
BOWEN COKING COAL LIMITED

ABN 72 064 874 620

NOTICE OF GENERAL MEETING AND EXPLANATORY STATEMENT

TIME: 11:00am AEST

DATE: Friday 31 May 2019

PLACE: Level 35, Waterfront Place
1 Eagle Street,
BRISBANE QLD 4000

The business of the Meeting affects your shareholding and your vote is important.

This Notice of Meeting and Explanatory Statement should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the General Meeting are those who are registered Shareholders at 5:00 pm (WST)/7.00 pm (AEST) on Wednesday, 29 May 2019.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on (08) 9481 0389.

BUSINESS OF THE GENERAL MEETING

AGENDA

1. RESOLUTION 1 – RATIFICATION OF PRIOR SHARE ISSUE (LR 7.1A)

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 31,250,000 Shares on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of St Lucia Resources Capital Fund Pty Ltd <The St Lucia Resources Capital Trust> or any of its associates. However, the Company need 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.

2. RESOLUTION 2 – RATIFICATION OF PRIOR OPTION GRANT (LR 7.1)

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 30,000,000 Options on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of Olross Investments Pty Ltd <The Olross Capital Trust> or any of its associates. However, the Company need 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.

Voting Prohibition: A person appointed as proxy must not vote, on the basis of that appointment, on this Resolution if the proxy is either a member of the Key Management Personnel or a Closely Related Party of such a member, and the appointment does not specify the way the proxy is to vote on this Resolution. However, this prohibition does not apply if the proxy is the Chair and the appointment 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.

3. RESOLUTION 3 – RATIFICATION OF PRIOR SHARE ISSUE (LR 7.1)

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 56,154,272 Shares on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who participated in the issue or any associates of those persons. However, the Company need 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 – RATIFICATION OF PRIOR SHARE ISSUE (LR 7.1A)

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 16,526,680 Shares on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who participated in the issue or any associates of those persons. However, the Company need 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.

5. RESOLUTION 5 – PARTICIPATION OF RELATED PARTY IN FUTURE PLACEMENT – NEVILLE SNEDDON

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to 2,380,952 Shares to Neville Sneddon (or his nominee) as part of the March 2019 Capital Raising on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of Neville Sneddon (and his nominee) and any of their associates. However, the Company need 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.

6. RESOLUTION 6 – PARTICIPATION OF RELATED PARTY IN FUTURE PLACEMENT – NICHOLAS JORSS

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to 7,278,548 Shares to Nicholas Jorss (or his nominee) as part of the March 2019 Capital Raising on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of Nicholas Jorss (and his nominee) and any of their associates. However, the Company need 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.

7. RESOLUTION 7 – APPROVAL FOR OPTION GRANT – NEVILLE SNEDDON

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

“That, for the purposes of section 195(4) and section 208 of the Corporations Act, Listing Rule 10.11, and for all other purposes, approval is given for the Company to grant

3,500,000 New Options to the Company's Non-Executive Chairman, Neville Sneddon (or his nominee) on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of Neville Sneddon (and his nominee) and any of their associates (**Resolution 7 Excluded Party**). However, the Company need 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, provided the Chair is not a Resolution 7 Excluded Party, 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.

Voting Prohibition: A person appointed as proxy must not vote, on the basis of that appointment, on this Resolution if the proxy is either a member of the Key Management Personnel or a Closely Related Party of such a member, and the appointment does not specify the way the proxy is to vote on this Resolution. However, provided the Chair is not a Resolution 7 Excluded Party, this prohibition does not apply if the proxy is the Chair and the appointment 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.

8. RESOLUTION 8 – APPROVAL FOR OPTION GRANT – GERHARD REDELINGHUYS

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

"That, for the purposes of section 195(4) and 208 of the Corporations Act, Listing Rule 10.11, and for all other purposes, approval is given for the Company to grant 14,000,000 New Options to the Company's Managing Director, Gerhard Redelinghuys (or his nominee) on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by Gerhard Redelinghuys (and his nominee) and any of their associates (**Resolution 8 Excluded Party**). However, the Company need 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, provided the Chair is not a Resolution 8 Excluded Party, 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.

Voting Prohibition: A person appointed as proxy must not vote, on the basis of that appointment, on this Resolution if the proxy is either a member of the Key Management Personnel or a Closely Related Party of such a member, and the appointment does not specify the way the proxy is to vote on this Resolution. However, provided the Chair is not a Resolution 8 Excluded Party, this prohibition does not apply if the proxy is the Chair and the appointment 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.

9. RESOLUTION 9 – APPROVAL FOR OPTION GRANT – BLAIR SERGEANT

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

"That, for the purposes of section 195(4) and 208 of the Corporations Act, Listing Rule 10.11, and for all other purposes, approval is given for the Company to grant 10,500,000 New Options to the Company's Executive Director, Blair Sergeant (or his nominee) on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by Blair Sergeant (and his nominee) and any of their associates (**Resolution 9 Excluded Party**). However, the Company need 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, provided the Chair is not a Resolution 9 Excluded Party, 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.

Voting Prohibition: A person appointed as proxy must not vote, on the basis of that appointment, on this Resolution if the proxy is either a member of the Key Management Personnel or a Closely Related Party of such a member, and the appointment does not specify the way the proxy is to vote on this Resolution. However, provided the Chair is not a Resolution 9 Excluded Party, this prohibition does not apply if the proxy is the Chair and the appointment 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.

10. RESOLUTION 10 – APPROVAL FOR OPTION GRANT – STEVEN FORMICA

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

“That, for the purposes of section 195(4) and 208 of the Corporations Act, Listing Rule 10.11, and for all other purposes, approval is given for the Company to grant 2,100,000 New Options to the Company’s Non-Executive Director, Steven Formica (or his nominee) on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by Steven Formica (and his nominee) and any of their associates (**Resolution 10 Excluded Party**). However, the Company need 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, provided the Chair is not a Resolution 10 Excluded Party, 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.

