

**NOTICE OF ANNUAL GENERAL MEETING**

Notice is given that the Annual General Meeting of the shareholders of **COALBANK Limited ACN 075 877 075** ('Company' or 'COALBANK') will be held at 11:00 am (Brisbane time) on Wednesday 26 November 2014 at McCullough Robertson Lawyers, Level 11, 66 Eagle Street, Brisbane, Queensland 4000.

Terms used in this Notice of Meeting are defined in the "Interpretation" section of the accompanying Explanatory Notes.

**AGENDA**

**ORDINARY BUSINESS**

**Financial Reports**

To receive and consider the Company's Annual Report comprising the Directors' Report, Auditors' Report, Directors' Declaration, Consolidated Statement of Profit or Loss and Other Comprehensive Income, Consolidated Balance Sheet, Consolidated Statement of Changes in Equity, Consolidated Statement of Cash Flows and Notes to the Financial Statements for the Company for the financial year ended 30 June 2014.

**Resolution 1: Adoption of Remuneration Report**

To consider and, if thought fit, to pass, with or without amendment, the following **advisory only resolution**:

*"That, for the purposes of section 250R(2) of the Corporations Act, and for all other purposes, the Remuneration Report forming part of the Company's 2014 Annual Report be adopted."*

**Note: the vote on this Resolution is advisory only and does not bind the Directors or the Company.**

**Voting Exclusion Statement:** A vote on this Resolution 1 must not be cast (in any capacity) by or on behalf of either of the following persons:

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

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

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

**Resolution 2: Election of Director – Mr Ronald Marks**

To consider, and if thought fit, pass the following ordinary resolution:

*"That in accordance with the Constitution of the Company and the Listing Rules, Mr Ronald Marks, who retires and, being eligible, be elected as a Director of the Company."*

**COALBANK LIMITED**

ABN 20 075 877 075

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**Resolution 3: Re-Election of Director – Mr Nick Bolkus**

To consider, and if thought fit, pass the following ordinary resolution:

*“That in accordance with the Constitution of the Company and the Listing Rules, Mr Nick Bolkus, who retires by rotation and, being eligible, be elected as a Director of the Company.”*

**Resolution 4: Re-Election of Director – Dr George Lam**

To consider, and if thought fit, pass the following ordinary resolution:

*“That in accordance with the Constitution of the Company and the Listing Rules, Dr George Lam, who retires by rotation and, being eligible, be elected as a Director of the Company.”*

**Resolution 5: Ratification of prior issue of shares**

To consider and, if thought fit, pass the following ordinary resolution:

*“That for the purposes of Listing Rule 7.4 and for all other purposes, the issue of 128,093,700 fully paid ordinary shares in the capital of the Company to sophisticated investor Kam’s Brother Holdings Limited, for the purpose and otherwise on the terms described in the Explanatory Notes, be ratified.”*

**Voting Exclusion Statement:** The Company will, in accordance with Rules 7.4 and 14.11, disregard any votes cast on Resolution 5 by or on behalf of Kam’s Brother Holdings Limited and any of its associates, unless 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
- 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.

**Resolution 6: Approval of 10% Placement Facility**

To consider and, if thought fit, to pass the following resolution as a **special resolution**:

*“That, for the purposes of Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities up to 10% of the issued capital of the Company (at the time of the issue) (10% Placement Facility) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions in the Explanatory Notes.”*

**Voting Exclusion Statement:** The Company will disregard any votes cast on this Resolution by any person who may participate in the 10% Placement Facility and a person who might obtain a benefit, except a benefit solely in the capacity of a Shareholder, if the resolution is passed, and any of their Associates, unless it is cast:

- (a) by a person as proxy for a person who is entitled to vote (in accordance with the directions on the Proxy Form); or
- (b) by a 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).

Please refer to the Explanatory Notes attached to this Notice for more information regarding Resolutions 1 to 6.

GENERAL BUSINESS

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

**By Order of the Board**

A handwritten signature in black ink, appearing to read "Leni Stanley". The signature is written in a cursive, flowing style.

Leni Stanley  
Company Secretary  
23 October 2014

**EXPLANATORY NOTES**  
**COALBANK LIMITED**  
**A.C.N. 075 877 075**

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These Explanatory Notes have been prepared for the information of Shareholders in connection with the business to be conducted at the Annual General Meeting to be held on 26 November 2014.

