



Notice of Annual General Meeting and Explanatory Statement

Cokal Limited

ABN 55 082 541 437

Date of Meeting: Monday, 16 November 2015

Time of Meeting: 11:00 am (Brisbane time)

Place of Meeting: Endeavour Room, Christie Centre, Level 1, 320 Adelaide Street,
Brisbane, Queensland.

This is an important document and requires your attention

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

Notice is given that the Annual General Meeting of Shareholders of Cokal Limited ABN 55 082 541 437 (**Company**) will be held at the Endeavour Room, Christie Centre, Level 1, 320 Adelaide Street, Brisbane, Queensland, on 16 November 2015 at 11:00 am (Brisbane time).

Agenda

ORDINARY BUSINESS

Financial Reports

To receive and consider the Company's 2015 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 2015.

1. Resolution One – Re-election of Peter Lynch as a Director

To consider and, if thought fit, pass the following Ordinary Resolution, without amendment:

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

2. Resolution Two - 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 2015 (as set out in the Directors' Report) is adopted."

NOTES

1. The vote on Resolution Two is advisory only and does not bind the Directors or the Company.
2. If 25% or more of votes that are cast are voted against the remuneration report at two consecutive AGM's, Shareholders will be required to vote at the second of those AGM's 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 EXCLUSION STATEMENT

The Company will disregard and not count any votes cast (in any capacity) on Resolution Two by or on behalf of either or both the following persons:

- (a) a member of the Company's Key Management Personnel; or
 - (b) a Closely Related Party of a member of the Company's Key Management Personnel,
- unless:
- (c) the person:
 - (i) does so in relation to a resolution where they hold a Directed Proxy Form; or
 - (ii) is the Chairman of the Meeting and is expressly authorised to exercise the proxy even though the resolution is a Remuneration Resolution; and
 - (d) the vote is not cast on behalf of a person described in paragraph (a) and (b) above.

3. Resolution Three – Ratification of Previous Issue of Platinum Options

To consider and, if thought fit, pass the following Ordinary Resolution with or without amendment:

“That, in accordance with the provisions of Listing Rule 7.4 and for all other purposes, Shareholders ratify the grant to Platinum Partners Credit Opportunities Master Fund, L.P. of 25,000,000 options to subscribe for ordinary Shares in the Company exercisable at \$0.13 each on or before 6 February 2019 (subject to an extension in accordance with the terms and conditions of grant) and otherwise on the terms and conditions set out in the Explanatory Statement accompanying this Notice of Meeting.”

VOTING EXCLUSION STATEMENT

The Company will disregard any votes cast on this Resolution by:

- Platinum Partners Credit Opportunities Master Fund, L.P. (Platinum); and
- any associate of Platinum.

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 Four – Ratification of Previous Issue of Senior Management Incentive Options

To consider and, if thought fit, pass the following Ordinary Resolution with or without amendment:

“That, in accordance with the provisions of Listing Rule 7.4 and for all other purposes, Shareholders ratify the grant to senior management of 10,000,000 incentive options to subscribe for ordinary Shares in the Company exercisable at \$0.126 each on or before 24 February 2019 and otherwise on the terms and conditions set out in the Explanatory Statement accompanying this Notice of Meeting.”

VOTING EXCLUSION STATEMENT

The Company will disregard and not count any votes cast (in any capacity) on this Resolution by or on behalf of either or both the following persons:

- any Recipient; and
- any associate of a Recipient.

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 a direction on the proxy form to vote as the proxy decides.

In addition, pursuant to the Corporations Act, the Company's Key Management Personnel and their Closely Related Parties are not permitted to cast a vote as a proxy for another person who is permitted to vote, unless:

- (a) the proxy holds a Directed Proxy Form; or
- (b) the proxy is the Chairman of the Meeting and he is expressly authorised to exercise the proxy even though the resolution is a Remuneration Resolution.

5. Resolution Five - Ratification of Issues of the Cedrus Shares

To consider and, if thought fit, pass the following Ordinary Resolution with or without amendment:

"That, in accordance with the provisions of Listing Rule 7.4 and for all other purposes the Shareholders ratify the issues to Cedrus Investments Ltd of 27,777,778 fully paid ordinary Shares in the Company pursuant to the Placement announced on 1 June 2015."

