



ABN 98 008 905 388

NOTICE OF ANNUAL GENERAL MEETING AND EXPLANATORY STATEMENT

Date of Meeting

24 November 2017

Time of Meeting

10 a.m. (London time)

Place of Meeting

Tavistock Communications

1 Cornhill

London

EC3V 3ND

A proxy form is enclosed

Please read this Notice and Explanatory Statement carefully.

If you are unable to attend the Meeting please complete and return the enclosed proxy form in accordance with the specified directions.

Coal of Africa Limited

ABN 98 008 905 388

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the annual general meeting (“**Meeting**”) of the shareholders of Coal of Africa Limited ABN 98 008 905 388 (the “**Company**”) will be held at 10 a.m. (London time) on 24 November 2017 at Tavistock Communications, 8th Floor, 131 Finsbury Pavement, London EC2A 1NT for the purpose of transacting the following business referred to in this notice of meeting (“**Notice**”).

The Explanatory Statement that accompanies and forms part of this Notice (“**Explanatory Statement**”) describes the matters to be considered at the Meeting.

Capitalised terms used in this Notice are defined in the glossary at the end of the Explanatory Statement.

AGENDA ITEMS OF BUSINESS

Annual financial report

To receive and consider the annual financial report of the Company for the year ended 30 June 2017, and the reports of the Directors and the auditor.

Resolution 1: Non-binding resolution to adopt Remuneration Report

To consider and, if thought fit, to pass the following resolution as an advisory only resolution:

“To adopt the Remuneration Report for the year ended 30 June 2017.”

Note: The vote on this resolution is advisory only and does not bind the Directors or the Company. Shareholders are encouraged to read the Explanatory Statement for further details on the consequences of voting on this Resolution.

VOTING EXCLUSION STATEMENT

The Company will disregard any votes cast on Resolution 1 by or on behalf of:

- a member of the Company’s Key Management Personnel details of whose remuneration are included in the Remuneration Report; and
- a Closely Related Party of such a member of the Company’s Key Management Personnel.

However, the Company need not disregard a vote cast

by such a person if the vote is cast:

- as proxy for a person entitled to vote on Resolution 1, in accordance with the directions on the proxy form; or
- by the Chairman, as proxy for a person entitled to vote on Resolution 1, in accordance with an express authorisation to vote on Resolution 1 as the Chairman sees fit.

Resolution 2: Re-election of Director - De Wet Schutte

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

“That Mr De Wet Schutte, a Director who retires by rotation in accordance with clause 3.6 of the Constitution and, being eligible, offers himself for re-election, be re-elected as a Director.”

Resolution 3: Re-election of Director - Rudolph Torlage

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

“That Mr Rudolph Torlage, a Director who retires by rotation in accordance with clause 3.6 of the Constitution and, being eligible, offers himself for re-election, be re-elected as a Director.”

Resolution 4: Re-election of Director - Andrew Mifflin

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

“That Mr Andrew Mifflin, a Director who retires by rotation in accordance with clause 3.6 of the Constitution and, being eligible, offers himself for re-election, be re-elected as a Director.”

Resolution 5: Grant of Performance Rights to Director - David Brown

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

“That for the purposes of Listing Rule 10.14 and for all other purposes, approval is given for the Company to grant Performance Rights to Executive Director Mr David Brown and either issue or transfer ordinary shares in the Company to Mr Brown upon the vesting and exercise of those Performance Rights, in accordance with the terms of the Company’s Performance Rights Plan and on the basis described in the Explanatory Statement accompanying this Notice of Annual General Meeting.”

See voting exclusion statement below.

Resolution 6: Grant of Performance Rights to Director – De Wet Schutte

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

“That for the purposes of Listing Rule 10.14 and for all other purposes, approval is given for the Company to grant Performance Rights to Executive Director Mr De Wet Schutte, and either issue or transfer ordinary shares in the Company to Mr Schutte upon the vesting and exercise of those Performance Rights, in accordance with the terms of the Company’s Performance Rights Plan and on the basis described in the Explanatory Statement accompanying this Notice of Annual General Meeting.”

VOTING EXCLUSION STATEMENT FOR RESOLUTIONS 5 AND 6
The Company will disregard any votes cast on each of Resolutions 5 and 6 by any Director who is eligible to participate in the Company’s Performance Rights Plan (and any associate of such a Director).

