
MOZAMBI COAL LIMITED**ACN 106 353 253****NOTICE OF GENERAL MEETING**

TIME: 4.00 pm (WST)

DATE: 27 May 2014

PLACE: The Park Business Centre
45 Ventnor Avenue
WEST PERTH WA 6005

This Notice of Meeting 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.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 8 9321 0774.

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IMPORTANT INFORMATION

Time and place of Meeting

Notice is given that the Meeting will be held at 4.00 pm (WST) on 27 May 2014 at:

The Park Business Centre
45 Ventnor Avenue
WEST PERTH WA 6005

Your vote is important

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

Voting eligibility

The Directors have determined pursuant to Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 5pm (WST) on 25 May 2014.

Voting in person

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

Voting by proxy

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

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

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder 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, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-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.

Further details on these changes are set out below.

Proxy vote if appointment specifies way to vote

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, **if it does**:

- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (ie as directed); and
- if the proxy has 2 or more appointments that specify different ways to vote on the resolution, the proxy must not vote on a show of hands; and
- if the proxy is the chair of the meeting at which the resolution is voted on, the proxy must vote on a poll, and must vote that way (ie as directed); and
- if the proxy is not the chair, the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (ie as directed).

Transfer of non-chair proxy to chair in certain circumstances

Section 250BC of the Corporations Act provides that, if:

- an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- the appointed proxy is not the chair of the meeting; and
- at the meeting, a poll is duly demanded on the resolution; and
- either of the following applies:
 - the proxy is not recorded as attending the meeting; or
 - the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

BUSINESS OF THE MEETING

AGENDA

1. RESOLUTION 1 – RATIFICATION OF PRIOR ISSUE OF SHARES AND CLASS A OPTIONS

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

“That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 4,996,133 new fully paid ordinary shares in the capital of the Company, together with 9,995,166 Class A Options, each having an exercise price of 2.0 cents per Class A Option and an expiry date of 31 December 2017, to the parties and otherwise on the terms and conditions set out in the Explanatory Statement accompanying this Notice of Meeting (including Schedule 1 to the Explanatory Statement).”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who participated in the issue and any associates of those persons. However, the Company will not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

2. RESOLUTION 2 – RATIFICATION OF PRIOR ISSUE OF SHARES

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

“That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 14,994,198 new fully paid ordinary shares in the capital of the Company, to the parties and otherwise on the terms and conditions set out in the Explanatory Statement accompanying this Notice of Meeting.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who participated in the issue and any associates of those persons. However, the Company will not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

3. RESOLUTION 3 – PROPOSED ISSUE OF SHARES AND CLASS A OPTIONS

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

“That, for the purpose of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Directors to issue up to 30,009,669 new fully paid ordinary shares in the capital of the Company, together with 15,004,834 Class A Options, each having an exercise price of 2.0 cents per Class A Option and an expiry date of 31 December 2017, to the parties and otherwise on the terms and conditions set out in the Explanatory Statement accompanying this Notice of Meeting (including Schedule 1 to the Explanatory Statement).”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who may participate in the issue of Equity Securities under this Resolution and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons. However, the Company will not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

4. RESOLUTION 4 – PROPOSED ISSUE OF SHARES AND CLASS A OPTIONS

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

“That, for the purpose of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Directors to issue up to 10,000,000 new fully paid ordinary shares in the capital of the Company, together with 5,000,000 Class A Options, each having an exercise price of 2.0 cents per Class A Option and an expiry date of 31 December 2017, to the parties and otherwise on the terms and conditions set out in the Explanatory Statement accompanying this Notice of Meeting (including Schedule 1 to the Explanatory Statement).”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who may participate in the issue of Equity Securities under this Resolution and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons. However, the Company will not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

5. RESOLUTION 5 – PROPOSED ISSUE OF RELATED PARTY OPTIONS TO ALEXANDER NEULING

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

“That, for the purposes of section 208 of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Directors to issue up to 3,000,000 Related Party Options to the parties and otherwise on the terms and conditions set out in the Explanatory Statement accompanying this Notice of Meeting (including Schedule 2 to the Explanatory Statement).”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a person who is to receive securities in relation to the Company and any associates of those persons. However, the Company will not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition: A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

6. RESOLUTION 6 – PROPOSED ISSUE OF RELATED PARTY OPTIONS TO ROBERT HEMPHILL

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

“That, for the purposes of section 208 of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Directors to issue up to 3,000,000 Related Party Options to the parties and otherwise on the terms and conditions set out in the Explanatory Statement accompanying this Notice of Meeting (including Schedule 2 to the Explanatory Statement).”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a person who is to receive securities in relation to the Company and any associates of those persons. However, the Company will not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the

directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition: A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