VOTING EXCLUSION STATEMENT

The Company will disregard any votes cast on this Resolution by:

- Cedrus Investments Ltd; and
- any associate of Cedrus Investments Ltd.

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 Six - Approval to issue securities under Employee and Officer Share Option Plan

To consider and, if thought fit, pass the following Ordinary Resolution with or without amendment:

"That for the purposes of Exception 9 of ASX Listing Rule 7.2 and for all other purposes, the Shareholders approve the issue of securities by the Company under the Employee and Officer Share Option Plan as an exception to ASX Listing Rules 7.1 and 7.1A, on the terms and conditions set out in the Explanatory Memorandum."

VOTING EXCLUSION STATEMENT

The Company will disregard any votes cast on this Resolution by:

- a Director of the Company (except one who is ineligible to participate in any employee incentive scheme in relation to the Company); and
- any associate of a Director of the Company.

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.

In addition, a vote on this Resolutions must not be cast by:

- (a) any member of Key Management Personnel of the Company; or
- (b) a Closely Related Party of such a member,

unless

- (c) the person does so in relation to a resolution where they hold a proxy and:
 - (i) the person holds a Directed Proxy Form; or
 - (ii) the person is the Chairman of the Meeting and he is expressly authorised to exercise the proxy even though the resolution is a Remuneration Resolution; and
- (d) the vote is not cast on behalf of a Key Management Personnel of the Company or their Closely Related Party.

7. Resolution Seven - Approval of Enhanced Placement Capacity

To consider and, if thought fit, pass the following Special Resolution with or without amendment:

“That, pursuant to and in accordance with the provisions of Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of such a number of Shares equal to up to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions in the Explanatory Statement.”

VOTING EXCLUSION STATEMENT

The Company will disregard any votes cast on this Resolution by:

- a person who may participate in the Enhanced Placement Capacity and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of Shares, if this Resolution is passed; and
- any associate of such a 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. Specific comments relating to the Resolutions are set out in the Explanatory Statement.

By order of the Board
Duncan Cornish, Joint Company Secretary
16 October 2015

Explanatory Statement

Introduction

This Explanatory Statement is provided to Shareholders of Cokal Limited ABN 55 082 541 437 (**Company**) to explain the resolutions to be put to Shareholders at the Annual General Meeting to be held at the Endeavour Room, Christie Centre, Level 1, 320 Adelaide Street, Brisbane, Queensland, on 16 November 2015 at 11:00 am (Brisbane time).

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.

Consider the Company's 2015 Annual Report

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 2015 Annual Report is placed before the Shareholders for discussion. No voting is required for this item.

1. Resolution One – Re-election of Peter Lynch as a Director

Mr Peter Lynch was first appointed on 24 December 2010 and was re-elected by Shareholders on 22 November 2012. Mr Peter Lynch retires by rotation in accordance with the Company's Constitution and, being eligible, offers himself for re-election as a Director. Mr Lynch is not considered an independent director due to his executive functions.

Since graduating with a Mining Engineering degree in 1988, Mr Lynch has held various positions, within the coal industry in Australia, as mining engineer, project manager, mine manager, general manager and managing director culminating most recently in the role, from January 2006 until January 2010, as the President, CEO and Director of Waratah Coal Inc., a TSX listed company which was taken over by the Mineralogy Group in December 2008, having reached a peak market capitalisation of CAD300 Million. Other highlights include:

- § Mining Engineer with over 28 years' experience mainly in coal.
- § Proven track record in coal project evaluation, development and operation.
- § Responsible for design and construction of one of Australia's best producing longwall projects, Oaky North.
- § Ex-CEO of Waratah Coal responsible for putting the Galilee basin on the map, visionary development plan.
- § Ex-MD APC, MacArthur Coal operating entity expanded to 6Mt/pa.
- § Strong following in Nth American Capital Markets, WCI.TSX-V.
- § Currently a director of WCB Resources Limited (TSX-V:WCB).

Mr. Peter Lynch is a member of the Audit Committee.

The Directors (with Mr Peter Lynch abstaining) recommend that Shareholders vote in favour of this Resolution.

2. Resolution Two - Remuneration Report

The Remuneration Report is set out in the Directors' Report section of the Company's 2015 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").

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 2014 Annual General Meeting less than 25% of the votes cast were voted against adoption of the Remuneration Report included in the 2014 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.