These Explanatory Notes form part of and should be read in conjunction with the accompanying Notice. A number of words and terms used in these Explanatory Notes have defined meanings, which are set out at the end of these Explanatory Notes.

**Consider the Company's Annual Report**

This item does not require voting by shareholders. It is intended to provide an opportunity for Shareholders to raise questions on the financial statements and reports. The Company's auditor will be present at the Meeting and available to answer any questions in relation to the conduct of the audit.

**Resolution 1: Adoption of Remuneration Report**

The Board has submitted its Remuneration Report to Shareholders for consideration and adoption by way of a non-binding advisory resolution.

The Remuneration Report is set out in the Directors' Report section of the Annual Report. The 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 executives of the Company; and
- details and explains any performance conditions applicable to the remuneration of executive directors and senior executives of the Company.

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

The Remuneration Report, which is part of the Annual Report, has been sent to Shareholders who have made an election to receive the Annual Report. Copies of the Annual Report are available by contacting the Company's Share Registry or visiting the Company's website [www.coalbank.com](http://www.coalbank.com).

If 25% or more of votes that are cast on this non-binding Resolution are voted against the adoption of the Remuneration Report at two consecutive AGMs, Shareholders will be required to vote at the second of these AGMs on a resolution (a Spill Resolution) that another meeting be held within 90 days (Spill Meeting), at which:

- all the Company's Directors (other than any Managing Director) cease to hold office immediately before the end of the Spill Meeting; and
- resolutions to appoint persons to offices that will be vacated immediately before the end of the Spill Meeting will be put to the vote at the Spill Meeting.

The approval threshold for the Spill resolution is 50% or more of the votes that are cast on the resolution.

At the 2013 AGM, shareholders voted in favour of the Remuneration Report, and no first 'strike' was recorded by the Company.

The Board unanimously recommends that Shareholders vote in favour of Resolution 1.

The Chairman intends to vote all available proxies in favour of Resolution 1.

**Resolution 2: Election of Director – Mr Ronald Marks**

Mr Ronald Marks was appointed as a non-executive director of the Company on 23 November 2013.

In accordance with the Company's constitution, Mr Marks retires at the Annual General Meeting and being eligible, offers himself for election.

Mr Marks is the founder and Managing Director of Dynamic Products Pty Ltd with head office in Sydney, Australia together with affiliated companies located in New Zealand, South Africa, The Netherlands, Thailand and China.

He has had extensive experience over four decades with the establishment and 'hands on' control of production facilities in Australia, Thailand & China.

He has led the development of export sales for the company's products to 63 countries throughout the world and is well respected in the specific field of international marketing. Mr Marks and his company are proud winners of the coveted 'Export Award' presented by the Federal Government in recognition of outstanding Export Sales achievement.

All the Directors (except Mr Marks) recommend that Shareholders vote in favour of resolution 2.

**Resolution 3: Re-Election of Director – Mr. Nick Bolkus**

In accordance with the Company's constitution, Mr Bolkus retires by rotation at the Annual General Meeting and being eligible, offers himself for election.

Mr Bolkus served in the Australian Cabinets of Prime Ministers Bob Hawke and Paul Keating as Minister for Consumer Affairs, Minister for Administrative Services, Minister for Immigration, Minister Assisting The Treasurer (FIRB) and Minister of Multicultural Cultural Affairs.

For over a quarter of a century, he was a prominent political national identity and Senator in the Australian Parliament.

Since leaving politics in 2005, Mr Bolkus has earned a strong corporate reputation, consulting to companies in Australia and abroad and serving on a number of private-sector boards particularly in the life sciences sector. He has also worked with the Walker Corporation on major projects in the residential and commercial development sectors. He was a foundation member of the Australia/USA Dialogue and has a comprehensive understanding of and sound relationships in China.

Respected by the Labor Party hierarchy, Mr Bolkus has an invaluable understanding of the inner workings of State and Federal Governments. Through Bespoke Approach, Mr Bolkus provides clients with a candid and individualized appraisal of how the Australian political environment will impact their business and how to manoeuvre through the multitude of challenges it presents.

All the Directors (except Mr Bolkus) recommend that Shareholders vote in favour of resolution 3.