However, the Company need not disregard a vote cast by such a person if the vote is cast:

- as proxy for a person entitled to vote on Resolution 5 or 6 (as applicable), in accordance with the directions on the proxy form; or
- by the Chairman, as proxy for a person entitled to vote on Resolution 5 and 6 (as applicable), in accordance with the directions on the proxy form.

The Company will also disregard any votes cast on Resolutions 5 and 6 by a member of the Key Management Personnel of the Company or their Closely Related Parties, acting as proxy for another person, where the proxy form does not specify how the proxy is to vote, with the exception that votes cast by the Chairman as proxy appointed in writing where the appointment expressly authorises the Chairman to exercise the proxy even though the respective Resolution is connected with the remuneration of a member of the Key Management Personnel of the Company, will not be excluded.

Resolution 7: Grant of Performance Rights to Director – David Brown

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

“That for the purposes of Listing Rule 10.14 and for all other purposes, approval is given for the Company to grant Performance Rights to Executive Director Mr David Brown and either issue or transfer ordinary shares in the Company to Mr Brown upon the vesting and exercise of those Performance Rights, in accordance with the terms of the Company’s Performance Rights Plan and on the basis described in the Explanatory Statement accompanying this Notice of Annual General Meeting.”

See voting exclusion statement below.

Resolution 8: Grant of Performance Rights to Director – De Wet Schutte

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

“That for the purposes of Listing Rule 10.14 and for all other purposes, approval is given for the Company to grant Performance Rights to Executive Director Mr De Wet Schutte, and either issue or transfer ordinary shares in the Company to Mr Schutte upon the vesting and exercise of those Performance Rights, in accordance with the terms of the Company’s Performance Rights Plan and on the basis described in the Explanatory Statement accompanying this Notice of Annual General Meeting.”

VOTING EXCLUSION STATEMENT FOR RESOLUTIONS 7 AND 8
The Company will disregard any votes cast on each of Resolutions 7 and 8 by any Director who is eligible to participate in the Company’s Performance Rights Plan (and any associate of such a Director).

However, the Company need not disregard a vote cast by such a person if the vote is cast:

- as proxy for a person entitled to vote on Resolution 7 or 8 (as applicable), in accordance with the directions on the proxy form; or
- by the Chairman, as proxy for a person entitled to vote on Resolution 5 and 6 (as applicable), in accordance with the directions on the proxy form.

The Company will also disregard any votes cast on Resolutions 7 and 8 by a member of the Key Management Personnel of the Company or their Closely Related Parties, acting as proxy for another person, where the proxy form does not specify how the proxy is to vote, with the exception that votes cast by the Chairman as proxy appointed in writing where the appointment expressly authorises the Chairman to exercise the proxy even though the respective Resolution is connected with the remuneration of a member of the Key Management Personnel of the Company, will not be excluded.

Resolution 9: Consolidation

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

“That, for the purpose of Section 254H(1) of the Corporations Act and for all other purposes, the issued capital of the Company be consolidated on the basis that:

- a) every twenty (20) Shares be consolidated into one (1) Share;
- b) every twenty (20) Options be consolidated into one (1) Option, with the exercise price amended in inverse proportion to that ratio; and
- c) every twenty (20) Performance Rights be consolidated into one (1) Performance Right, with the exercise price amended in inverse proportion to that ratio,

and, where this consolidation results in a fraction of a security being held by a security holder, the Directors be

authorised to round that fraction up to the nearest whole security, with such consolidation to take effect in accordance with the timetable and otherwise on the terms and conditions set out in the Explanatory Statement."

Resolution 10: Approval for Change of Company Name

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

"That, for the purposes of section 157(1)(a) of the Corporations Act, and all other purposes, the name of the Company be changed from "Coal of Africa Limited" to "MC Mining Limited" with effect from the day on which the Australian Securities and Investments Commission alters the details of the Company's registration."

OTHER BUSINESS

To deal with any other business which may be brought forward in accordance with the Constitution and the Corporations Act.

By order of the Board

Tony Bevan
Company Secretary

Dated: 23 October 2017

How to vote

Shareholders can vote by either:

- attending the Meeting and voting in person or by attorney or, in the case of corporate shareholders, by appointing a corporate representative to attend and vote; or
- appointing a proxy to attend and vote on their behalf using the proxy form accompanying this Notice and by submitting their proxy appointment and voting instructions in person, by post or by facsimile.