Voting Prohibition: A person appointed as proxy must not vote, on the basis of that appointment, on this Resolution if the proxy is either a member of the Key Management Personnel or a Closely Related Party of such a member, and the appointment does not specify the way the proxy is to vote on this Resolution. However, provided the Chair is not a Resolution 10 Excluded Party, this prohibition does not apply if the proxy is the Chair and the appointment 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.

11. RESOLUTION 11 – APPROVAL FOR OPTION GRANT – JAMES AGENBAG

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

“That, for the purposes of section 195(4) and 208 of the Corporations Act, Listing Rule 10.11, and for all other purposes, approval is given for the Company to grant 2,100,000 New Options to the Company’s Non-Executive Director, James Agenbag (or his nominee) on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by James Agenbag (and his nominee) and any of their associates (**Resolution 11 Excluded Party**). However, the Company need 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, provided the Chair is not a Resolution 11 Excluded Party, 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.

Voting Prohibition: A person appointed as proxy must not vote, on the basis of that appointment, on this Resolution if the proxy is either a member of the Key Management Personnel or a Closely Related Party of such a member, and the appointment does not specify the way the proxy is to vote on this Resolution. However, provided the Chair is not a Resolution 11 Excluded Party, this prohibition does not apply if the proxy is the Chair and the appointment 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.

Dated: 30 April 2019

By order of the Board

A handwritten signature in black ink, appearing to read 'S Brockhurst', with a stylized flourish at the end.

**STEPHEN BROCKHURST
COMPANY SECRETARY
BOWEN COKING COAL LIMITED**

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

1. RESOLUTION 1 – RATIFICATION OF PRIOR SHARE ISSUE (LR 7.1A)

1.1 General

On 12 December 2018, the Company completed a Placement through the issue of 31,250,000 Shares at an issue price of \$0.016 per Share to raise approximately \$500,000 (**December 2018 Placement**).

31,250,000 Shares were issued pursuant to the Company's capacity under ASX Listing Rule 7.1A, which had been approved by Shareholders at the annual general meeting held on 27 November 2018.

Resolution 1 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Shares (**Ratification**).

1.2 ASX Listing Rule 7.1A

ASX Listing Rule 7.1A provides that in addition to issues permitted without prior shareholder approval under ASX Listing Rule 7.1, an entity that is eligible and obtains shareholder approval under ASX Listing Rule 7.1A may issue or agree to issue during the period for which the approval is valid a number of quoted equity securities which represents 10% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period as adjusted in accordance with the formula in ASX Listing Rule 7.1A.2.

Where an eligible entity obtains shareholder approval to increase its placement capacity under ASX Listing Rule 7.1A then any ordinary securities issued under that additional placement capacity:

- (a) will not be counted in variable "A" in the formula in ASX Listing Rule 7.1A; and
- (b) are counted in variable "E",

until their issue has been ratified under ASX Listing Rule 7.4 (and provided that the previous issue did not breach ASX Listing Rule 7.1A) or 12 months has passed since their issue.

By ratifying the issue the subject of Resolution 1, the base figure (ie variable "A") from which the Company's 15% and 10% annual placement capacities are calculated will be a higher number, which in turn will allow a proportionately higher number of securities to be issued in future without prior Shareholder approval.

1.3 Technical information required by ASX Listing Rule 7.4

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

- (a) 31,250,000 Shares were issued pursuant to ASX Listing Rule 7.1A (Resolution 1);
- (b) the issue price was \$0.016 per Share;
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Shares were issued to St Lucia Resources Capital Fund Pty Ltd <The St Lucia Resources Capital Trust> (**St Lucia**) (of which Mr Nicholas Jorss is a director and beneficiary) to whom, under section 708 of the Corporations Act, a disclosure document under Chapter 6D of the Corporations Act was not required to be given.

Mr Nicholas Jorss was appointed as an Executive Director on 12 December 2018 in conjunction with the December 2018 Placement. St Lucia was a related party of the Company at the time of the December 2018 Placement only by reason of the proposed appointment of Mr Jorss to the Board in the context of the December 2018 Placement and the application to the transaction of section 228(6) of the Corporations Act; and

- (e) the funds raised are intended to be used as follows:

Use of funds	\$
Exploration expenditure on existing projects	345,000
Costs of the Placement	7,400
Corporate and administration costs	147,600
TOTAL	500,000

1.4 Chapter 2E of the Corporations Act

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

Section 210 of the Corporations Act provides an exception to the requirement for shareholder approval of giving a financial benefit to a related party where the financial benefit is on terms that would be reasonable in the circumstances if the public company and the related party were dealing at arm's length.

The issue of the December 2018 Placement Shares constituted the giving a financial benefit, and St Lucia was a related party of the Company at the time by virtue of Mr Jorss being a director and beneficiary of St Lucia, and there being a reasonable expectation that Mr Jorss would be appointed as a Director.

The Directors considered that Shareholder approval pursuant to Chapter 2E of the Corporations Act was not required in respect of the issue of the December 2018 Placement Shares because the terms of the issue were negotiated on an arm's length basis between the Company and Mr Jorss as part of the negotiations whereby he agreed to become an investor in, and Director of, the Company, before his appointment to the Board had been made. The issue price of the December Placement Shares (\$0.016) was the same as the issue price under a placement of approximately \$1.2 million that had been made to unrelated investors in late September 2018, and was not at a significant discount to the prevailing market price as at 12 December 2018. The Directors consider that the giving of the financial benefit was on arm's length terms.

1.5 Directors' recommendations

None of the Directors, other than Nicholas Jorss, have a material personal interest in the subject matter of this Resolution. The Board, other than Nicholas Jorss, recommends Shareholders vote in favour of this Resolution.