A voting exclusion applies to Key Management Personnel and their Closely Related Parties in certain circumstances – please see the notes to Resolution Two. Any Undirected Proxy Forms held by the directors or any other Key Management Personnel (excluding the Chairman) or their Closely Related Parties will not be voted on Resolution Two.

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

3. Resolutions 3 – 5 - Ratification of previous issues of shares and options

3.1 Background

ASX Listing Rule 7.1 prohibits an ASX listed company, except in certain cases, from issuing or agreeing to issue new equity securities without the approval of its Shareholders, if the number of securities issued or agreed to be issued by the company during the previous 12 months exceeds 15% of the total number of securities on issue at the commencement of that 12 month period (**15% Placement Capacity**).

ASX Listing Rule 7.4 provides that an issue of equity securities made without prior approval of Shareholders may be treated as having been made with Shareholder approval if:

- (a) at the time of the issue, it did not breach ASX Listing Rule 7.1; and
- (b) the Shareholders of the company subsequently ratify the issue in general meeting.

3.2 Previous issues

As previously disclosed the Company has issued the following securities:

- On 6 February 2015, the Company issued to Platinum Partners Credit Opportunities Master Fund, L.P. (**Platinum**) 25,000,000 unlisted options to subscribe for Shares, exercisable at \$0.13 each on or before 6 February 2019 (the expiry date can be extended to 6 February 2023 in certain circumstances) (**Platinum Options**).
- On 24 February 2015, the Company issued to Senior Management 10,000,000 unlisted options to subscribe for Shares, exercisable at \$0.126 each on or before 24 February 2019 (**Senior Management Incentive Options**).
- On 1 June 2015 the Company announced that it had agreed to issue 27,777,778 Shares to Cedrus Investments Ltd at an issue price of \$0.09 per Share (**Cedrus Shares**). The Cedrus Shares were issued in two tranches comprising of 11,111,111 Shares (issued on 10 June 2015) and 16,666,667 Shares (issued on 23 June 2015).

The securities described above (**Placement Securities**) were issued without Shareholder approval in accordance with the Listing Rules. Accordingly, the Company seeks Shareholder ratification for each issue of the Placement Securities in accordance with ASX Listing Rule 7.4.

If Resolutions 3 – 6 inclusive are passed, the issue of those shares and options will not reduce the Company's 15% Placement Capacity.

3.3 Information required by ASX Listing Rule 7.5

For the purposes of ASX Listing Rule 7.5 the Company provides the following information (in addition to information contained in the Notice of Meeting and elsewhere in this Explanatory Statement) for the purposes of Shareholder ratification under ASX Listing Rule 7.4:

3.4 Resolution Three – Ratification of Previous Issue of Platinum Options

Number of securities issued	25,000,000 unlisted options.
The price at which the securities were issued	Nil. The Platinum Options were granted as part consideration for the BBM funding package announced on 30 January 2015.
The terms of the securities	The Platinum Options are unlisted, have an exercise price of \$0.13 each and expire on or before 6 February 2019 (expiry date can be extended to 6 February 2023 in certain circumstances). A summary of the terms and conditions of grant are set out in Annexure "A" to this Explanatory Statement.

Name of allottee	Platinum Partners Credit Opportunities Master Fund, L.P.
The use (or intended use) of the funds raised	The BBM funding package enabled work to progress on the detailed engineering and final design to progress and complete the preparation work necessary to enable site based construction to start.
Voting exclusion statement	A voting exclusion statement relating to Resolution Three is included in the Notice of Meeting.

3.5 Resolution Four – Ratification of Previous Issue of Senior Management Incentive Options

Number of securities issued	10,000,000 unlisted options.
The price at which the securities were issued	Nil. The options were issued as incentive options for senior management
The terms of the securities	<p>The Senior Management Options are unlisted, have an exercise price of \$0.126 each and expire on or before 24 February 2019. The options vest as follows</p> <p style="padding-left: 40px;">\$ 4,500,000 on 24 February 2016</p> <p style="padding-left: 40px;">\$ 5,000,000 on 24 February 2017</p> <p>The options were issued pursuant to the Employee and Officer Share Option Plan approved by Shareholders on 21 February 2011. The full terms of the Plan are available via the ASX announcements platform.</p>
Name of allottees	Various senior management personnel
Voting exclusion statement	A voting exclusion statement relating to Resolution Four is included in the Notice of Meeting.