Voting in person (or by attorney)

Shareholders, or their attorneys, who plan to attend the Meeting are asked to arrive at the venue 15 minutes prior to the time designated for the Meeting, if possible, so that their holding may be checked against the Company's share register and attendance recorded. Attorneys should bring with them an original or certified copy of the power of attorney under which they have been authorised to attend and vote at the Meeting.

Voting by a corporation

A shareholder that is a corporation may appoint an individual to act as its representative and vote in person at the Meeting. The appointment must comply with the requirements of section 250D of the Corporations Act. The representative should bring to the Meeting evidence of his or her appointment, including any authority under which it is signed.

Voting by proxy

- A shareholder entitled to attend and vote is entitled to appoint not more than two proxies. Each proxy will have the right to vote on a poll and also to speak at the Meeting.
- The appointment of the proxy may specify the proportion or the number of votes that the proxy may exercise. Where more than one proxy is appointed and the appointment does not specify the proportion or number of the shareholder's votes each proxy may exercise, the votes will be divided equally among the proxies (i.e. where there are two proxies, each proxy may exercise half of the votes).
- A proxy need not be a shareholder.
- The proxy can be either an individual or a body corporate.
- If a proxy is not directed how to vote on an item of business, the proxy may generally vote, or abstain from voting, as they think fit.
- Should any resolution, other than those specified in this Notice, be proposed at the Meeting, a proxy may vote on that resolution as they think fit.
- If a proxy is instructed to abstain from voting on an item of business, they are directed not to vote on the shareholder's behalf either on a show of hands or on the poll and the Shares that are the subject of the proxy appointment will not be counted in calculating the required majority.

- Shareholders who return their proxy forms with a direction how to vote but do not nominate the identity of their proxy will be taken to have appointed the Chairman of the Meeting as their proxy to vote on their behalf. If a proxy form is returned but the nominated proxy does not attend the Meeting, the Chairman of the Meeting will act in place of the nominated proxy and vote in accordance with any instructions. Proxy appointments in favour of the Chairman of the Meeting, the secretary or any Director that do not contain a direction how to vote will be used where possible to support each of the resolutions proposed in this Notice, provided they are entitled to cast votes as a proxy under the voting exclusion rules which apply to some of the proposed resolutions. These rules are explained in this Notice.
- If a shareholder entitled to vote on a Resolution appoints the Chairman of the Meeting as their proxy (or the Chairman becomes their proxy by default) and the shareholder does not direct the Chairman how to vote on the Resolution:
 - the Chairman intends to vote in favour of the Resolution, as proxy for that shareholder on a poll; and
 - for Resolutions 1, 5, 6, 7 and 8 the shareholder will be taken to have given the Chairman express authority to vote as the shareholder's proxy on the relevant resolution even though the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company and even though the Chairman is a member of the Key Management Personnel, unless the shareholder expressly indicates to the contrary in the proxy appointment.
- To be effective, proxies must be lodged by 10 a.m. (London time) on 22 November 2017. Proxies lodged after this time will be invalid.
- Proxies may be lodged using any of the following methods:
 - by returning a completed proxy form by delivery or post to:
Computershare Investor Services Pty Ltd
GPO Box 242
Melbourne Victoria 3001
Australia
 - by faxing a completed proxy form to the facsimile number provided on the proxy form accompanying this Notice.

The proxy form must be signed by the shareholder or the shareholder's attorney. Proxies given by corporations must be executed in accordance with the Corporations Act. Where the appointment of a proxy is signed by the appointer's attorney, a certified copy of the power of attorney, or the power itself, must be received by the Company at the above address, or by facsimile, by 10 a.m. (London time) on 22 November 2017. If facsimile

transmission is used, the power of attorney must be certified.

Shareholders who are entitled to vote

In accordance with Regulations 7.11.37 and 7.11.38 of the *Corporations Regulations 2001* (Cth), the Board has determined that a person's entitlement to vote at the Meeting will be the entitlement of that person set out in the register of shareholders as at 8:00 a.m. (London time) on 23 November 2017. Changes in the register of shareholders after this time will be disregarded in determining the rights of any person to attend and vote at the Meeting.