2. RESOLUTION 2 – RATIFICATION OF PRIOR OPTION GRANT (LR 7.1)

2.1 General

On 12 December 2018, the Company granted 3 tranches of options as follows:

- (a) 10,000,000 unlisted options exercisable at \$0.025 each, expiring 12 December 2020 (**Tranche 1**);
- (b) 10,000,000 unlisted options exercisable at \$0.030 each, expiring 12 December 2020 (**Tranche 2**); and
- (c) 10,000,000 unlisted options exercisable at \$0.035 each, expiring 12 December 2020 (**Tranche 3**)

pursuant to the Company's capacity under ASX Listing Rule 7.1.

Resolution 1 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Shares (**Ratification**).

2.2 ASX Listing Rule 7.1

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

By ratifying this issue under Resolution 2, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

2.3 Technical information required by ASX Listing Rule 7.4

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

- (a) 30,000,000 Options were granted pursuant to ASX Listing Rule 7.1 (Resolution 2);
- (b) the Options were granted for nil consideration;
- (c) the terms and conditions are set out in Annexure A to this Notice;
- (d) the Options were granted to Olross Investments Pty Ltd <The Olross Capital Trust> ("**Olross**") (of which Mr Nicholas Jorss is a director and beneficiary) to whom, under section 708 of the Corporations Act, a disclosure document under Chapter 6D of the Corporations Act was not required to be given. Mr Nicholas Jorss was appointed as an Executive Director on 12 December 2018 in conjunction with the December 2018 Placement. Olross was a related party of the Company at the time of the issue of the Options only by reason of the proposed appointment of Mr Jorss to the Board in the context of the December 2018 Placement and the application to the transaction of section 228(6) of the Corporations Act; and
- (e) nil funds were raised from the grant of the Options.

2.4 Chapter 2E of the Corporations Act

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and

(b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

Section 210 of the Corporations Act provides an exception to the requirement for shareholder approval of giving a financial benefit to a related party where the financial benefit is on terms that would be reasonable in the circumstances if the public company and the related party were dealing at arm's length.

Section 211 of the Corporations Act provides an exception to the requirement for shareholder approval where the financial benefit given by the public company is remuneration to the related party as an officer or employee, and the remuneration would be reasonable given the circumstances of the public company and the related party's circumstances (including the responsibilities involved in the office or employment).

The grant of the Options constituted the giving a financial benefit, and Olross was a related party of the Company at the time by virtue of Mr Jorss being a director and beneficiary of Olross, and there being a reasonable expectation that Mr Jorss would be appointed as a Director of the Company.

The terms of the grant of the Options were negotiated on an arm's length basis between the Company and Mr Jorss as part of the negotiations whereby he agreed to become an investor in and Director of the Company, before his appointment to the Board had been made. The Directors considered that the giving of the financial benefit was on arm's length terms, and also that the grant of the Options constituted reasonable remuneration for the purposes of section 211 of the Corporations Act.

2.5 Directors' recommendations

None of the Directors, other than Nicholas Jorss, have a material personal interest in the subject matter of this Resolution. The Board, other than Nicholas Jorss, recommends Shareholders vote in favour of this Resolution.

3. RESOLUTION 3 – RATIFICATION OF PRIOR SHARE ISSUE (LR 7.1)

3.1 General

On 20 March 2019, the Company completed a Placement through the issue of 72,680,952 Shares at an issue price of \$0.021 per Share to raise \$1,526,299.99 (**March 2019 Placement**).

56,154,272 of these Shares were issued pursuant to the Company's capacity under ASX Listing Rule 7.1. This is equivalent to \$1,179,239.71 of the total amount raised under the March 2019 Placement.

Resolution 3 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of the Shares issued under Listing Rule 7.1 (**Ratification**).

3.2 ASX Listing Rule 7.1

A summary of ASX Listing Rule 7.1 is set out in Section 2.2 of this Explanatory Statement.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

3.3 Technical information required by ASX Listing Rule 7.4

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

- (a) 56,154,272 Shares were issued pursuant to ASX Listing Rule 7.1 (Resolution 3);
- (b) the issue price was \$0.021 per Share;
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Shares were issued to sophisticated and professional investors to whom, under section 708 of the Corporations Act, a disclosure document under Chapter 6D of the Corporations Act was not required to be given, and none of whom was a related party of the Company, at the time of the placement;
- (e) the funds raised under the March 2019 Placement (including the Shares that were issued under Listing Rule 7.1A, the subject of Resolution 4) are intended to be used as follows:

Use of funds	\$
Exploration expenditure on existing projects	1,062,810
Costs of the Placement	8,000
Corporate and administration costs	455,490
TOTAL	1,526,300

3.4 Directors' recommendation

None of the Directors have a material personal interest in the subject matter of this Resolution. The Board recommends that Shareholders vote in favour of this Resolution as it will enable the Company to fund its ongoing operations and commitments.

4. RESOLUTION 4 – RATIFICATION OF PRIOR SHARE ISSUE (LR 7.1A)

4.1 General

16,526,680 Shares issued under the March 2019 Placement were issued pursuant to the Company's capacity under ASX Listing Rule 7.1A, which had been approved by Shareholders at the annual general meeting held on 27 November 2018. This is equivalent to \$347,060.28 of the total amount raised under the March 2019 Placement.

Resolution 4 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of the Shares issued under Listing Rule 7.1A (**Ratification**).

4.2 ASX Listing Rule 7.1A

A summary of ASX Listing Rule 7.1A is set out in Section 1.2 of this Explanatory Statement.

By ratifying the issue the subject of Resolution 4, the base figure (ie variable "A") from which the Company's 15% and 10% annual placement capacities are calculated will be a higher number, which in turn will allow a proportionately higher number of securities to be issued in future without prior Shareholder approval.