3.7 Resolution five - Ratification of Issues of the Cedrus Shares

Number of securities allotted	27,777,778
The price at which the securities were issued	\$0.09 per ordinary share
The terms of the securities	All of the shares that were issued are fully paid ordinary shares in the Company that rank pari passu and form one class with all other ordinary shares of the Company.
Names of allottees or the basis on which allottees were determined	The shares were issued to Cedrus Investments Ltd and its related entities.
The use (or intended use) of the funds raised	Working capital.
Voting exclusion statement	A voting exclusion statement relating to Resolution Five is included in the Notice of Meeting.

The Directors unanimously recommend that Shareholders vote in favour of Resolutions 3 – 5 inclusive.

4. Resolution Six – Approval to issue securities under Employee and Officer Share Option Plan

Pursuant to Resolution Six, the Company is seeking Shareholder approval for potential future issue of securities under the Company's current Employee and Officer Share Option Plan which was approved by shareholders at a general meeting on 21 February 2011 (the **Plan**) as an exception to ASX Listing Rules 7.1 and 7.1A.

4.1 Background

The Company's current share option plan was approved by Shareholders on 21 February 2011. The full terms of the Plan are available via the ASX announcements platform.

4.2 Listing Rules

Exception 9 of ASX Listing Rule 7.2 allows the Company to issue securities without reducing the 15% Placement Capacity under ASX Listing Rule 7.1 or the Enhanced Placement Capacity under ASX Listing Rule 7.1A, if shareholders of the Company have approved the issue of securities under an employee share and option plan within three years prior to the issue of the securities.

Resolution Six is being put to Shareholders for this purpose and will allow the Company to utilise Exception 9 to ASX Listing Rule 7.2 for three years from the date of the Resolution being passed.

4.3 Information for Shareholders

In accordance with Exception 9 of ASX Listing Rule 7.2, the Company advises that there have been 18,625,000 options issued under the Plan since the last approval.

4.4 Voting restrictions

There are restrictions on voting on Resolution Six, by a Director and any associate of a Director and Key Management Personnel and their Closely Related Parties. For additional details please refer to the Voting Exclusion Statements in Resolution Six of the Notice of Meeting.

Shareholders should be aware that any Undirected Proxy Forms given to the Chairman will be cast by the Chairman and counted in favour of the resolutions the subject of the Meeting, including this Resolution Six, subject to compliance with the Corporations Act.

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

5. Resolution Seven - Approval of Enhanced Placement Capacity

5.1 ASX Listing Rule 7.1A

ASX Listing Rule 7.1A enables eligible entities to issue Shares up to 10% of their issued share capital through placements over a 12 month period after the annual general meeting (**Enhanced Placement Capacity**). This Enhanced Placement Capacity is in addition to the Company's placement capacity under ASX Listing Rule 7.1 (**15% Placement Capacity**).

The Company is an eligible entity for the purposes of ASX Listing Rule 7.1A. The Company has a market capitalisation of less than \$300 million and is not included in the S&P ASX 300 Index.

Resolution Seven is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a case of a corporate shareholder, by a corporate representative).

If approved, the effect of Resolution Seven will be to allow the Directors to issue Shares under ASX Listing Rule 7.1A during the period in which the approval is valid, in addition to the Company's 15% Placement Capacity.

5.2 Calculation of the Enhanced Placement Capacity

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

5.3 Minimum Price of securities issued under ASX Listing Rule 7.1A – ASX Listing Rule 7.3A.1

Pursuant to and in accordance with ASX Listing Rule 7.3A.1, the issue price of the securities issued pursuant to approval under ASX Listing Rule 7.1A must be not less than 75% of the volume weighted average price for the relevant class of equity securities over the 15 trading days immediately before:

- (a) the date on which the price at which the securities are to be issued is agreed; or
- (b) if the securities are not issued within 5 trading days of the date in paragraph (a) above, the date on which the securities are issued.

The minimum price cannot be determined at this stage, however, the Company will disclose to the ASX the issue price on the date of issue of the securities.

5.4 Dilution to existing Shareholders – ASX Listing Rule 7.3A.2

If Resolution Seven is approved by the Shareholders and the Company issues Shares under the Enhanced Placement Capacity, the existing Shareholders' voting power in the Company will be diluted as shown in Table 1 (below).