7. RESOLUTION 7 – PROPOSED ISSUE OF RELATED PARTY OPTIONS TO JULIAN JARMAN

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

“That, for the purposes of section 208 of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Directors to issue up to 3,000,000 Related Party Options to the parties and otherwise on the terms and conditions set out in the Explanatory Statement accompanying this Notice of Meeting (including Schedule 2 to the Explanatory Statement).”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a person who is to receive securities in relation to the Company and any associates of those persons. However, the Company will not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition: A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

8. RESOLUTION 8 – PROPOSED ISSUE OF CLASS A OPTIONS TO CONSULTANTS

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

“That, for the purpose of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Directors to issue up to 5,000,000 Class A Options to the parties and otherwise on the terms and conditions set out in the Explanatory Statement accompanying this Notice of Meeting (including Schedule 1 to the Explanatory Statement).”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who may participate in the issue of Equity Securities under this Resolution and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons. However, the Company will not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

9. RESOLUTION 9 – PROPOSED ISSUE OF SHARES TO CONSULTANTS

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

“That, for the purpose of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Directors to issue up to 600,000 new fully paid ordinary shares in the capital of the Company to the parties and otherwise on the terms and conditions set out in the Explanatory Statement accompanying this Notice of Meeting.

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who may participate in the issue of Equity Securities under this Resolution and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons. However, the Company will not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

10. RESOLUTION 10 – RATIFICATION OF PRIOR ISSUE OF SHARES TO CONSULTANTS

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

“That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 2,000,000 new fully paid ordinary shares in the capital of the Company, to the parties and otherwise on the terms and conditions set out in the Explanatory Statement accompanying this Notice of Meeting.

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who participated in the issue and any associates of those persons. However, the Company will not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

11. RESOLUTION 11 – VARIATION OF EXISTING OPTION TERMS

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

“That, for the purpose of ASX Listing Rule 6.23.4 and for all other purposes, Shareholders approve a variation of the terms and conditions of 24,995,166 Existing Options on issue as detailed in the Explanatory Statement accompanying this Notice of Meeting.

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who holds an option that is the subject of the approval and any associate of that person. However, the Company need not disregard a vote on this Resolution if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person entitled to vote, in accordance with a direction on a Proxy Form to vote as the proxy decides.

Dated: 22 April 2014

By order of the Board

**Alexander Neuling
Director**

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 Resolution.

1. BACKGROUND TO RESOLUTIONS 1, 2 AND 3

On 17 March 2014, Mozambi announced that it had arranged a placement of up to 50,000,000 Shares and 25,000,000 free attaching Class A Options (on a 1:2 basis) to professional and sophisticated investors (**Placement**).

The Placement is being conducted in two parts:

- a) Tranche 1, which has already been completed, involved the issue of 19,990,331 Shares and 9,995,166 Class A Options to professional and sophisticated investors to raise \$199,903 before costs.
- b) Tranche 2, which will be completed following the meeting (subject to the approval of Resolution 2), involves the issue of a further 30,009,669 Shares and 15,004,834 Class A Options to raise up to a further \$300,097 before costs.

The Shares and Class A Options issued under Tranche 1 were issued as follows:

- a) 4,996,133 Shares and 9,995,166 Class A Options were issued within the limit of 15% of issued capital that the Company may issue in any 12 month period without Shareholder approval (under ASX Listing Rule 7.1); and
- b) 14,994,198 Shares were issued within the limit of 10% of its issued capital that the Company may issue pursuant to shareholder approval previously granted at the Company's 2013 Annual General Meeting in accordance with Listing Rule 7.1A.

If Resolution 1 is passed, the issue of Tranche 1 Shares and Class A Options will be ratified, thereby refreshing the Company's ability to issue further equity securities, up to the 15% limit, in the next 12 months and up to the 10% limit prior to the 2014 Annual General Meeting without Shareholder approval.

If Resolution 2 is passed, the Company will complete Tranche 2 of the Placement and raise an additional \$400,097 (before costs) from the issue of a further 40,009,669 Shares and 20,004,834 Class A Options. The Shares and Class A Options approved for issue pursuant to Resolution 2 will not be counted within the 15% limit of the issued capital of the Company that may be issued without Shareholder approval in the next 12 months.

Funds raised from the Placement will be applied towards priority exploration activities and general working capital. The Directors intend to vote in favour of Resolutions 1, 2 and 3.

2. RESOLUTIONS 1 AND 2 – RATIFICATION OF PRIOR ISSUE OF SHARES AND CLASS A OPTIONS

2.1 General

On 31 March 2014, Mozambi completed Tranche 1 of the Placement and issued 19,990,331 Shares and 9,995,166 Class A Options to professional and sophisticated investors to raise \$199,903 before costs.