4.3 Technical information required by ASX Listing Rule 7.4

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

- (a) 16,526,680 Shares were issued pursuant to ASX Listing Rule 7.1A (Resolution 4);

- (b) the issue price was \$0.021 per Share;
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Shares were issued to sophisticated and professional investors to whom, under section 708 of the Corporations Act, a disclosure document under Chapter 6D of the Corporations Act was not required to be given, and none of whom was a related party of the Company, at the time of the placement; and
- (e) the funds raised under the March 2019 Placement are intended to be used as set out in the table at Section 3.3.(e) of this Explanatory Statement above.

4.4 Directors' recommendations

None of the Directors have a material personal interest in the subject matter of this Resolution. The Board recommends Shareholders vote in favour of this Resolution.

5. RESOLUTIONS 5-6 – PARTICIPATION OF RELATED PARTY IN MARCH 2019 PLACEMENT – NEVILLE SNEDDON AND NICHOLAS JORSS

5.1 General

Pursuant to Resolutions 3 and 4, the Company is seeking Shareholder ratification for Shares issued under the March 2019 Placement.

Neville Sneddon and Nicholas Jorss (or their nominees) agreed to participate in the March 2019 Placement (together, the **Related Party Participants**), subject to Shareholder approval being obtained. (These Shares have not yet been issued to the Related Party Participants, and they are in addition to the number of Shares subject to ratification under Resolutions 3 and 4.)

Resolutions 5 and 6 seek Shareholder approval for the issue of up to:

- (a) 2,380,952 Shares to Neville Sneddon (Resolution 5); and
- (b) 7,278,548 Shares to Nicholas Jorss (Resolution 6),

(or their respective nominees) arising from the participation by the Related Party Participants in the March 2019 Placement on the terms and conditions set out below (**Participation**).

5.2 Chapter 2E of the Corporations Act

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The Participation will result in the issue of Shares which constitutes giving a financial benefit, and the Related Party Participants are related parties of the Company by virtue of being Directors.

The Directors consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the Participation because the Shares will be issued to the Related Party Participants at the same price and on the same terms as the

Shares that were issued to non-related party participants in the March 2019 Capital Raising, and as such the giving of the financial benefit is on arm's length terms.

5.3 ASX Listing Rule 10.11

ASX Listing Rule 10.11 also requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained, unless an exception in ASX Listing Rule 10.12 applies.

As the Participation involves the issue of Shares to related parties of the Company, Shareholder approval pursuant to ASX Listing Rule 10.11 is required unless an exception applies. It is the view of the Directors that the exceptions set out in ASX Listing Rule 10.12 do not apply in the current circumstances.

5.4 Technical information required by ASX Listing Rule 10.13

Pursuant to and in accordance with ASX Listing Rule 10.13, the following information is provided in relation to the Participation:

- (a) the Shares will be issued to Neville Sneddon and Nicholas Jorss (or their respective nominees);
- (b) the maximum number of Shares to be issued is:
 - (i) 2,380,952 Shares to Neville Sneddon (or his nominee) (Resolution 5);
 - (ii) 7,278,548 Shares to Nicholas Jorss (or his nominee) (Resolution 6),
- (c) the Shares will be issued promptly following the Meeting, expected to occur on or around 3 June 2019, and in any event within 1 month of the date of the Meeting;
- (d) the issue price will be \$0.021 per Share, being the same issue price as all other Shares to be issued under the March 2019 Placement;
- (e) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and
- (f) the funds raised will be used for the same purposes as the funds raised under the March 2019 Placement as set out in Section 3.3(e) of this Explanatory Statement.

Approval pursuant to ASX Listing Rule 7.1 is not required for the Participation as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of Shares to the Related Party Participants (or their respective nominees) will not be included in the use of the Company's 15% annual placement capacity pursuant to ASX Listing Rule 7.1.

6. RESOLUTIONS 7-11 – APPROVAL OF OPTION GRANT – NEVILLE SNEDDON, GERHARD REDELINGHUYS, BLAIR SERGEANT, STEVEN FORMICA AND JAMES AGENBAG

6.1 General

Pursuant to Resolutions 7 to 11, the Company is seeking Shareholder approval to grant a total of 32,200,000 of options (**New Options**) to Neville Sneddon, Gerhard Redelinghuys, Blair Sergeant, Steven Formica and James Agenbag.

6.2 Related party benefits

Section 208(1)(a) of the Corporations Act prohibits a company from giving a financial benefit (including an issue of securities) to a related party of the company without the

approval of shareholders by a resolution passed at a general meeting at which no votes are cast in relation to the resolution in respect of any shares held by the related party or by an associate of the related party.

Under section 228(2)(a) of the Corporations Act a director of a public company is deemed to be a 'related party' of the company.

As it is proposed that New Options will be granted to all of the Directors other than Mr Nicholas Jorss, the Directors have been unable to form a quorum to consider whether one of the exceptions set out in sections 210 to 216 of the Corporations Act, or Listing Rule 10.12, applies to the grant of the New Options. Accordingly shareholder approval is sought for the grant of the New Options to Messrs Sneddon, Redelinghuys, Sergeant, Formica and Agenbag.

Section 195 of the Corporations Act

Section 195(4) of the Corporations Act provides that a director of a public company must not vote or be present during a meeting of directors when matters in which that director holds a 'material personal interest' are being considered.

Messrs Sneddon, Redelinghuys, Sergeant, Formica and Agenbag have a material personal interest in the outcome of Resolutions 7 to 11 (as applicable). Only Mr Nicholas Jorss does not have a material personal interest in any of those resolutions, and one director is not sufficient to make up a quorum for a Board meeting. The Directors have accordingly exercised their right to put the grant of the New Options to Shareholders to resolve.