Coal of Africa Limited

ABN 98 008 905 388

EXPLANATORY STATEMENT

This Explanatory Statement is intended to provide shareholders with sufficient information to assess the merits of the Resolutions contained in the preceding Notice.

The Explanatory Statement and all attachments are important documents. They should be read carefully. The Directors recommend shareholders read this Explanatory Statement in full before making any decision in relation to the Resolutions.

Certain abbreviations and other defined terms are used throughout this Explanatory Statement. Defined terms are generally identifiable by the use of an upper case first letter. Details of the definitions and abbreviations are set out in the glossary at the end of this Explanatory Statement.

FINANCIAL STATEMENTS

The first item of the Notice relates to the presentation of the consolidated annual financial report of the Company for the financial year ended 30 June 2017, together with the Directors' declaration and report in relation to that financial year and the auditor's report on those financial statements.

Shareholders should consider these documents and raise any matters of interest with the Directors when this item is being considered.

No resolution is required to be moved in respect of this item.

Shareholders may submit a written question to the auditor prior to the Meeting provided that the question relates to:

- the content of the auditor's report; or
- the conduct of the audit in relation to the financial report.

All written questions must be received by the Company no later than five business days prior to the Meeting. All questions must be sent to the Company and may not be sent directly to the auditor. The Company will then forward all questions to the auditor.

The auditor will be attending the Meeting and will answer written questions submitted prior to the Meeting.

Shareholders will be given a reasonable opportunity at the Meeting to ask questions and make comments on the accounts and on the business, operations and management of the Company.

The Chairman will also provide shareholders a reasonable opportunity to ask the auditor questions relevant to:

- the conduct of the audit;
- the preparation and content of the auditor's report;
- the accounting policies adopted by the Company in relation to the preparation of accounts; and
- the independence of the auditor in relation to the conduct of the audit.

RESOLUTION 1: REMUNERATION REPORT

The Directors' report for the year ended 30 June 2017 contains the Remuneration Report which explains the Board policies in relation to the nature and level of remuneration paid to Directors, sets out remuneration details for each Director and any service agreements and sets out the details of any share based compensation.

Section 250R(3) of the Corporations Act expressly provides that the vote on the resolution is advisory only and does not bind the Directors or the Company. However, if at least 25% of the votes cast are against adoption of the

Remuneration Report at the Meeting, and then again at the 2018 annual general meeting, the Company will be required to put a resolution to the 2018 annual general meeting, to approve calling an extraordinary general meeting (“**spill resolution**”). If more than 50% of shareholders vote in favour of the spill resolution, the Company must convene an extraordinary general meeting (“**spill meeting**”) within 90 days of the 2018 annual general meeting. All of the Directors (other than the managing director (if any)) who were in office when the 2018 Directors’ report was approved will need to stand for re-election at the spill meeting.

Voting

Note that a voting exclusion applies to Resolution 1 in the terms set out in the Notice.

Shareholders are urged to carefully read the proxy form and provide a direction to the proxy on how to vote on this Resolution.

Directors’ recommendation

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

RESOLUTION 2: RE-ELECTION OF DIRECTOR - DE WET SCHUTTE

Clause 3.6 of the Constitution provides that at every annual general meeting of the Company one-third of the Directors must retire from office and are eligible for re-election.

De Wet Schutte retires by rotation in accordance with the Constitution and, being eligible, offers himself for re-election.

De Wet Schutte

Mr Schutte is the Chief Financial Officer of the Company. He was appointed to the Board on 22 June 2015 to act as an executive Director.

Mr Schutte is a Chartered Accountant, CA(SA) and completed an MBA at the University of Virginia. He has been involved at a senior level in the mining and natural resources industry for the past 16 years, most notably as Managing Director, Natural Resources at Macquarie Bank and Chief Financial Officer of listed platinum producer Atlatsa Resources Corporation. Prior to these positions he worked for Harmony Gold Mining (Pty) Ltd as its New Business and Exploration Executive for a period of three years.

Directors’ recommendation

The Board (with Mr Schutte abstaining) recommends shareholders vote in favour of Resolution 2.

RESOLUTION 3: RE-ELECTION OF DIRECTOR - RUDOLPH TORLAGE

Clause 3.6 of the Constitution provides that at every annual general meeting of the Company one-third of the Directors must retire from office and are eligible for re-election.

Rudolph Torlage retires by rotation in accordance with the Constitution and, being eligible, offers himself for re-election.