**Resolution 4: Re-Election of Director – Dr. George Lam**

In accordance with the Company's constitution, Dr Lam retires by rotation at the Annual General Meeting and being eligible, offers himself for election.

Dr. George Lam has over 30 years of international experience in general management, management consulting, corporate governance, direct investment, investment banking and fund management across the telecommunications/media/technology, consumer/healthcare, infrastructure/real estates, energy/resources and financial services sectors.

Dr. Lam is Chairman - Indochina, Myanmar and Thailand and Senior Adviser - Asia, of Macquarie Capital. He serves on the board of a number of publicly-listed companies and investment funds in the Asia Pacific region. Having served as a part-time member of the Central Policy Unit of the Government of HKSAR for

two terms and the Legal Aid Services Council, Dr. Lam is a member of the Jilin Province Committee of the Chinese People's Political Consultative Conference, a member of the Hong Kong Institute of Bankers, a member of the World Presidents' Organization, a member of the Chief Executives Organization, a Fellow of the Hong Kong Institute of Directors and the Hong Kong Institute of Arbitrators, a member of the General Committee and the Corporate Governance Committee of the Chamber of Hong Kong Listed Companies, a member of the Derivatives Market Consultative Panel of the Stock Exchange of Hong Kong Limited, a non-official member of the New Business Committee of the Financial Services Development Council, a Board Member of the Australian Chamber of Commerce in Hong Kong and Macau, a founding Board Member and Honorary Treasurer of the Hong Kong - Vietnam Chamber of Commerce, a Vice President of the Hong Kong Real Property Federation, a visiting professor at the School of Economics & Management of Tsinghua University in Beijing, and an adjunct professor in the Department of Management of the Chinese University of Hong Kong.

Dr. Lam holds a BSc in science and mathematics, an MSc in systems science and an MBA from the University of Ottawa in Canada, a post-graduate diploma in public administration from Carleton University in Canada, a post-graduate diploma in English and Hong Kong Law and an LLB (Hons) in law from Manchester Metropolitan University in the UK, and LLM in law from the University of Wolverhampton in the UK, a PCLL in law from the City University of Hong Kong, a Certificate in Professional Accountancy from the Chinese University of Hong Kong SCS, an MPA and a PhD from the University of Hong Kong.

All the Directors (except Dr Lam) recommend that Shareholders vote in favour of resolution 4.

#### **Resolution 5: Ratification of prior issue of shares**

This Resolution seeks shareholder ratification pursuant to ASX Listing Rule 7.4 for the prior issue of a total of 128,093,700 fully paid ordinary Shares to sophisticated investor Kam's Brother Holdings Limited (which is an exempt investor and is not a related party of the Company).

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue during any 12 month period any equity securities, or other securities with rights to conversion to equity (such as an option), if the number of those securities exceeds 15% of the number of securities in the same class on issue at the commencement of that 12 month period.

ASX Listing Rule 7.4 provides that where a company's shareholders ratify the previous issue of securities made pursuant to ASX Listing Rule 7.1 (provided that the previous issue of securities did not breach ASX Listing Rule 7.1) those securities will be deemed to have been issued with shareholder approval for the purposes of ASX Listing Rule 7.1.

By ratifying the prior issue of 128,093,700 Shares to Kam's Brother Holdings Limited, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity without the requirement to obtain prior shareholder approval.

The following information is provided in accordance with the requirements of ASX Listing Rule 7.5:

- (a) The number of securities previously issued was 128,093,700 Shares;
- (b) The issue price of the Shares was \$0.015 (1.5 cents) per Share;
- (c) The securities issued were fully paid ordinary Shares in the Company having the same terms and rights as, and ranking equally with, the Company's existing listed fully paid ordinary Shares;
- (d) The Shares were issued to sophisticated investor Kam's Brother Holdings Limited, which is an exempt investor and is not a related party of the Company;
- (e) Funds raised by the issue of the shares were used to fund the Company's project activities and for working capital;
- (f) A voting exclusion statement is contained in the Notice of General Meeting.

The Board unanimously recommends that Shareholders vote in favour of Resolution 5.

The Chairman intends to vote all available proxies in favour of Resolution 5.