As required by section 219 of the Corporations Act, the following information is provided in relation to Resolutions 7 to 11:

- (a) Related parties to whom the financial benefits are to be given:

Name	Position
Neville Sneddon	Non-Executive Chairman
Gerhard Redelinghuys	Managing Director
Blair Sergeant	Executive Director
Steven Formica	Non-Executive Director
James Agenbag	Non-Executive Director

- (b) Nature of the financial benefit:

Name	Number of New Options
Neville Sneddon	3,500,000
Gerhard Redelinghuys	14,000,000
Blair Sergeant	10,500,000
Steven Formica	2,100,000
James Agenbag	2,100,000

Total New Options	32,200,000
--------------------------	-------------------

(c) Valuation of the financial benefit

The New Options have been valued using the Black-Scholes option pricing model with the following inputs:

Variable	Value
Exercise price	The greater of \$0.03 or 30% premium to the share price at the date of issue
Share price on 4 April 2019	\$0.022
Expiry date	30 June 2021
Volatility	83%
Risk free interest rate (Australian Government 2 year bond rate on 4 April 2019)	1.50%
Value per New Option	\$0.007

Below are the values of the financial benefits to be provided to the Directors pursuant to the grant of the New Options:

Name	Value of New Options
Neville Sneddon	\$24,500
Gerhard Redelinghuys	\$98,000
Blair Sergeant	\$73,500
Steven Formica	\$14,700
James Agenbag	\$14,700
Total Value of New Options	\$225,400

(d) Reason for the financial benefit

The primary purpose of the grant of the New Options to the Directors is to provide a performance-linked incentive component to their remuneration in consideration of services to be provided by the Directors, and to further align their interests with the Company.

(e) Terms of the securities

The full terms of the New Options are set out in Annexure B.

(f) Opportunity costs to the Company

The Company does not consider that there are any opportunity costs to the Company or benefits foregone by the Company in issuing the New Options to the Directors under Resolutions 7 to 11.

(g) Intended use of funds raised

No funds will be raised by the grant of the New Options as they are being issued as consideration for the services to be provided by the Directors of the Company. However, funds raised in the event of exercise of the Options will be applied towards working capital requirements or in any other manner that the Board considers appropriate at the relevant time. However, there is no guarantee that any of the Options will be exercised at any future time.

(h) Directors' interests

- (i) Other than Neville Sneddon, no Director has a material personal interest in the outcome of Resolution 7.
- (ii) Other than Gerhard Redelinghuys, no Director has a material personal interest in the outcome of Resolution 8.
- (iii) Other than Blair Sergeant, no Director has a material personal interest in the outcome of Resolution 9.
- (iv) Other than Steven Formica, no Director has a material personal interest in the outcome of Resolution 10.
- (v) Other than James Agenbag, no Director has a material personal interest in the outcome of Resolution 11.

(i) The relevant interests in securities of the Company of each of the Directors to whom New Options are to be granted are set out below.

Director	Shares	Options	Performance Shares
Neville Sneddon¹	0	0	0
Gerhard Redelinghuys²	114,325,000	0	13,000,000
Blair Sergeant³	11,335,000	0	0
Steven Formica⁴	9,407,100	0	0
James Agenbag⁵	113,000,000	0	13,000,000

Notes:

1. Neville Sneddon does not have a relevant interest in any Shares, or hold any options or Performance Shares, as at the date of this Notice. If Resolution 5 is passed, 2,380,952 Shares will be issued to Mr Sneddon or his nominee.
2. Gerhard Redelinghuys has a direct holding of 1,325,000 Shares, and an indirect interest in 113,000,000 Shares and 13,000,000 Class A Performance Shares held by Cape Coal Pty Ltd, of which he is a director and indirectly controlling shareholder. 30,000,000 of the Shares are subject to escrow until 11 May 2019 and 83,000,000 Shares and all the Performance Shares are subject to escrow until 11 October 2019. The Performance Shares convert into Shares on 1:1 basis upon satisfaction of performance criteria. The full terms of the Performance Shares are set out in the Company's Prospectus dated 3 August 2017.

3. Blair Sergeant has an indirect interest in 11,335,000 Shares held by Rio Super Pty Ltd <Rio Grande Do Norte Superannuation Fund>.
4. Steven Formica has an indirect interest in 9,407,100 Shares held by Stevsand Investment Pty Ltd <Steven Formica Family A/c>.
5. James Agenbag has an indirect interest in the securities held by Cape Coal Pty Ltd (see note 2 above), of which he is a director and a minority shareholder.

(j) The remuneration and emoluments from the Company to the Directors for the previous financial year and the proposed remuneration and emoluments for the current financial year are set out below.

Director	Current Financial Year ending 30 June 2019	Financial Year ended 30 June 2018
Neville Sneddon¹	\$65,700	n/a
Gerhard Redelinghuys²	\$249,080	\$183,750
Blair Sergeant³	\$198,000	n/a
Steven Formica⁴	\$39,420	\$74,565
James Agenbag⁵	\$36,000	\$35,000

Notes:

1. Neville Sneddon was appointed on 12 December 2018.
2. Gerhard Redelinghuys is currently paid a fee of \$222,900 (excluding superannuation) per annum. Fees paid to Mr Redelinghuys during the financial year ended 30 June 2018 also included \$15,653 in superannuation.
3. Blair Sergeant was appointed as an Executive Director on 28 September 2018. Mr Sergeant is currently paid a fee of \$84,000 per annum (\$7,000 per month) in his capacity as Executive Director. The Company also paid Evolution Capital Partners Pty Ltd, of which Mr Sergeant is principal, a consultancy fee of \$8,000 (plus GST) per month for additional consulting work up to 31 January 2019. Effective 1 February 2019, the full \$15,000 per month is paid direct to Blair Sergeant.
4. Steven Formica is a Non-Executive Director. Mr Formica is currently paid a fee of \$36,000 per annum (\$3,000 per month) (excluding superannuation) in his capacity as a Non-Executive Director. Mr Formica received additional fees for consulting work totalling \$30,000 (plus GST) in the financial year ended 30 June 2018.
5. James Agenbag is a Non-Executive Director. Mr Agenbag is currently paid a fee of \$36,000 per annum in his capacity as a Non-Executive Director. Mr Agenbag also received fees for additional consulting work totalling \$8,000 (plus GST) in the financial year ended 30 June 2018.