Rudolph Torlage

Mr Torlage was appointed to the Board on 18 November 2010 to act as a non-executive Director.

Mr Torlage is a Chartered Accountant and has over twenty years' experience with ArcelorMittal South Africa. He is currently General Manager, Strategy and Special Projects and a board member of various unlisted ArcelorMittal Group companies. He was previously the Executive Director Finance at ArcelorMittal South Africa.

Directors’ recommendation

The Board (with Mr Torlage abstaining) recommends shareholders vote in favour of Resolution 3.

RESOLUTION 4: RE-ELECTION OF DIRECTOR - ANDREW MIFFLIN

Clause 3.6 of the Constitution provides that at every annual general meeting of the Company one-third of the Directors must retire from office and are eligible for re-election.

Andrew Mifflin retires by rotation in accordance with the Constitution and, being eligible, offers himself for re-election.

Andrew Mifflin

Mr Mifflin was appointed to the Board on 12 December 2014 to act as a non-executive Director.

Mr Mifflin obtained his Bachelor of Science (Honours) in Mining Engineering from Staffordshire University and has a Master's Degree in Business Administration. He has over 30 years' experience specifically in the coal mining industry. His experience spans various organisations such as British Coal Corporation, Xstrata and more recently GVK Resources. He has gained an in-depth knowledge in coal operations, both thermal and hard coking coal as well as in project development.

Directors' recommendation

The Board (with Mr Mifflin abstaining) recommends shareholders vote in favour of Resolution 4.

RESOLUTIONS 5 AND 6: GRANT OF PERFORMANCE RIGHTS TO MR BROWN (CEO) AND MR SCHUTTE (CFO)

Background

The Performance Rights Plan was adopted in 2015 to assist with the attraction, motivation and retention of employees and executive directors of the Company and its subsidiaries, and to align the interests of those employees and directors with the interests of shareholders by matching rewards with the long-term performance of the Company.

Listing Rule 10.14 states that a listed company must not permit a Director to acquire securities under an employee incentive scheme without the prior approval of shareholders by an ordinary resolution.

As the Company's CEO, Mr Brown and CFO, Mr Schutte, are Directors, the purpose of Resolutions 5 and 6 is for shareholders to approve the proposed grants of Performance Rights under the Company's Performance Rights Plan ("**Performance Rights**") to Mr Brown and Mr Schutte.

The Board believes that part of the remuneration for Mr Brown's and Mr Schutte's services to the Company should be performance-based and at risk and should involve equity interests in the Company. This approach is consistent with best practice in executive remuneration and corporate governance. In structuring the terms of the long-term incentives to Mr Brown and Mr Schutte, the Board has considered market practice among comparable companies listed on the ASX.

All Performance Rights granted to Mr Brown and Mr Schutte comply with the rules of the Company's Performance Rights Plan.

Related Party Benefit

The Board (other than Mr Brown and Mr Schutte) has considered the application of Chapter 2E of the Corporations Act to the grants of Performance Rights to Mr Brown and Mr Schutte and considers that the financial benefit given by such grant of Performance Rights constitutes reasonable remuneration to Mr Brown and Mr Schutte given:

- the circumstances of the Company; and
- Mr Brown's and Mr Schutte's respective roles and responsibilities with the Company,

for the purposes of the exception contained in section 211(1) of the Corporations Act.

Therefore, the Company is not seeking shareholder approval pursuant to section 208 of the Corporations Act in addition to the approvals being sought under the Listing Rules for the grants of Performance Rights to Mr Brown and Mr Schutte.

Requirements of Listing Rule 10.14 and 10.15 – Resolutions 5 and 6

The following information in relation to the Performance Rights that may be granted to Mr Brown and Mr Schutte pursuant to Resolutions 5 and 6 is provided to shareholders for the purposes of Listing Rule 10.15:

- a) **Number of securities:** Listing Rule 10.15.2 requires a company to state the maximum number of securities that may be acquired by all persons for whom approval is required, including any formula for calculating the number of securities to be issued.