## **Resolution 6: Approval of 10% Placement Facility**

Listing Rule 7.1A enables eligible entities to issue Equity Securities up to 10% of its issued Share capital through placements over a 12 month period after the AGM (**10% Placement Facility**). The 10% Placement Facility is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

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

The Company is now seeking Shareholder approval by way of a special resolution to have the ability to issue Equity Securities under the 10% Placement Facility.

The exact number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (see below).

The Company is seeking a mandate to issue securities under the additional 10% Placement Facility to enable the Company to pursue its growth strategy with the flexibility to act quickly as potential business opportunities arise.

The Directors of the Company believe that Resolution 6 is in the best interests of the Company and unanimously recommend that Shareholders vote in favour of this Resolution 6.

### **Description of Listing Rule 7.1A**

#### **(a) Shareholder approval**

The ability to issue Equity Securities under the 10% Placement Facility is subject to Shareholder approval by way of a special resolution at an AGM.

#### **(b) Equity Securities**

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

The Company, as at the date of the Notice, has on issue only 1 class of Equity Securities, being Shares.

#### **(c) Formula for calculating 10% Placement Facility**

Listing Rule 7.1A.2 provides that eligible entities which have obtained Shareholder approval at an AGM may issue or agree to issue, during the 12 month period after the date of the AGM, a number of Equity Securities calculated in accordance with the following formula:

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

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

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

**D'** is 10%;

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

(d) Listing Rule 7.1 and Listing Rule 7.1A

The ability of an entity to issue Equity Securities under Listing Rule 7.1A is in addition to the entity's 15% placement capacity under Listing Rule 7.1.

At the date of this Notice, the Company has on issue 982,051,715 Shares. The Company therefore has a capacity to issue:

- (i) 0 Equity Securities under Listing Rule 7.1; and
- (ii) 98,205,171 Equity Securities under Listing Rule 7.1A.

As part of this Notice, in Resolution 5 the Company is seeking Shareholder ratification of the prior issue of 128,093,700 shares issued on 1 September 2014 under Listing Rule 7.1. If Resolution 5 is approved by shareholders then the Company will have the capacity to issue:

- (i) 147,307,757 Equity Securities under Listing Rule 7.1; and
- (ii) 98,205,171 Equity Securities under Listing Rule 7.1A.

The actual number of Equity Securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 2(c) above).

(e) Minimum Issue Price

The issue price of Equity Securities issued under Listing Rule 7.1A must be not less than 75% of the VWAP of Equity Securities in the same class calculated over the 15 Trading Days immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 5 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.

(f) 10% Placement Period

Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A is valid from the date of the AGM at which the approval is obtained and expires on the earlier to occur of:

- (i) the date that is 12 months after the date of the AGM at which the approval is obtained; or
- (ii) the date of the approval by Shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking),

or such longer period if allowed by ASX (**10% Placement Period**).

### **Listing Rule 7.1A**

The effect of Resolution 7 will be to allow the Company to issue the Equity Securities under Listing Rule 7.1A during the 10% Placement Period without using the Company's 15% placement capacity under Listing Rule 7.1.

Resolution 7 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 corporate Shareholder, by a corporate representative).

### Specific information required by Listing Rule 7.3A

Pursuant to and in accordance with Listing Rule 7.3A, information is provided in relation to the approval of the 10% Placement Facility as follows:

- a) The Equity Securities will be issued at an issue price of not less than 75% of the VWAP for the Company's Equity Securities over the 15 Trading Days immediately before:
  - (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
  - (ii) if the Equity Securities are not issued within 5 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.
  
- b) If Resolution 7 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company will be diluted as shown in the below table. There is a risk that:
  - (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Meeting; and
  - (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date or the Equity Securities are issued as part of consideration for the acquisition of a new asset,

which may have an effect on the amount of funds raised by the issue of the Equity Securities.

The table below shows the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of Shares for variable "A" calculated in accordance with the formula in Listing Rule 7.1A.2 as at the date of this Notice.

The table shows:

- (i) two examples where variable "A" has increased by 50% and 100%. Variable "A" is based on the number of Shares the Company has on issue. The number of Shares on issue may increase as a result of issues of Shares that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting; and
- (ii) two examples of where the issue price of Shares has decreased by 50% and increased by 50% as against the current market price.