There is a risk that:

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

If Shares are issued at a discount to the net tangible asset value per Share (**NTA**) there may be a negative impact on NTA.

Table 1 (below) shows the dilution of existing Shareholders on the basis of the current market price of Shares (as at 28 September 2015) and the current number of ordinary securities for variable "A" calculated in accordance with the formula in ASX Listing Rule 7.1.2 as at the date of this Notice.

Table 1 also shows:

- two examples where variable "A" has increased, by 50% and 100%. Variable "A" is based on the number of ordinary securities the Company has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require shareholder approval or future specific placements under ASX Listing Rule 7.1 that are approved at a future shareholders' meeting; and
- two examples of where the issue price of ordinary securities has decreased by 50% and increased by 100% as against the current market price.

Table 1

ASX Listing Rule 7.1A.2		Dilution		
		\$0.045 50% decrease in Market Price	\$0.09 Market Price	\$0.18 100% increase in Market Price
Current Issued Capital 499,342,704 Shares	10% Voting Dilution	49,934,270	49,934,270	49,934,270
	Funds raised	\$2,247,042	\$44,940,843	\$8,988,169
50% increase in current Issued Capital 749,014,056 Shares	10% Voting Dilution	74,901,406	74,901,406	74,901,406
	Funds raised	\$3,370,563	\$6,741,127	\$13,482,253
100% increase in current Issued Capital 998,985,408 Shares	10% Voting Dilution	99,898,541	99,898,541	99,898,541
	Funds raised	\$4,495,434	\$8,990,869	\$17,981,737

Assumptions and explanations

- § Table 1 reflects the share capital of the Company as at the date of this Notice. As at the date of this Notice, the Company has 499,342,704 Shares on issue and 60,150,000 options on issue.
- § Table 1 does not take into account the additional 60,150,000 Shares that would be on issue if the 60,150,000 options on issue in the Company were to be exercised.
- § The Market Price is 9.0 cents based on the closing price of the Shares on ASX on 28 September 2015.
- § Table 1 only shows the effect of dilution based on the Enhanced Placement Capacity and not the 15% Placement Capacity.
- § The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue.
- § Table 1 assumes the Company issues the maximum number of securities available to it under the Enhanced Placement Capacity.
- § The increases in Issued Capital have been calculated in accordance with the formula in ASX Listing Rule 7.1A(2) as at 28 September 2015.
- § The issue price of the Securities used in Table 1 does not take into account the discount to the Market Price (if any).

5.5 Final date for issue – ASX Listing Rule 7.3A.3

As required by ASX Listing Rule 7.3A.3, the Company will only issue and allot the securities under the Enhanced Placement Capacity during the period commencing on the date of the Meeting and expiring of the first to occur of:

- § 12 months after the date of the Meeting (which the Company anticipates will be 16 November 2015); and
- § the date Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities of the Company) or Listing Rule 11.2 (the disposal of the main undertaking of the Company).

5.6 Purpose – ASX Listing Rule 7.3A.4

The purpose for which the securities may be issued under the Enhanced Placement Capacity include to raise funds for the Company. Any funds raised from the issue of those securities are intended to be used as follows:

- § general working capital;
- § advancement of the Company's BBM coal project; and
- § payment of any expenses associated with the issue of the securities.

5.7 Equity Securities Issued for Non-cash consideration – ASX Listing Rule 7.3A.4

The Company may issue securities under the Enhanced Placement Capacity for non-cash consideration, such as the acquisition of new assets, services or investments.

If the Company issues securities for non-cash consideration, the Company will release to the market a valuation of the non-cash consideration that demonstrates that the issue price of the securities complies with ASX Listing Rule 7.1A.3.

5.8 Company's Allocation Policy – ASX Listing Rule 7.3A.5

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue of securities pursuant to the Enhanced Placement Capacity.

The identity of the allottees of the securities will be determined on a case-by-case basis having regard to factors including, but not limited to, the following:

- § the methods of raising funds that are available to the Company, including but not limited to, rights issues or other issues in which existing Shareholders can participate;
- § the effect of the issue of the securities on the control of the Company;
- § the financial situation and solvency of the Company; and
- § advice from corporate, financial and broking advisers (if applicable).