(k) If the New Options granted to the Directors were exercised, a total of 32,200,000 Shares would be issued. This would increase the number of Shares on issue from 700,952,262 (assuming that the total number of Shares on issue includes the Shares the subject of Resolutions 5 and 6, but that no other Shares are issued and that no other options or Performance Shares convert into Shares) to 733,152,262 with the effect that the shareholding of existing Shareholders would be diluted by an aggregate of approximately 4.59%, comprising approximately 0.4989% by Mr Sneddon, 1.996% by Mr Redelinghuys, 1.497% by Mr Sergeant, 0.299% by Mr Formica and 0.299% by Mr Agenbag.

The market price for Shares during the term of the New Options would normally determine whether or not the New Options are exercised. If any time any of the New Options are exercised and the Shares are trading on ASX at a price that is

higher than the exercise price of the New Options, there may be a perceived cost to the Company.

- (l) The highest and lowest closing prices of Shares on ASX during the 12 months preceding the date of this Notice and the closing price on the trading day before the date of this Notice are set out below:

	Date	Price
Highest	9 January 2019	\$0.025
Lowest	18 April 2018	\$0.012
Last	29 April 2019	\$0.023

- (m) The Board acknowledges that the grant of New Options to Messrs Sneddon, Formica and Agenbag, who are all Non-Executive Directors, is contrary to Recommendation 8.2 of the Corporation Governance Principles and Recommendations (3rd Edition) published by the ASX Corporate Governance Council. However, the Board considers the grant of New Options is reasonable in the circumstances for the reasons set out in the Directors' recommendations in Section 6.5 of this Explanatory Statement, below.

- (n) Other information

Other than as set out in this Explanatory Statement, there is no further information that is known to the Company or any of the Directors that Shareholders would reasonably require in order to decide whether or not it is in the Company's best interests to pass Resolutions 7 to 11.

6.3 ASX Listing Rule 10.11

ASX Listing Rule 10.11 provides that a company must not issue equity securities to a director of the company, an associate of a director or a person whose relationship with the company or director or a director's associate is, in ASX's opinion, such that approval should be obtained, without shareholder approval.

The Directors the subject of Resolutions 7 to 11 are Directors of the Company and, accordingly, Shareholder approval is sought under ASX Listing Rule 10.11 to permit the issue of the New Options to the Directors (or their nominee(s)).

Approval pursuant to ASX Listing Rule 7.1 is not required for the grant of the New Options, as approval is being obtained under ASX Listing Rule 10.11. If Resolutions 7 to 11 are approved, the grant of the New Options will not affect the capacity of the Company to issue equity securities in the next 12 months under ASX Listing Rules 7.1 and 7.1A as those securities, once issued, will be excluded from the calculations under ASX Listing Rule 7.1.

6.4 Technical information required by ASX Listing Rule 10.13

Pursuant to and in accordance with ASX Listing Rule 10.13, the following information is provided in relation to the grant of New Options under Resolutions 7 to 11.

- (a) Names of the persons to whom securities are to be issued.

The names of the Directors to whom New Options are to be granted are set out in each of the Resolutions 7 to 11, and in Section 6.2(a) above.

- (b) Maximum number of securities to be granted

The maximum number of securities to be issued is 32,200,000 New Options. The number of New Options to be granted to each Director is set out in each relevant Resolution, and in Section 6.2(b) above.

(c) Terms of the securities

The full terms of the New Options are set out in Annexure B.

(d) Issue price of the securities

There is no cash issue price for the New Options as they are being issued in consideration for services to be provided by the Directors.

(e) Date by which entity will grant the securities

The New Options will be granted as soon as possible after the General Meeting and, in any event, no later than 1 month after the General Meeting (or such later date to the extent permitted by any ASX waiver of the Listing Rules).

(f) Use of funds to be raised

No funds are to be raised by the grant of the New Options. See Section 6.2(g) of this Explanatory Statement, above.

6.5 Directors' recommendations

Neville Sneddon expresses no opinion and makes no recommendation in respect of the issue of the New Options to him (and/or his nominee) as he has a material personal interest in the outcome of Resolution 7.

Gerhard Redelinghuys expresses no opinion and makes no recommendation in respect of the issue of the New Options to him (and/or his nominee) as he has a material personal interest in the outcome of Resolution 8.

Blair Sergeant expresses no opinion and makes no recommendation in respect of the issue of the New Options to him (and/or his nominee) as he has a material personal interest in the outcome of Resolution 9.

Steven Formica expresses no opinion and makes no recommendation in respect of the issue of the New Options to him (and/or his nominee) as he has a material personal interest in the outcome of Resolution 10.

James Agenbag expresses no opinion and makes no recommendation in respect of the issue of the New Options to him (and/or his nominee) as he has a material personal interest in the outcome of Resolution 11.

Each of these Directors, and Mr Nicholas Jorss, recommend that Shareholders vote in favour of the issue of the New Options to the other Directors for the reasons set out in this Explanatory Statement and on the basis that, in their opinion, the proposed issue of New Options:

- (a) provides a long-term incentive to the Directors linked to the future success of the Company;
- (b) is a fair and reasonable alternative to additional cash payment of Directors' fees;
- (c) recognises the contribution the Directors have and will continue to make to the Company; and
- (d) is in line with the remuneration benefits paid to directors of other companies operating in the Company's industry and business environment; and

- (e) it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in granting the New Options on the terms proposed.