**Table 1.**

Variable "A" in Listing Rule 7.1A.2		Dilution		
		0.2 cents 50% decrease in Issue Price	0.4 cents Issue Price	0.8 cents 100% increase in Issue Price
Current Variable A 982,051,715 Shares	10% voting dilution	98,205,171 Shares		
	Funds raised	\$196,410	\$392,820	\$785,641
50% increase in current Variable A 1,473,077,572 Shares	10% voting dilution	147,307,757 Shares		
	Funds raised	\$294,615	\$589,231	\$1,178,462
100% increase in current Variable A 1,964,103,430 Shares	10% voting dilution	196,410,343 Shares		
	Funds raised	\$392,820	\$785,641	\$1,571,282

The table has been prepared on the following assumptions:

- (i) No Options are issued and exercised into Shares before the date of the issue of the Equity Securities.
  - (ii) The 10% voting dilution reflects the aggregate percentage dilution against the issued Share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
  - (iii) The table shows only the effect of issue of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
  - (iv) The issue price is \$0.004, being the closing price of the Shares on ASX on 17 October 2014.
- c) The Company will only issue and allot the Equity Securities during the Placement Period. The approval under Resolution 6 for the issue of the Equity Securities will cease to be valid in the event that Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or Listing Rule 11.2 (disposal of main undertaking).
- d) The Company may seek to issue the Equity Securities for the following purposes:
- (i) for cash consideration, in which case the Company may use the funds raised towards making (or to securing the right to make) one or more acquisitions and/or to further its existing projects; and/or general working capital; or
  - (ii) non-cash consideration for the acquisition of (or securing the right to make acquisitions of) new projects and investments or to further its existing projects. In such circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3.

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

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:

- (i) the methods of raising funds that are available to the Company, including but not limited to, rights issues or other issues in which existing security holders can participate;
- (ii) the effect of the issues of the Equity Securities on the control of the Company;
- (iii) the financial situation and solvency of the Company; and
- (iv) advice from corporate, financial and broking advisers (if applicable).

The allottees under the 10% Placement Facility 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.

- e) 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 the issue of the Equity Securities. No existing Shareholder's votes will therefore be excluded under the voting exclusion in the Notice.
- f) The allottees under the 10% Placement Facility have not been determined as at the date of this Notice but may include existing substantial Shareholders and/or new Shareholders who are not a related party or an Associate 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 10% Placement Facility will be the vendors of the new assets or investments.

- g) The Company has not previously sought or obtained Shareholder approval under Listing Rule 7.1A.

In accordance with Listing Rule 7.3 A.6 the total number of Equity Securities issued in the 12 months preceding the date of this Notice of Meeting is 136,343,700 representing 16.1% of the Equity Securities on issue at the commencement of the 12 month period.

The Company has issued the following Equity Securities in the 12 months preceding the date of this Notice:

**Table 2 – Previous equity issues**

<i>Date of Issue</i>	<i>Number of Securities</i>	<i>Class</i>	<i>Issue Price</i>	<i>Discount to Market price</i>	<i>Total Consideration</i>	<i>Valuation</i>	<i>Allottee / Basis of allotment</i>
25/10/13	8,250,000	Fully paid ordinary Shares	\$0.00	N/A	\$Nil	N/A	Performance Rights Exercised
1/09/14	128,093,700	Fully paid ordinary Shares	\$0.015	Nil	\$1,921,405	N/A	Placement to Kam's Brother Holdings Limited (Refer Resolution 5)

In the 12 months preceding the date of this Notice of Meeting the Company has received total cash consideration of \$1,921,405. The Company has used \$442,876 of the cash consideration received to fund working capital and repay loans.

The Directors intend to use the working capital existing at the date of this Notice (which includes funds raised pursuant to the above placements) to provide working capital and to pursue its growth strategy with the flexibility to act quickly as potential business opportunities arise.

#### **Voting Exclusion**

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 the issue of the Equity Securities. No existing Shareholder's votes will therefore be excluded under the voting exclusion in the Notice.

#### **Directors' recommendation**

The Directors unanimously recommend that Shareholders vote in favour of Resolution 6.

Resolution 6 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 corporate Shareholder, by a corporate representative).

The Chairman intends to exercise all available proxies in favour of Resolution 6.