The allottees of the securities under the Enhanced Placement Capacity have not been determined as at the date of this Notice but may include existing substantial shareholders and/or new shareholders who are not related parties or associates of a related party of the Company.

Further, if the Company is successful in acquiring new assets or investments, it is possible that the allottees under the Enhanced Placement Capacity will be the vendors of the new assets or investments.

5.9 Shareholder Approval previously obtained under ASX Listing Rule 7.1A – ASX Listing Rule 7.3A.6

The Company obtained Shareholder approval under ASX Listing Rule 7.1A at the Company's last Annual General Meeting held on 17 November 2014.

Pursuant to ASX Listing Rule 7.3A.6(a), the Company has issued both Shares and unlisted options in the 12 months preceding the date of the Meeting. The total number of equity securities issued by the Company in the 12 months preceding the Meeting and the percentage they represent of the total number of equity securities on issue at the commencement of that 12 month period are as follows:

	Equity Securities
Number of equity securities on issue at commencement of 12 month period	471,487,926 Shares 33,700,000 - unlisted options Total – 505,187,926 equity securities
Equity securities issued in prior 12 month period	27,854,778 Shares 35,000,000 - unlisted options Total – 62,854,778 equity securities
Percentage previous issues represent of total number of equity securities on issue at commencement of 12 month period	12.44% increase in equity securities

As required by ASX Listing Rule 7.3A.6(b), details of equity securities issued in previous 12 months are as follows:

Platinum Options

Date of issue:	6 February 2015
Number issued:	25,000,000
Class/Type of equity security:	Unlisted Options
Summary of terms:	The Platinum Options are unlisted, have an exercise price of \$0.13 each and expire on or before 6 February 2019 (expiry date can be extended to 6 February 2023 in certain circumstances). A summary of the terms and conditions of grant are set out in Annexure "A" to this Explanatory Statement.
Names of persons who received securities or basis on which those persons was determined:	Platinum Partners Credit Opportunities Master Fund, L.P.
Price at which equity securities were issued:	Nil. The Platinum Options were granted as part consideration for the BBM funding package announced on 30 January 2015.
Discount to market price (if any):	N/A
<i>For non-cash issues</i>	
Non-cash consideration paid	N/A
Current value of that non-cash consideration	The options have an accounting value of \$198,323.

Senior Management Incentive Options

Date of issue:	24 February 2015
Number issued:	10,000,000
Class/Type of equity security:	Unlisted Options
Summary of terms:	<p>The Senior Management Options are unlisted, have an exercise price of \$0.126 each and expire on or before 24 February 2019. The options vest as follows</p> <p style="padding-left: 40px;">\$ 4,500,000 on 24 February 2016</p> <p style="padding-left: 40px;">\$ 5,000,000 on 24 February 2017</p> <p>The options were issued pursuant to the Employee and Officer Share Option Plan approved by Shareholders on 21 February 2011. The full terms of the Plan are available via the ASX announcements platform.</p>
Names of persons who received securities or basis on which those persons was determined:	Various senior management personnel
Price at which equity securities were issued:	Nil. The options were issued as incentive options for senior management
Discount to market price (if any):	N/A
<i>For non-cash issues</i>	
Non-cash consideration paid	N/A
Current value of that non-cash consideration	The options have an accounting value of \$356,242.

Employee equity based remuneration

Date of issue:	23 March 2015
Number issued:	77,000
Class/Type of equity security:	Shares
Summary of terms:	Shares rank pari passu with all other Shares on issue in the Company
Names of persons who received securities or basis on which those persons was determined:	Various employees
Price at which equity securities were issued:	\$0.13 per share
Discount to market price (if any):	No discount.
<i>For non-cash issues</i>	
Non-cash consideration paid	Employee incentive shares
Current value of that non-cash consideration	N/A

Cedrus Shares

Total Number of Shares issued:	27,777,778 The Shares were issued in two tranches: - 11,111,111 on 11 June 2015; and - 16,666,667 on 23 June 2015
Class/Type of equity security:	Shares
Summary of terms:	Shares rank pari passu with all other Shares on issue in the Company
Names of persons who received securities or basis on which those persons was determined:	Cedrus Investments Ltd
Date of issue:	11 June 2015
Number issued:	11,111,111
Price at which equity securities were issued:	\$0.09 per share
Discount to market price (if any):	No discount
Date of issue:	23 June 2015
Number issued:	16,666,667
Price at which equity securities were issued:	\$0.09 per share
Discount to market price (if any):	1.1%
<i>For cash issues</i>	
Total cash consideration received:	\$2,500,000
Amount of cash consideration spent:	Cash when raised is held in a common bank account and is not tracked separately
Use of cash consideration:	Working capital and development of BBM Project
Intended use for remaining amount of cash (if any):	Working capital and development of BBM Project

