers or any of its related bodies corporate or their officers, employees, agents or advisers directly or indirectly solicit, invite, encourage, initiate or otherwise facilitate any enquiries, expressions of interest, offers, proposals, negotiations or discussions (whether from a person with whom Borrowdale has previously been in discussions or not), or communicates any intention to do any of these things, with a view to obtaining any expression of interest, offer or proposal from any other person in relation to the acquisition of a relevant interest in all or any of the Standstill Shares.

3.4 Notification

During the Standstill Period, if Borrowdale receives a written or verbal proposal in relation to the acquisition of a relevant interest in all or any of the Standstill Shares or is approached or requested by any person to engage in any activity that would breach its obligations in clauses 3.2 or 3.3, Borrowdale must immediately inform KCE of the fact

and all material terms of any proposal made by that person (including the price or value under that proposal and the identity of that person) and provide KCE with a copy of any such proposal to enable KCE to consider what effect this may have on the Scheme.

3.5 Time of the essence

Time is of the essence in this clause 3.

4. Voting

The parties agree that nothing in this document restricts the ability of Borrowdale to exercise the votes attaching to the Standstill Shares in Borrowdale's discretion during or after the Standstill Period, including in relation to voting on the Scheme.

5. Representations and Warranties

5.1 Representations and Warranties

Each party represents and warrants that:

- (a) **(documents effective)** this document constitutes its legal, valid and binding obligations, enforceable against it in accordance with its terms (except to the extent limited by equitable principles and laws affecting creditors' rights generally), subject to any necessary stamping or registration; and
- (b) **(no contravention)** neither its execution of this document nor the carrying out by it of the transactions that it contemplates, does or will:
 - (i) contravene any law to which it or any of its property is subject or any order of any government agency that is binding on it or any of its property;
 - (ii) contravene any authorisation, consent, declaration, exemption, notarisation or waiver, however it is described;
 - (iii) contravene any undertaking or instrument binding on it or any of its property;
 - (iv) contravene its constitution; or
 - (v) require it to make any payment or delivery in respect of any financial accommodation or financial instrument before it would otherwise be obliged to do so.

5.2 Warranties by Borrowdale

In addition to clause 3.1, Borrowdale represents and warrants to KCE that:

- (a) Borrowdale is legally entitled to the Standstill Shares; and
- (b) the Standstill Shares are not subject to any Encumbrance, third party economic interest or option, and no other party has any other kind of relevant interest or any other right or interest in these Standstill Shares.

5.3 Reliance on representations and warranties

Each party acknowledges that the other party has executed this document and agreed to take part in the transactions that it contemplates in reliance on the representations and warranties that are made or repeated in this clause.

6. Notices

6.1 General

A notice, demand, certification, process or other communication relating to this document must be in writing in English and may be given by an agent of the sender.

6.2 How to give a communication

In addition to any other lawful means, a communication may be given by being:

- (a) personally delivered;
- (b) left at the party's current address for notices;
- (c) sent to the party's current address for notices by pre-paid ordinary mail or, if the address is outside Australia, by pre-paid airmail; or
- (d) sent by fax to the party's current fax number for notices.

6.3 Particulars for delivery of notices

- (a) The particulars for delivery of notices are initially:

KCE

Address: 3801 PGA Boulevard, Suite 903
Palm Beach Gardens
Florida 33410
United States of America
Fax: +1 561 626 4938
Attention: Paul Vining

Copy to: Bailey & Glasser, LLP
Address: 209 Capitol Street, Charleston
West Virginia 25301
United States of America
Fax: +1 304 342 1110
Attention: Brian Glasser

Borrowdale

Address: P.H. Proconsa II Building, Beatriz M. Cabal Street,
Panama, Republic of Panama
Fax: + 41 22 704 0506
Attention: Company Secretary
Copy to:

Each party may change its particulars for delivery of notices by notice to each other party.

6.4 Communications by post

Subject to clause 6.6, a communication is given if posted:

- (a) within Australia to an Australian address, three Business Days after posting; or
- (b) in any other case, ten Business Days after posting.