The number of Performance Rights that may be granted to:

- i. Mr Brown will be determined by dividing ZAR4,177,317 (which is 83% of Mr Brown's fixed remuneration) by the volume weighted average price of the Shares of the Company over the 5 trading days prior to the date of grant of the Performance Rights. The proposed date of grant to Mr Brown is, subject to shareholder approval, intended to be on or as soon as practicable after the Annual General Meeting; and
- ii. Mr Schutte will be determined by dividing ZAR2,126,250 (which is 75% of Mr Schutte's fixed remuneration) by the volume weighted average price of the Shares of the Company over the 5 trading days prior to the date of grant of the Performance Rights. The proposed date of grant to Mr Schutte is, subject to shareholder approval, intended to be on or as soon as practicable after the Annual General Meeting.

Accordingly, the Company applied to the ASX for a waiver from Listing Rule 10.15.2 to the extent that it need not state in this Notice of Meeting the maximum number of Performance Rights proposed to be issued to Mr Brown and Mr Schutte (**Waiver**). At the time of issue of this Notice, the Waiver has not been granted by ASX. If the Waiver is not granted by ASX by the time appointed for the Meeting, then Resolutions 5 and 6 (as applicable) seeking shareholder approval for the grant of Performance Rights to Mr Brown and Mr Schutte will be withdrawn.

- b) **Price of securities:** The Performance Rights will be granted for no consideration. No exercise price is payable upon exercise of the Performance Rights.
- c) **Securities granted under the Performance Rights Plan under the last approval:** At the November 2015 AGM the Company obtained shareholder approval under Listing Rule 10.14 for the grant of Performance Rights to Mr Brown and Mr Schutte. Following this meeting 9,714,021 and 5,449,944 Performance Rights were issued under the Plan to Mr Brown and Mr Schutte respectively. None of the performance rights have been exercised to date.

At the November 2016 AGM the Company obtained shareholder approval under Listing Rule 10.14 for the grant of Performance Rights to Mr Brown and Mr Schutte. Following this meeting 11,254,933 and 7,983,715 Performance Rights were issued under the Plan to Mr Brown and Mr Schutte respectively. None of the performance rights have been exercised to date.

- d) **Eligible participants:** Eligible participants under the Performance Rights Plan are full time or part time employees and executive directors of the Company or its subsidiaries. Mr Brown and Mr Schutte are the only Directors, or associates of a Director, who are entitled to participate in the Company's Performance Rights Plan.
- e) **No loans given to acquire securities:** No loans will be provided by the Company in connection with the grant of the Performance Rights to either Mr Brown or Mr Schutte.
- f) **Voting exclusion statement:** A voting exclusion statement in relation to Resolutions 5 and 6 is set out in the Notice.

- g) **Date of issue of securities:** Following approval, the Company will issue the Performance Rights to Mr Brown and Mr Schutte as soon as practicable and in any event within 12 months after the date of the Annual General Meeting. The Company expects to issue all of the Performance Rights on the same date, however the exact date of issue is unknown at this stage.

If approval is given for the abovementioned issues of the Performance Rights to Mr Brown and Mr Schutte under Listing Rule 10.14, further approval is not required (and will not be sought) under Listing Rule 7.1 for the issues.

Worked Examples

The below table sets out the maximum potential dilution associated with the issue of performance rights to directors. The number of performance rights to be issued under Resolutions 5 and 6 will be determined by dividing the total value of the performance rights by the volume weighted average price of the Shares of the Company over the 5 trading days prior to the date of grant of the Performance Rights ("C"). Set out below are worked examples outlining the number of performance rights to be issued as if:

- the performance rights were to be issued on 17 October 2017;
- C is equal to the closing price of the Shares at 13 October; and
- C is equal to a closing price 25% below the closing price of the Shares at 13 October 2017.

	ZAR value of Performance Rights	AUD value of Performance Rights (\$1:ZAR10.47)	Number of Performance Rights to be issued		
			C = 5 day VWAP at 16 October 2017 (\$0.044)	C = Closing share price at 13 October 2017 (\$0.045)	C=25% decline in Closing share price at 13 October 2017 (\$0.03375)
Performance Rights to be issued to Mr Brown (Resolution 5)	ZAR4,177,317	\$398,979.65	9,067,720 (0.32% of fully diluted issued capital)	8,866,214 (0.31% of fully diluted issued capital)	11,821,620 (0.42% of fully diluted issued capital)
Performance Rights to be issued to Mr Schutte (Resolution 6)	ZAR2,126,250	\$203,080.23	4,615,460 (0.16% of fully diluted issued capital)	4,512,894 (0.16% of fully diluted issued capital)	6,017,192 (0.21% of fully diluted issued capital)
Total	-	-	13,683,180 (0.49% of fully diluted issued capital)	13,379,108 (0.47% of fully diluted issued capital)	17,838,811 (0.63% of fully diluted issued capital)

Please note that the above table outlines the maximum dilution that could occur following the issue of the Performance Rights in accordance with Resolutions 5 and 6 where:

- 100% of the Performance Rights have vested in accordance with the terms of the Company's Performance Rights Plan; and
- 100% of the vested Performance Rights are exercised by the relevant Directors.