2.2 Shareholder Approval

ASX Listing Rule 7.1 provides that a listed 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 into 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 7.1A provides that an eligible entity may seek shareholder approval at its annual general meeting to have the additional capacity to issue equity securities during any 12 month period up to that amount which represents 10% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period, subject to that issue satisfying certain criteria.

Equity securities which are issued under an exception contained in ASX Listing Rule 7.2 or with Shareholder approval do not reduce the number of Shares that may be issued by the Company under ASX Listing Rules 7.1 and 7.1A. Shareholder approval can be obtained either before or after the equity securities are issued (provided, where approval is obtained retrospectively, the issue does not exceed the 15% limit or the 10% limit, as relevant).

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rules 7.1 and 7.1A. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rules 7.1 and 7.1A (and provided that the previous issue did not breach ASX Listing Rules 7.1 or 7.1A) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rules 7.1 and 7.1A.

By ratifying the issues under Tranche 1 of the Placement, 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 and up to the 10% additional placement capacity set out in ASX Listing Rule 7.1A (as approved by at the Company's 2013 Annual General Meeting) without the requirement to obtain prior Shareholder approval.

2.3 Tranche 1 - Technical Information Required Under Listing Rule 7.5

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to Resolutions 1 and 2:

- a) under Resolution 1, Shareholder approval is being sought for the ratification of the issue of 4,996,133 Shares and 9,995,166 Class A Options;
- b) under Resolution 2, Shareholder approval is being sought for the ratification of the issue of 14,994,198 Shares;
- c) the Shares were issued at 1.0 cent per Share, with one free attaching Class A Option for every 2 Shares subscribed for;
- d) the recipients were sophisticated and professional investors determined by the Directors in conjunction with the brokers to the issue. None of the recipients were associates or related parties of the Company;
- e) the Shares issued were fully paid ordinary shares in the capital of the Company which rank equally with all other fully paid ordinary shares on issue. The Class A Options issued have the terms and conditions set out in Schedule 1 to this Explanatory Statement; and,
- f) funds raised from the Placement will be applied towards priority exploration activities and general working capital.

3. RESOLUTION 3 – PROPOSED ISSUE OF SHARES AND CLASS A OPTIONS

3.1 General

Under Tranche 2 of the Placement, subject to the passing of Resolution 3, a further 30,009,669 Shares and 15,004,834 Class A Options will be issued to professional and sophisticated investors to raise up to a further \$300,097 before costs.

3.2 Shareholder Approval

A summary of Listing Rule 7.1 is provided in section 2.1 above.

If Resolution 3 is passed, the Shares and Class A Options issued under Tranche 2 of the Placement will be able to be issued without affecting the Company's 15% annual issue capacity.

3.3 Tranche 2 - Technical Information Required Under Listing Rule 7.3

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

- a) the maximum number of Shares proposed to be issued is 30,009,669. The maximum number of Class A Options proposed to be issued is 15,004,834;
- b) the Shares and Class A Options will be issued on or around 27 May 2014 and no later than 3 months after the date of the General Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue will occur on the same date;
- c) the Shares and Class A Options are proposed to be issued at 1.0 cent per Share, with one free attaching Class A Option for every 2 Shares subscribed for;
- d) the proposed recipients are sophisticated and professional investors determined by the Directors in conjunction with the brokers to the issue. None of the proposed recipients are associates or related parties of the Company;
- e) the Shares to be issued are fully paid ordinary shares in the capital of the Company which rank equally with all other fully paid ordinary shares on issue. The Class A Options to be issued have the terms and conditions set out in Schedule 1 to this Explanatory Statement; and,
- f) funds raised from the Placement will be applied towards priority exploration activities and general working capital.

4. RESOLUTION 4 – PROPOSED ISSUE OF SHARES AND CLASS A OPTIONS

4.1 General

Subsequent to the announcement of the Placement, on 8 April 2014, Mozambi announced that it had agreed (subject to shareholder approval) to issue a further 10,000,000 Shares and 5,000,000 free attaching Class A Options to the Moultrie Group (and / or its nominee(s)) on the same terms as the Placement.

4.2 Shareholder Approval

A summary of Listing Rule 7.1 is provided in section 2.1 above.

If Resolution 4 is passed, the Shares and Class A Options issued under this Resolution will be able to be issued without affecting the Company's 15% annual issue capacity.