In forming their recommendations, each Director considered the experience of each other Director, the market price of Shares prior to the date of this Notice, and current market practice, when determining (i) the number, (ii) the exercise price relative to the market price of the Shares, and (iii) the expiry date, of the New Options.

ANNEXURE A – TERMS AND CONDITIONS OF OPTIONS

(a) **Entitlement**

Each Option entitles the holder to subscribe for one share in the Company (**Share**) upon exercise of the Option.

(b) **Exercise Prices**

Subject to paragraph (j), the amount payable upon exercise of each Option will be:

- (i) in respect of 10,000,000 Options, \$0.025 (**Tranche One Options**);
- (ii) in respect of 10,000,000 Options, \$0.03 (**Tranche Two Options**); and
- (iii) in respect of 10,000,000 Options, \$0.035 (**Tranche Three Options**) (each an **Exercise Price**).

(c) **Expiry Date**

Each Option will expire at 5:00 pm (WST) on the date that is two years after the date of issue of the Option (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

Subject to satisfaction of the Vesting Condition, the Options are exercisable at any time on or after the date that is 12 months after the date of issue up to and including the Expiry Date (**Exercise Period**). If the Vesting Condition is not satisfied, the Options lapse.

(e) **Vesting Condition**

Exercise of the Options is subject to Mr Nicholas Jorss holding office as a director of the Company for a period of 12 months commencing on the date of his appointment.

(f) **Notice of Exercise**

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the relevant Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(g) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

(h) **Timing of issue of Shares on exercise**

Following the Exercise Date and within the time period specified by the ASX Listing Rules, the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to

ensure that an offer for sale of the Shares does not require disclosure to investors; and

- (iii) apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under (h)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

- (i) **Shares issued on exercise**

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

- (j) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of a holder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

- (k) **Participation in new issues**

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

- (l) **Change in exercise price or number of underlying securities**

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

- (m) **Transferability**

The Options are transferable subject to any restriction under applicable Australian securities laws.

ANNEXURE B – TERMS AND CONDITIONS OF NEW OPTIONS

(a) **Entitlement**

Each Option entitles the holder to subscribe for one share in the Company (**Share**) upon exercise of the Option.

(b) **Exercise Prices**

Subject to paragraph (i), the amount payable upon exercise of each Option will be the greater of \$0.03 or 30% premium to the share price at the date of issue of the Options (**Exercise Price**).

(c) **Expiry Date**

Each Option will expire at 5:00 pm (WST) on 30 June 2021 (**Expiry Date**), unless it has lapsed earlier pursuant to paragraph (d). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date

(d) **Exercise Period**

The Options are exercisable at any time up to and including the Expiry Date (**Exercise Period**). In the event that the relevant Director ceases to be in office, the New Options held by that Director lapse at the first to occur of (i) 5.00 pm (WST) on the date that is 3 months after the date on which the Director ceased to be in office or (ii) the Expiry Date.

(e) **Notice of Exercise**

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the relevant Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

(g) **Timing of issue of Shares on exercise**

Following the Exercise Date and within the time period specified by the ASX Listing Rules, the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (iii) apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under (g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with

ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) **Shares issued on exercise**

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

(i) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of a holder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(j) **Participation in new issues**

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

(k) **Change in exercise price or number of underlying securities**

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

(l) **Transferability**

The Options are transferable subject to any restriction under applicable Australian securities laws.

VOTING IN PERSON

To vote in person, attend the General Meeting on the date and at the place set out above.

VOTING BY PROXY

To vote by proxy, please complete and sign the proxy form enclosed and either:

- (a) send the Proxy Form by post to Bowen Coking Coal Limited, Level 19, Waterfront Place, 1 Eagle Street, Brisbane, Queensland, 4000;
- (b) send the Proxy Form by e-mail to info@bowencokingcoal.com.au; or
- (c) send the Proxy Form by facsimile to the Company on facsimile number (07) 3360 0222,

so that it is received not less than 48 hours prior to commencement of the Meeting.

Proxy forms received later than this time will be invalid.

In accordance with section 249L of the Corporations Act, members are advised that:

- each member has a right to appoint a proxy;
- the proxy need not be a member of the company; and
- a member who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes each proxy may exercise, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise half of the votes.

Shareholders and their proxies should be aware that changes to the Corporations Act made in 2011 mean that:

- if proxy holders vote, they must cast all 'directed' proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

GLOSSARY

AEST means Australian Eastern Standard Time

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

ASX Listing Rules or **Listing Rules** means the Listing Rules of ASX.

Board means the current board of Directors of the Company.

Business Day means Monday to Wednesday inclusive, except New Year's Day, Good Wednesday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

Chair means the chair of the Meeting.

Closely Related Party of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (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;
- (e) a company the member controls;
- (f) a person prescribed by the Corporations Regulations 2001 (Cth) for the purposes of the definition closely related party in the Corporations Act.

Company or **Bowen** means Bowen Coking Coal Limited (ABN 72 064 874 620).

Constitution means the constitution of the Company.

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

Directors means the current directors of the Company.

Equity Securities includes a Share, a right to a Share or Option, an Option, a convertible security and any security that ASX decides to classify as an Equity Security.

Explanatory Statement means the explanatory statement accompanying this Notice of Meeting.

General Meeting or **Meeting** means the General Meeting of the Company convened by this Notice of Meeting.

Key Management Personnel has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or of the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated entity.

New Options means the options on the terms and conditions set out in Annexure B to the Notice.

Notice or **Notice of Meeting** means this Notice of the General Meeting including the Explanatory Statement and Proxy Form.

Option means an option to acquire a Share.

Optionholder means a holder of an Option.

Proxy Form means the proxy form accompanying the Notice.