5.10 Voting Exclusion Statement – ASX Listing Rule 7.3A.7

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

The Directors believe this Resolution is in the best interests of the Company and unanimously recommend that Shareholders vote in favour of this Resolution.

6. Interpretation

\$ means Australian dollars

ASX means ASX Limited ACN 008 624 691 or the securities exchange operated by ASX Limited ACN 008 624 691 as the context requires.

Board means the board of Directors of the Company.

Closely Related Party means the closely related parties of Key Management Personnel as defined in the Corporations Act, and includes certain members of their family, dependants and companies they control.

Company means Cokal Limited ACN 082 541 437.

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

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

Key Management Personnel of the Company are the directors of the Company and those other persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. The Remuneration Report identifies the Company's key management personnel for the financial year to 30 June 2015.

Listing Rules means the listing rules of the ASX.

Meeting means the Annual General Meeting of Shareholders to be held on 16 November 2015.

Remuneration Resolution means a resolution connected directly or indirectly with the remuneration of a member of the Key Management Personnel and includes Resolutions 2 and 6.

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 shareholder of the Company.

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

Any enquiries in relation to the Resolutions or the Explanatory Statement should be directed to Duncan Cornish (Company Secretary):

Cokal Limited

Street address: c/- Corporate Admin Services, Level 5, 10 Market Street, Brisbane QLD 4000

Postal address: GPO Box 2676, Brisbane QLD 4001

Ph: (07) 3212 6299 | **Fax:** (07) 3212 6250

Email: info@cokal.com.au

Annexure A

Options Terms and Conditions - Platinum Partners Credit Opportunities Master Fund, L.P. (Platinum)

- (a) Each Platinum Option is an option to subscribe for one Share in the capital of the Company.
- (b) Each Platinum Option is exercisable from the date of grant (6 February 2015) until 5.00 pm (Brisbane time) on 6 February 2019 (however, the expiry date can be extended to 6 February 2023 in certain circumstances) (**Exercise Period**).
- (c) If during the period commencing in the date of grant to 6 February 2019 there is a 'Prescribed Event', then the exercise period will extend to 6 February 2023. A 'Prescribed Event' is any of the following events:
 - a. Trading in the Company's Shares on the ASX and/or any other applicable financial market was suspended for more than a total of 10 days during any 12 month period;
 - b. The Shares in the Company cease to be listed and traded on a financial market including without limitation by means of a de-listing, merger, transfer of assets, scheme of arrangement or management buy-out; or
 - c. Any such transaction, including by demerger or spin-off that results in the Company, its shares or its substantial assets being privately owned.
- (d) A Platinum Option automatically lapses immediately after the Exercise Period.
- (e) The exercise price of each Platinum Option is AUD\$0.13. Payment of the exercise price may be satisfied by the holder paying the exercise price in cash or causing the provider of the bridge loan or project finance to reduce the principal owing by the amount of the exercise price.
- (f) The 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.
- (g) The 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 Platinum Option to the Company at any time on or after the grant date and on or before the Expiry Date.
- (h) Upon the valid exercise of the 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.
- (i) 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, provide Platinum Option holders with at least 12 business days notice prior to the books record date (to determine entitlements to any new pro rata issue of securities made to Shareholders generally) to exercise the Platinum Options.
- (j) The Company does not intend to apply for listing of the Platinum Options on the ASX.
- (k) The Company shall apply for listing on the ASX of the resultant Shares of the Company issued upon exercise of any Platinum Option.
- (l) 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.

- (m) 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:

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

Where:

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

O = the old exercise price of the Platinum Option;

E = the number of underlying Shares into which one 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.

- (n) If there is a bonus issue to the holders of Shares in the Company, the number of Shares over which the Platinum Option is exercisable may be increased by the number of Shares which the Platinum Option holder would have received if the 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 2001* (Cth).

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.

The 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, or sent by facsimile transmission to the address listed below 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.