4.3 Technical Information Required Under Listing Rule 7.3

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to this Resolution 4:

- a) the maximum number of Shares proposed to be issued is 10,000,000. The maximum number of Class A Options proposed to be issued is 5,000,000;
- b) the Shares and Class A Options will be issued on or around 21 May 2014 and no later than 3 months after the date of the General Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue will occur on the same date;
- c) the Shares and Class A Options are proposed to be issued at 1.0 cent per Share, with one free attaching Class A Option for every 2 Shares subscribed for;
- d) the proposed recipient is the Moultrie Group (and / or its nominee(s)), who is not an associate or a related party of the Company;

- e) the Shares to be issued are fully paid ordinary shares in the capital of the Company which rank equally with all other fully paid ordinary shares on issue. The Class A Options to be issued have the terms and conditions set out in Schedule 1 to this Explanatory Statement; and
- f) funds raised from the issue will be applied towards priority exploration activities and general working capital.

5. RESOLUTIONS 5 TO 7 – ISSUE OF RELATED PARTY OPTIONS

5.1 General

The Company has agreed, subject to obtaining Shareholder approval, to issue a total of 9,000,000 Options (**Related Party Options**) to Messrs Alexander Neuling, Robert Hemphill and Julian Jarman (**Related Parties**) on the terms and conditions set out below.

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 issue of the Related Party Options constitutes giving a financial benefit and Messrs Neuling, Hemphill and Jarman are related parties of the Company by virtue of being Directors.

In addition, 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.

Each Director considers that as each other Director is receiving Related Party Options, they are unable to consider whether the exceptions set out in sections 210 to 216 of the Corporations Act apply in the current circumstances. Additionally, the exceptions in ASX Listing Rule 10.12 do not apply in the current circumstances. Accordingly, Shareholder approval is sought for the issue of Related Party Options to the Related Parties.

5.2 Shareholder Approval (Chapter 2E of the Corporations Act and Listing Rule 10.11)

Pursuant to and in accordance with the requirements of section 219 of the Corporations Act and ASX Listing Rule 10.13, the following information is provided in relation to the proposed issue of Related Party Options:

- a) the related parties are Messrs Neuling, Hemphill and Jarman and they are related parties by virtue of being Directors;
- b) the maximum number of Related Party Options (being the nature of the financial benefit being provided) to be issued to the Related Parties is 3,000,000 to each of the Related Parties;
- c) the Related Party Options will be issued to the Related Parties no later than 1 month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules) and it is anticipated the Related Party Options will be issued on one date;
- d) the Related Party Options will be issued for nil cash consideration, accordingly no funds will be raised;
- e) the terms and conditions of the Related Party Options are set out in Schedule 2;
- f) the value of the Related Party Options and the pricing methodology is set out in Schedule 3;

- g) the relevant interests of the Related Parties in securities of the Company are set out below:

Related Party	Shares	Options
Alexander Neuling	682,000	350,000
Julian Jarman	3,250,001	Nil
Robert Hemphill	174,250	350,000

- h) the remuneration and emoluments from the Company to the Related Parties for the previous financial year and the proposed remuneration and emoluments for the current financial year are set out below:

Related Party	2013/2014 Financial Year	2012/2013 Financial Year
Alexander Neuling	\$36,800	\$41,967
Robert Hemphill	\$36,800	\$41,967
Julian Jarman	\$36,800	N/A ¹

Notes

¹ Mr Jarman was appointed on 12 August 2013.

- i) if the Related Party Options issued to the Related Parties are exercised, a total of 9,000,000 Shares would be issued. This will increase the number of Shares on issue from 171,932,318 to 180,932,318 (assuming that no other Options are exercised and no other Shares, including the remainder of the Shares to be issued pursuant to Resolutions in this Notice, are issued), with the effect that the shareholding of existing Shareholders would be diluted by an aggregate of 4.97%, comprising approximately 1.66% by each Related Party.

The market price for Shares during the term of the Related Party Options would normally determine whether or not the Related Party Options are exercised. If, at any time any of the Related Party Options are exercised and the Shares are trading on ASX at a price that is higher than the exercise price of the Related Party Options, there may be a perceived cost to the Company;

- j) the trading history of the Shares on ASX in the 12 months before the date of this Notice is set out below:

	Price	Date
Highest	\$0.024	16 December 2013
Lowest	\$0.004	14 and 24 – 27 June 2013
Last	\$0.010	22 April 2014

- k) the Board acknowledges the issue of Related Party Options to Messrs Hemphill and Jarman is contrary to Recommendation 8.3 of The Corporate Governance Principles and Recommendations with 2010 Amendments (2nd Edition) as published by The ASX Corporate Governance Council. However, the Board considers the issue of Related Party Options to Messrs Hemphill and Jarman reasonable in the circumstances for the reason set out in paragraph (m);
- l) the primary purpose of the issue of the Related Party Options to the Related Parties is to provide a performance linked incentive component in the remuneration package for the Related Parties to motivate and reward the performance of the Related Parties in their respective roles as Directors;
- m) Mr Neuling declines to make a recommendation to Shareholders in relation to Resolution 5 due to his material personal interest in the outcome of the Resolution on the basis that he is to be issued Related Party Options in the Company should Resolution 5 be passed. However, in

respect of Resolutions 6 and 7, he recommends that Shareholders vote in favour of those Resolutions for the following reasons:

- (ii) the issue of Related Party Options to the Related Parties will align the interests of the Related Parties with those of Shareholders;
 - (iii) the issue of the Related Party Options is a reasonable and appropriate method to provide cost effective remuneration as the non-cash form of this benefit will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to the Related Parties; and
 - (iv) it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in granting the Related Party Options upon the terms proposed;
- n) Mr Hemphill declines to make a recommendation to Shareholders in relation to Resolution 6 due to his material personal interest in the outcome of the Resolution on the basis that he is to be issued Related Party Options in the Company should Resolution 6 be passed. However, in respect of Resolutions 5 and 7, he recommends that Shareholders vote in favour of those Resolutions for the reasons set out in paragraph (m);
- o) Mr Jarman declines to make a recommendation to Shareholders in relation to Resolution 7 due to his material personal interest in the outcome of the Resolution on the basis that he is to be issued Related Party Options in the Company should Resolution 7 be passed. However, in respect of Resolutions 5 and 6, he recommends that Shareholders vote in favour of those Resolutions for the reasons set out in paragraph (m);
- p) in forming their recommendations, each Director considered the experience of each other Related Party, the current market price of Shares, the current market practices when determining the number of Related Party Options to be issued as well as the exercise price and expiry date of those Related Party Options; and
- q) the Board is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolutions 5 to 7.

Approval pursuant to ASX Listing Rule 7.1 is not required in order to issue the Related Party Options to the Related Parties as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of Related Party Options to the Related Parties will not be included in the 15% calculation of the Company's annual placement capacity pursuant to ASX Listing Rule 7.1.

6. RESOLUTION 8 – PLACEMENT – CLASS A OPTIONS

6.1 General

Resolution 8 seeks Shareholder approval for the issue of up to 5,000,000 Class A Options in consideration for consulting services provided by Subiaco Capital Pty Ltd to nominees of Subiaco Capital Pty Ltd as follows:

- a) 2,000,000 to JBO Assets Pty Ltd;
- b) 2,000,000 to TWW Assets Pty Ltd; and
- c) 1,000,000 to Vassago Pty Ltd.

A summary of Listing Rule 7.1 is provided in section 2.1 above.

The effect of Resolution 8 will be to allow the Company to issue the Class A Options pursuant to this Resolution during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

6.2 Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the issue under this Resolution:

- a) the maximum number of Class A Options to be issued is:
 - (i) 2,000,000 to JBO Assets Pty Ltd;
 - (ii) 2,000,000 to TWW Assets Pty Ltd; and
 - (iii) 1,000,000 to Vassago Pty Ltd;
- b) the Class A Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Class A Options will occur on the same date;
- c) the Class A Options will be issued for nil cash consideration in satisfaction of consultancy services;
- d) the Class A Options will be issued to JBO Assets Pty Ltd, TWW Assets Pty Ltd and Vassago Pty Ltd (being nominees of Subiaco Capital Pty Ltd), none of whom, including Subiaco Capital Pty Ltd, are related parties of the Company;
- e) the Class A Options will be issued on the terms and conditions set out in Schedule 1; and
- f) no funds will be raised from this issue as the Class A Options are being issued in consideration for services provided by Subiaco Capital Pty Ltd.

7. RESOLUTION 9 – PLACEMENT – SHARES

7.1 General

Resolution 9 seeks Shareholder approval for the issue of 600,000 Shares in consideration for consultancy services.

A summary of Listing Rule 7.1 is provided in section 2.1 above.

The effect of Resolution 9 will be to allow the Company to issue the Shares pursuant to this Resolution during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

7.2 Technical information required by ASX Listing Rule 7.1

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

- a) the maximum number of Shares to be issued is 600,000;
- b) the Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Shares will occur on the same date;
- c) the Shares will be issued for nil cash consideration in satisfaction of consultancy services;
- d) the Directors will determine who to issue the Shares on the basis of services conducted, however none of them will be related parties of the Company;
- 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) no funds will be raised from the Placement as the Shares are being issued in consideration for consultancy services.

8. RESOLUTION 10 – RATIFICATION OF PRIOR ISSUE OF SHARES

8.1 General

On 31 March 2014, the Company issued 2,000,000 Shares in consideration for services provided by S3 Consortium Pty Ltd within the limit of 15% of issued capital that the Company may issue in any 12 month period without Shareholder approval (under ASX Listing Rule 7.1).