6.5 Communications by fax

Subject to clause 6.6, a communication is given if sent by fax, when the sender's fax machine produces a report that the fax was sent in full to the addressee. That report is conclusive evidence that the addressee received the fax in full at the time indicated on that report.

6.6 After hours communications

If a communication is given:

- (a) after 5.00 pm in the place of receipt; or
- (b) on a day which is a Saturday, Sunday or bank or public holiday in the place of receipt,

it is taken as having been given at 9.00 am on the next day which is not a Saturday, Sunday or bank or public holiday in that place.

6.7 Process service

Any process or other document relating to litigation, administrative or arbitral proceedings relating to this document may be served by any method contemplated by this clause 6 or in accordance with any applicable law.

7. General

7.1 Further acts

Each party will promptly do and perform all further acts and execute and deliver all further documents (in form and content reasonably satisfactory to that party) required by law or reasonably requested by any other party to give effect to this agreement.

7.2 Stamp Duty

KCE as between the parties is liable for and must pay all stamp duty (including any fine or penalty except where it arises from default by the other party) on or relating to this document, any document executed under it or any dutiable transaction evidenced or effected by it.

7.3 Legal costs

Except as expressly stated otherwise in this document, each party must pay its own legal and other costs and expenses of negotiating, preparing, executing and performing its obligations under this document.

7.4 Amendment

This document may only be varied or replaced by a document executed by the parties.

7.5 Waiver and exercise of rights

- (a) A single or partial exercise or waiver by a party of a right relating to this document does not prevent any other exercise of that right or the exercise of any other right.
- (b) A party is not liable for any loss, cost or expense of any other party caused or contributed to by the waiver, exercise, attempted exercise, failure to exercise or delay in the exercise of a right.

7.6 Rights cumulative

Except as expressly stated otherwise in this document, the rights of a party under this document are cumulative and are in addition to any other rights of that party.

7.7 Consents

Except as expressly stated otherwise in this document, a party may conditionally or unconditionally give or withhold any consent to be given under this document and is not obliged to give its reasons for doing so.

7.8 Governing law and jurisdiction

- (a) This document is governed by and is to be construed in accordance with the laws applicable in Western Australia.
- (b) Each party irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts exercising jurisdiction in Western Australia and any courts which have jurisdiction to hear appeals from any of those courts and waives any right to object to any proceedings being brought in those courts.

7.9 Assignment

- (a) A party must not assign or deal with any right under this document without the prior written consent of the other parties.
- (b) Any purported dealing in breach of this clause is of no effect.

7.10 Liability

An obligation of two or more persons binds them separately and together.

7.11 Counterparts

This document may consist of a number of counterparts and, if so, the counterparts taken together constitute one document.

7.12 Entire understanding

- (a) This document contains the entire understanding between the parties as to the subject matter of this document.

- (b) All previous negotiations, understandings, representations, warranties, memoranda or commitments concerning the subject matter of this document are merged in and superseded by this document and are of no effect. No party is liable to any other party in respect of those matters.
- (c) No oral explanation or information provided by any party to another:
 - (i) affects the meaning or interpretation of this document; or
 - (ii) constitutes any collateral agreement, warranty or understanding between any of the parties.

7.13 Relationship of parties

This document is not intended to create a partnership, joint venture or agency relationship between the parties.

Executed as an agreement

Executed by KC Euroholdings S.à r.l. in
accordance with the laws of its country of
incorporation

Robert Keith Varney
Signature of Authorised Signatory

Robert Keith Varney
Name of Authorised Signatory in full

Executed by BORROWDALE PARK S.A.
in accordance with the laws of its country
of incorporation

[Signature]
Signature of Authorised Signatory

Denis Tze Sek Sum (Mr.)

Name of Authorised Signatory in full

[Signature]
Signature of Authorised Signatory
Lux Business Management Sàrl
Name of Authorised Signatory in full Represented by
Orno Baumister and
Sean Murray