#### **VOTING ENTITLEMENT**

For the purposes of determining voting entitlements at the Meeting, Shares will be taken to be held by the persons who are registered as holding the Shares at 7.00pm (Sydney time) on 24 November 2014. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

## PROXIES

A proxy form is attached to this Notice.

## DEFINITIONS

In these Explanatory Notes:

**ASX** means ASX Limited or the stock market operated by it, as the context requires.

**Board** means the board of Directors of the Company.

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

- (a) a spouse or child of the member; or
- (b) a child of the member's spouse; or
- (c) a dependant of the member or the member's spouse; or
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity; or
- (e) a company the member controls; or
- (f) a person prescribed by the regulations made under the Corporations Act.

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

**Company** means COALBANK Limited ACN 075 877 075.

**Directors** means the directors of the Company.

**Key Management Personnel** has the definition given in the accounting standards as those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly and indirectly, including any director (whether executive or otherwise) of that entity.

**Listing Rule** means the listing rules of ASX Limited.

**Meeting** means the annual general meeting convened pursuant to the Notice.

**Proxy Form** means a proxy form accompanying the Notice.

**Shareholder** means a holder of Shares.

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

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By mail:  
COALBANK Limited  
C/- Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235 Australia



By fax: 02 9287 0309



All enquiries to: Telephone: 1300 554 474



**X99999999999**

## PROXY FORM

I/We being a member(s) of COALBANK Limited and entitled to attend and vote hereby appoint:

### STEP 1

### APPOINT A PROXY

the Chairman  
of the Meeting  
(mark box)

OR if you are NOT appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered shareholder) you are appointing as your proxy.

Failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to vote on my/our behalf (including in accordance with the directions set out below or, if no directions have been given, to vote as the proxy sees fit, to the extent permitted by the law) at the Annual General Meeting of the Company to be held at **11:00am on Wednesday, 26 November 2014 at McCullough Robertson Lawyers, Level 11, 66 Eagle Street, Brisbane, Queensland 4000** (the Meeting) and at any postponement or adjournment of the Meeting.

I/we expressly authorise the Chairman of the Meeting to exercise my/our proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the key management personnel.

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

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting.

Please read the voting instructions overleaf before marking any boxes with an

### STEP 2

### VOTING DIRECTIONS

	For	Against	Abstain*		For	Against	Abstain*
<b>Resolution 1</b> Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<b>Resolution 4</b> Re-Election of Director - Dr George Lam	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 2</b> Election of Director - Mr Ronald Marks	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<b>Resolution 5</b> Ratification of prior issue of shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 3</b> Re-Election of Director - Mr Nick Bolkus	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<b>Resolution 6</b> Approval of 10% Placement Facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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

### STEP 3

### SIGNATURE OF SHAREHOLDERS - THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Sole Director and Sole Company Secretary

Joint Shareholder 2 (Individual)

Director/Company Secretary (Delete one)

Joint Shareholder 3 (Individual)

Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

**CBQ PRX401R**



## HOW TO COMPLETE THIS PROXY FORM

### Your Name and Address

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

### Appointment of a Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If the person you wish to appoint as your proxy is someone other than the Chairman of the Meeting please write the name of that person in Step 1. If you appoint someone other than the Chairman of the Meeting as your proxy, you will also be appointing the Chairman of the Meeting as your alternate proxy to act as your proxy in the event the named proxy does not attend the Meeting.

### Votes on Items of Business - Proxy Appointment

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

### Appointment of a Second Proxy

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- (a) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- (b) return both forms together.

### Signing Instructions

You must sign this 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, either shareholder may sign.

**Power of Attorney:** to sign under Power of Attorney, you must lodge the Power of Attorney 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.

### Corporate Representatives

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 in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's share registry or online at [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au).

## Lodgement of a Proxy Form

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **11:00am on Monday, 24 November 2014**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged using the reply paid envelope or:



**ONLINE** > [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the Proxy Form).



**by mail:**

COALBANK Limited  
C/- Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235  
Australia



**by fax:**

02 9287 0309



**by hand:**

delivering it to Link Market Services Limited, 1A Homebush Bay Drive, Rhodes NSW 2138.

**If you would like to attend and vote at the Annual General Meeting, please bring this form with you.  
This will assist in registering your attendance.**