Resolution 10 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Shares.

Summaries of Listing Rules 7.1 and 7.4 are provided in section 2.1 above.

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.

8.2 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 this Resolution:

- a) 2,000,000 Shares were issued;
- b) the Shares were issued for nil cash consideration in satisfaction of services provided by S3 Consortium Pty Ltd;
- 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 S3 Consortium Pty Ltd, who was not a related party of the Company; and
- e) no funds were raised from this issue as the Shares were issued in consideration for services.

9. RESOLUTION 11 – AMENDMENT TO TERMS OF EXISTING OPTIONS

9.1 Background

The Company currently has 24,995,166 Options on issue on the terms and conditions set out in Schedule 4 (**Existing Options**).

Currently, the terms of the Existing Options provide that:

- a) the Existing Options are not transferrable except with the consent of the Board;
- b) the Company will not apply for quotation of the Existing Options on ASX. However, the Company will apply for quotation of all Shares allotted pursuant to the exercise of the Existing Options on ASX within 10 Business Days after the date of allotment of those Shares;
- c) in the event the Company proceeds with a pro rata issue (except a bonus issue) of securities to Shareholders after the date of issue of the Existing Options, the exercise price of the Existing Options may be reduced in accordance with the formula set out in ASX Listing Rule 6.22.2; and
- d) in the event the Company proceeds with a bonus issue of securities to Shareholders after the date of issues of the Existing Options, the number of securities over which an Existing Option is exercisable may be increased by the number of securities which the Optionholder would

have received if the Existing Option had been exercised before the record date for the bonus issue.

The Company proposes, subject to Shareholder approval under Resolution 11 and to obtaining the agreement of the holders of the Existing Options, to amend the terms and conditions of the Existing Options to allow for those Existing Options to be quoted at a future time, such that the terms and conditions will be those set out in Schedule 1. Specifically, the Company proposes to amend the terms and conditions of the Existing Options such that the terms listed above are removed and replaced with the following terms:

- a) the Existing Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws;
- b) if admitted to the official list of ASX at the time, the Company will apply for quotation of all Shares allotted pursuant to the exercise of the Existing Options on ASX within 10 Business Days after the date of allotment of those Shares. The Company is entitled to apply for quotation of the Existing Options on ASX; and
- c) an Existing Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Existing Option can be exercised.

9.2 ASX Listing Rule 6.23.4

ASX Listing Rule 6.23.4 provides that a company must obtain shareholder approval to make a change to the terms of options which is not prohibited under ASX Listing Rule 6.23.3.

ASX Listing Rule 6.23.3 prohibits a change to the terms of options which has the effect of reducing the exercise price, increasing the period for exercise or increasing the number of securities received on exercise.

The proposed amendments are not prohibited under ASX Listing Rule 6.23.3.

Resolution 11 seeks Shareholder approval to vary the terms of all Existing Options to make the amendments proposed above.

GLOSSARY

\$ means Australian dollars.

ASIC means the Australian Securities & 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 means the Listing Rules of ASX.

Board means the current board of directors of the Company.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, 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.

Class A Options means Options on the terms and conditions set out in Schedule 1.

Company or **Mozambi** means Mozambi Coal Limited (ACN 106 353 253).

Constitution means the Company's constitution.

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

Directors means the current directors of the Company.

Existing Options means Options on the terms and conditions set out in Schedule 4.

Explanatory Statement means the explanatory statement accompanying the Notice.

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.

General Meeting or **Meeting** means the meeting convened by the Notice.

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

Option means an option to acquire a Share.

Optionholder means a holder of an Option as the context requires.

Ordinary Securities has the meaning set out in the ASX Listing Rules.

Proxy Form means the proxy form accompanying the Notice.

Related Party Options means Options on the terms and conditions set out in Schedule 2.

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 Perth, Western Australia.

SCHEDULE 1 TERMS OF THE CLASS A OPTIONS

The Class A Options entitle the holder to subscribe for shares in the capital of the Company on the following terms and conditions:

The Options entitle the holder to subscribe for Shares on the following terms and conditions:

- (a) Each Option gives the Optionholder the right to subscribe for one Share. To obtain the right given by each Option, the Optionholder must exercise the Options in accordance with these terms and conditions.
- (b) The Options will expire at 5:00pm (AWST) on 31 December 2017 (**Expiry Date**). Any Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- (c) The amount payable upon exercise of each Option will be \$0.02 (**Exercise Price**).
- (d) The Options may be exercised in whole or in part, and if exercised in part, multiples of 1,000 must be exercised on each occasion.
- (e) Optionholders may exercise their Options by lodging with the Company, before the Expiry Date:
 - i. a written notice of exercise of Options specifying the number of Options being exercised; and
 - ii. a cheque or electronic funds transfer for the Exercise Price for the number of Options being exercised;
- (f) An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds.
- (g) Within 10 Business Days of receipt of the Exercise Notice accompanied by the Exercise Price, the Company will allot the number of Shares required under these terms and conditions in respect of the number of Options specified in the Exercise Notice.
- (h) The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.
- (i) All Shares allotted upon the exercise of Options will upon allotment rank pari passu in all respects with other Shares.
- (j) If admitted to the official list of ASX at the time, the Company will apply for quotation of all Shares allotted pursuant to the exercise of the Options on ASX within 10 Business Days after the date of allotment of those Shares. The Company is entitled to apply for quotation of the Options on ASX.
- (k) If at any time the issued capital of the Company is reconstructed, all rights of the Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.
- (l) There are no participating rights or entitlements inherent in the Options and the Optionholder will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least six (6) Business Days after the issue is announced. This will give the Optionholder the opportunity to exercise the Options prior to the date for determining entitlements to participate in any such issue.
- (m) 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.

SCHEDULE 2 – TERMS AND CONDITIONS OF RELATED PARTY OPTIONS

The Related Party Options entitle the holder to subscribe for shares in the capital of the Company on the following terms and conditions:

- (a) Each Option gives the Optionholder the right to subscribe for one Share. To obtain the right given by each Option, the Optionholder must exercise the Options in accordance with these terms and conditions.
- (b) The Options will expire at 5:00pm (AWST) on 31 December 2017 (**Expiry Date**). Any Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- (c) The amount payable upon exercise of each Option will be \$0.02 (**Exercise Price**).
- (d) The Options may be exercised in whole or in part, and if exercised in part, multiples of 1,000 must be exercised on each occasion.
- (e) Optionholders may exercise their Options by lodging with the Company, before the Expiry Date:
 - i. a written notice of exercise of Options specifying the number of Options being exercised; and
 - ii. a cheque or electronic funds transfer for the Exercise Price for the number of Options being exercised;
- (f) An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds.
- (g) Within 10 Business Days of receipt of the Exercise Notice accompanied by the Exercise Price, the Company will allot the number of Shares required under these terms and conditions in respect of the number of Options specified in the Exercise Notice.
- (h) The Options are not transferable to any party other than an associate of the Optionholder without prior approval of the Board.
- (i) All Shares allotted upon the exercise of Options will upon allotment rank pari passu in all respects with other Shares.
- (j) The Company will not apply for quotation of the Options on ASX. However, if admitted to the official list of ASX at the time, the Company will apply for quotation of all Shares allotted pursuant to the exercise of the Options on ASX within 10 Business Days after the date of allotment of those Shares.
- (k) If at any time the issued capital of the Company is reconstructed, all rights of the Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.
- (l) There are no participating rights or entitlements inherent in the Options and the Optionholder will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least six (6) Business Days after the issue is announced. This will give the Optionholder the opportunity to exercise the Options prior to the date for determining entitlements to participate in any such issue.
- (m) 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.

SCHEDULE 3 – VALUATION OF RELATED PARTY OPTIONS

The Related Party Options to be issued to the Related Parties pursuant to Resolutions 5 to 7 have been valued by internal management.

Using the Black & Scholes option pricing model and based on the assumptions set out below, the Related Party Options were ascribed the following value range:

Assumptions:			
Valuation date	11-Apr-14		
Market price of Shares	1.0 cent		
Exercise price	2.0 cents		
Expiry date (length of time from issue)	31-Dec-14		
Risk free interest rate	2.50%		
Volatility	75%	100%	125%
Indicative value per Related Party Option (cents)	0.39	0.56	0.7
Total Value of Related Party Options	\$35,100	\$50,400	\$63,000
Alexander Neuling	\$11,700	\$16,800	\$21,000
Robert Hemphill	\$11,700	\$16,800	\$21,000
Julian Jarman	\$11,700	\$16,800	\$21,000

Note: The valuation ranges noted above are not necessarily the market prices that the Related Party Options could be traded at and they are not automatically the market prices for taxation purposes.