Cokal Limited

Street address: c/- Corporate Admin Services, Level 5, 10 Market Street, Brisbane QLD 4000

Postal address: GPO Box 2676, Brisbane QLD 4001

Ph: (07) 3212 6299 | **Fax:** (07) 3212 6250

Email: info@cokal.com.au

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.

Proxy Appointment - Voting Instructions

If you appoint one or more proxies, you can direct your proxy how to vote by placing a mark in one of the boxes opposite each resolution. 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 resolution by inserting the percentage or number of Shares you wish to vote in the appropriate box or boxes. If you mark more than one box on any resolution your vote on that resolution will be invalid.

Remuneration Resolutions

- 1 A member of the Company's Key Management Personnel or their Closely Related Party must not, whether in person or by proxy, vote in their own right on the adoption of the Remuneration Report in Resolution Two.
- 2 A person appointed as proxy may vote or abstain from voting as he or she thinks fit except in the following circumstances:
 - 2.1 The proxy holds a Directed Proxy Form;
 - 2.2 Where the proxy is voting in relation to a Remuneration Resolution and the proxy is either a Key Management Personnel for the Company or a Closely Related Party and holds an Undirected Proxy Form; and

2.3 The proxy is required by law or the Company's Constitution to vote in a certain manner or abstain from voting.

3 Clause 2.2 does not apply if the Chairman of the Meeting is appointed as proxy and his appointment expressly authorises the Chairman to exercise the proxy even if the resolution is a Remuneration Resolution.

4 If you appoint the Chairman as your proxy and have not directed him how to vote, you are expressly authorising the Chairman to cast your Undirected Proxy Form in accordance with his intentions set out below.

5 The Chairman intends to vote all Undirected Proxy Forms in favour of all resolutions including Remuneration Resolutions.

6 The following definitions apply in this document:

Closely Related Party means the closely related parties of Key Management Personnel as defined in the Corporations Act 2001, and includes certain members of their family, dependants and companies they control.

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

Key Management Personnel of the Company are the directors of the Company and those other persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. The Remuneration Report identifies the Company's key management personnel for the financial year to 30 June 2014.

Remuneration Resolution means a resolution connected directly or indirectly with the remuneration of a member of the Key Management Personnel and includes Resolutions Two and Six in the Notice of Meeting.

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

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 (Brisbane time) on 14 November 2015. 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, you must have already lodged this document with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.
Companies:	Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

Proxy Form

Please mark **Y** to indicate your directions

STEP 1 Appoint a Proxy to vote on your behalf

I/We being a member/s of Cokal Limited hereby appoint:

the Chairman
of the Meeting

OR



PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the voting directions below (or if no directions have been given, as the proxy sees fit) at the Annual General Meeting of Cokal Limited to be held at the Endeavour Room, Christie Centre, Level 1, 320 Adelaide Street, Brisbane, Queensland on 16 November 2015 at 11:00 am (Brisbane time) and at any adjournment of that Meeting.

Important notice for Resolutions Two and Six - appointment of the Chairman as your proxy

Where I/we have not marked any of the boxes opposite Resolutions Two or Six, I/we expressly authorise the Chairman to exercise my/our proxy in respect of Resolutions Two and Six, even though the Chairman is a member of the Company's Key Management Personnel and Resolutions Two and Six are connected directly or indirectly with the remuneration of the Company's Key Management Personnel.

Chairman's voting intentions

The Chairman of the Meeting intends to vote all available proxies in favour of all items of business.

If you appoint the Chairman as your proxy and you do not wish the Chairman to vote in favour of any resolution, you may direct the Chairman to vote against that resolution or abstain from voting on that resolution by marking the appropriate box opposite that resolution below.

STEP 2 Items of Business



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

Resolution	For	Against	Abstain
1. Re-election of Peter Lynch as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Ratification of Previous Issue of Platinum Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Ratification of Previous Issue of Senior Management Incentive Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Ratification of Issues of the Cedrus Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Approval to issue securities under Employee and Officer Share Option Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Approval of Enhanced Placement Capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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

SIGN Signature of Securityholder(s) *This section must be completed.*

Securityholder 1

Securityholder 2

Securityholder 3

Sole Director and Sole Company Secretary

Director

Director/Company Secretary

Contact Name _____ Phone No. _____ Date _____