Resolutions means the resolutions set out in the Notice, or any one of them, as the context requires.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a registered holder of a Share.

WST means Western Standard Time, as observed in Western Australia.

APPOINTMENT OF PROXY FORM

BOWEN COKING COAL LIMITED
ABN 72 064 874 620

GENERAL MEETING

being a Shareholder of Bowen Coking Coal Limited entitled to attend and vote at the General Meeting, hereby appoint:

Name:

or failing the person so named or, if no person is named, the Chair, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit at the General Meeting to be held at Level 35, Waterfront Place, 1 Eagle Street, Brisbane, Queensland, 4000 at 11:00am AEST on Friday, 31 May 2019 and at any adjournment thereof.

AUTHORITY FOR CHAIR TO VOTE UNDIRECTED PROXIES ON REMUNERATION RELATED RESOLUTIONS

Where I/we have appointed the Chair as my/our proxy (or where the Chair becomes my/our proxy by default), I/we expressly authorise the Chair to exercise my/our proxy on Resolutions 2 and 7 to 11 inclusive (except where I/we have indicated a different voting intention below) even though Resolutions 2 and 7 to 11 inclusive are connected directly or indirectly with the remuneration of members of the Key Management Personnel, which includes the Chair.

CHAIR'S VOTING INTENTION IN RELATION TO UNDIRECTED PROXIES

The Chair intends to vote undirected proxies in favour of all Resolutions. In exceptional circumstances the Chair may change his voting intention on any Resolution. In the event this occurs an ASX announcement will be made immediately disclosing the reasons for the change.

Voting on Business of the General Meeting

		FOR	AGAINST	ABSTAIN
Resolution 1	Ratification of Prior Share Issue (LR 7.1A)	☐	☐	☐
Resolution 2	Ratification of Prior Option Grant (LR 7.1)	☐	☐	☐
Resolution 3	Ratification of Prior Share Issue (LR 7.1)	☐	☐	☐
Resolution 4	Ratification of Prior Share Issue (LR 7.1A)	☐	☐	☐
Resolution 5	Participation of Related Party in Future Placement – Neville Sneddon	☐	☐	☐
Resolution 6	Participation of Related Party in Future Placement – Nicholas Jorss	☐	☐	☐
Resolution 7	Approval of Option Grant – Neville Sneddon	☐	☐	☐
Resolution 8	Approval of Option Grant – Gerhard Redelinghuys	☐	☐	☐
Resolution 9	Approval of Option Grant – Blair Sergeant	☐	☐	☐
Resolution 10	Approval of Option Grant – Steven Formica	☐	☐	☐
Resolution 11	Approval of Option Grant – James Agenbag	☐	☐	☐

Please note: If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

If two proxies are being appointed, the proportion of voting rights this proxy represents is: _____ %

Signature of Shareholder(s):

Individual or Shareholder 1

Sole Director/Company Secretary

Shareholder 2

Director

Shareholder 3

Director/Company Secretary

Date:

Contact name:

E-mail address:

Contact telephone
(daytime):

Consent for contact by e-mail
in relation to this Proxy Form:

YES ☐ NO ☐

BOWEN COKING COAL LIMITED
ABN 72 064 874 620
Instructions for Completing "Appointment of Proxy" Form

1. **(Appointing a proxy):** A Shareholder entitled to attend and cast a vote at the Meeting is entitled to appoint a proxy to attend and vote on their behalf at the Meeting. If a Shareholder is entitled to cast 2 or more votes at the Meeting, the Shareholder may appoint a second proxy to attend and vote on their behalf at the Meeting. However, where both proxies attend the Meeting, voting may only be exercised on a poll. The appointment of a second proxy must be done on a separate copy of the Proxy Form. A Shareholder who appoints 2 proxies may specify the proportion or number of votes each proxy is appointed to exercise. If a Shareholder appoints 2 proxies and the appointments do not specify the proportion or number of the Shareholder's votes each proxy is appointed to exercise, each proxy may exercise one-half of the votes. Any fractions of votes resulting from the application of these principles will be disregarded. A duly appointed proxy need not be a Shareholder.
2. **(Direction to vote):** A Shareholder may direct a proxy how to vote by marking one of the boxes opposite each item of business. The direction may specify the proportion or number of votes that the proxy may exercise by writing the percentage or number of Shares next to the box marked for the relevant item of business. Where a box is not marked the proxy may vote as they choose subject to the relevant laws. Where more than one box is marked on an item the vote will be invalid on that item.
3. **(Signing instructions):**
 - **(Individual):** Where the holding is in one name, the Shareholder must sign.
 - **(Joint holding):** Where the holding is in more than one name, all of the Shareholders should sign.
 - **(Power of attorney):** If you have not already provided the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Form when you return it.
 - **(Companies):** Where the company has a sole director who is also the sole company secretary, that person must sign. Where the company (pursuant to Section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise, a director jointly with either another director or a company secretary must sign. Please sign in the appropriate place to indicate the office held. In addition, if a representative of a company is appointed pursuant to Section 250D of the Corporations Act to attend the Meeting, the documentation evidencing such appointment should be produced prior to admission to the Meeting. A form of a certificate evidencing the appointment may be obtained from the Company.
4. **(Attending the Meeting):** Completion of a Proxy Form will not prevent individual Shareholders from attending the Meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy Form and attends the Meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the Meeting.
5. **(Return of Proxy Form):** To vote by proxy, please complete and sign the enclosed Proxy Form and return by:
 - (a) post to Bowen Coking Coal Limited, Level 19, Waterfront Place, 1 Eagle Street, BRISBANE QLD 4000;
 - (b) e-mail to info@bowencokingcoal.com.au; or
 - (c) facsimile to the Company on facsimile number (07) 3360 0222,so that it is received not less than 48 hours prior to commencement of the Meeting.

Proxy forms received later than this time will be invalid.