SCHEDULE 4 – TERMS AND CONDITIONS OF EXISTING OPTIONS

The Existing Options entitle the holder to subscribe for Shares on the following terms and conditions:

- (a) Each Option gives the Optionholder the right to subscribe for one Share. To obtain the right given by each Option, the Optionholder must exercise the Options in accordance with these terms and conditions.
- (b) The Options will expire at 5:00pm (AWST) on 31 December 2017 (**Expiry Date**). Any Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- (c) The amount payable upon exercise of each Option will be \$0.02 (**Exercise Price**).
- (d) The Options may be exercised in whole or in part, and if exercised in part, multiples of 1,000 must be exercised on each occasion.
- (e) Optionholders may exercise their Options by lodging with the Company, before the Expiry Date:
 - i. a written notice of exercise of Options specifying the number of Options being exercised; and
 - ii. a cheque or electronic funds transfer for the Exercise Price for the number of Options being exercised;
- (f) An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds.
- (g) Within 10 Business Days of receipt of the Exercise Notice accompanied by the Exercise Price, the Company will allot the number of Shares required under these terms and conditions in respect of the number of Options specified in the Exercise Notice.
- (h) The Options are not transferable.
- (i) All Shares allotted upon the exercise of Options will upon allotment rank pari passu in all respects with other Shares.
- (j) The Company will not apply for quotation of the Options on ASX. However, the Company will apply for quotation of all Shares allotted pursuant to the exercise of the Options on ASX within 10 Business Days after the date of allotment of those Shares.
- (k) If at any time the issued capital of the Company is reconstructed, all rights of the Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.
- (l) There are no participating rights or entitlements inherent in the Options and the Optionholder will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least six (6) Business Days after the issue is announced. This will give the Optionholder the opportunity to exercise the Options prior to the date for determining entitlements to participate in any such issue.
- (m) In the event the Company proceeds with a pro rata issue (except a bonus issue) of securities to Shareholders after the date of issue of the Options, the exercise price of the Options may be reduced in accordance with the formula set out in ASX Listing Rule 6.22.2.
- (n) In the event the Company proceeds with a bonus issue of securities to Shareholders after the date of issues of the Options, the number of securities over which an Option is exercisable may be increased by the number of securities which the Optionholder would have received if the Option had been exercised before the record date for the bonus issue.

APPOINTMENT OF PROXY FORM

MOZAMBI COAL LIMITED
ACN 106 353 253

GENERAL MEETING

I/We

of:

being a Shareholder entitled to attend and vote at the Meeting, hereby appoint:

Name:

OR: ☐ the Chair of the Meeting as my/our proxy.

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 Meeting to be held at 4.00 pm (WST), on 27 May 2014 at The Park Business Centre, 45 Ventnor Avenue, West Perth WA 6005, and at any adjournment thereof.

The Chair intends to vote undirected proxies in favour of all Resolutions in which the Chair is entitled to vote.

Voting on business of the Meeting

		FOR	AGAINST	ABSTAIN
Resolution 1	Ratification of Prior Issue of Shares and Class A Options	☐	☐	☐
Resolution 2	Ratification of Prior Issue of Shares	☐	☐	☐
Resolution 3	Proposed Issue of Shares and Class A Options	☐	☐	☐
Resolution 4	Proposed Issue of Shares and Class A Options	☐	☐	☐
Resolution 5	Proposed Issue of Related Party Options to Alexander Neuling	☐	☐	☐
Resolution 6	Proposed Issue of Related Party Options to Robert Hemphill	☐	☐	☐
Resolution 7	Proposed Issue of Related Party Options to Julian Jarman	☐	☐	☐
Resolution 8	Proposed Issue of Class A Options to Consultants	☐	☐	☐
Resolution 9	Proposed Issue of Shares to Consultants	☐	☐	☐
Resolution 10	Ratification of Prior Issue of Shares to Consultants	☐	☐	☐
Resolution 11	Variation of Existing Option Terms	☐	☐	☐

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.

Important for Resolutions 5 to 7

If you have not directed your proxy how to vote as your proxy in respect of Resolutions 5 to 7 and the Chair is, or may by default be, appointed your proxy, you must mark the box below.

☐

I/we direct the Chair to vote in accordance with his/her voting intentions (as set out above) on Resolutions 5 to 7 (except where I/we have indicated a different voting intention above) and expressly authorise that the Chair may exercise my/our proxy even though Resolutions 5 to 7 are connected directly or indirectly with the remuneration of a member of the Key Management Personnel and acknowledge that the Chair may exercise my/our proxy even if the Chair has an interest in the outcome of Resolution 5 and that votes cast by the Chair for Resolution 5, other than as proxy holder, will be disregarded because of that interest.

If the Chair is, or may by default be, appointed your proxy and you do not mark this box and you have not directed the Chair how to vote, the Chair will not cast your votes on Resolutions 5 to 7 and your votes will not be counted in calculating the required majority if a poll is called on Resolutions 5 to 7.

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: _____

Contact ph (daytime): _____

E-mail address: _____

Consent for contact by e-mail: YES ☐ NO ☐

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 Mozambi Coal Limited, PO Box 1571, West Perth, WA 6005; or
 - (b) facsimile to the Company on facsimile number +61 8 6314 1557; or
 - (c) email to the Company at proxies@excpl.com.au.

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.

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