Performance Rights are governed by the rules of the Plan adopted in 2015 and are subject to a hurdle based on the CAGR in TSR across the three year Performance Period (as defined and described below).

The Company also notes that the above table has been prepared on a pre-consolidation basis for the purpose of illustrating the maximum dilution associated with the issue of performance rights under Resolutions 5 and 6. In the event Resolution 9 is approved by Shareholders, it is intended that these Performance Rights will be issued on a post-consolidation basis. In such circumstances, it is expected that the number of Performance Rights will be reduced by twenty (20) times the level outlined in the above table, although the proportion of the rights issued as a percentage of the Company's fully diluted issued capital is expected to remain constant.

Vesting Conditions

All the Performance Rights proposed to be granted to Mr Brown and Mr Schutte will be subject to the following vesting conditions:

TSR Vesting Condition: Vesting of the Performance Rights will be subject to a hurdle based on the compound annual growth rate ("CAGR") in total shareholder return ("TSR") across the 3 years commencing on the grant date of the Performance Rights ("Performance Period"). TSR is a measure of the increase in the price of a Share (assuming dividends are reinvested) as determined by the Company.

The base price for the TSR calculation will be the volume weighted average price ("VWAP") of Shares over the five days prior to the grant date. The end price for the TSR calculation will be the VWAP over the last five days of the Performance Period.

The TSR CAGR will be compared against a hurdle rate ("**Hurdle Rate**") determined as follows:

$$e = r + B \times m$$

where:

e: is the Hurdle Rate, representing the cost of equity based on the standard capital asset pricing model formula set out above.

r: is the risk free rate, based on the South African Long Bond rate. The average of the daily yields of the R186 bond over the Performance Period will be used initially, with a replacement instrument selected by the Remuneration Committee when this bond becomes too short-dated.

B: is the "market Beta" of the Company as provided by Bloomberg.

m: is the equity market risk premium which will initially be set to 6%, and will be reviewed by the Remuneration Committee periodically based on market data.

The Hurdle Rate and the TSR will be computed on a CAGR basis.

The number of Performance Rights that vest and can become exercisable in respect of a Performance Period will be determined as follows (noting that the employment vesting condition described below also must be satisfied):

- 30% of the Performance Rights will vest if the TSR CAGR achieved equals the Hurdle Rate over the Performance Period;
- 100% of the Performance Rights will vest if the TSR CAGR achieved equals the Hurdle Rate plus 7% over the Performance Period; and
- if the TSR CAGR is between the Hurdle Rate and the Hurdle Rate plus 7%, the number of Performance Rights that will vest will be pro-rated on a straight-line basis.

Employment condition: In addition to satisfying the TSR Vesting Condition above, vesting of Mr Brown's and Mr Schutte's Performance Rights will be subject to Mr Brown and Mr Schutte (respectively) continuing to be employed by a member of the Group, and not have given or received notice of termination of his employment, three years after the grant date of the Performance Rights.

Directors' recommendation

Each of the Directors (other than Mr Brown who abstains in respect of the Performance Rights the subject of Resolution 5 and Mr Schutte who abstains in respect of the Performance Rights the subject of Resolution 6) recommends the grants of Performance Rights to Mr Brown and Mr Schutte for the reasons set out above and recommends that shareholders vote in favour of these Resolutions. Each of the Directors (other than Mr Brown and Mr Schutte) are non-executive Directors of the Company and are not eligible to participate in the Performance Rights Plan and accordingly do not have an interest in the outcome of these Resolutions.

RESOLUTIONS 7 AND 8: GRANT OF PERFORMANCE RIGHTS TO MR BROWN (CEO) AND MR SCHUTTE (CFO)

Background

The Performance Rights Plan was adopted in 2015 to assist with the attraction, motivation and retention of employees and executive directors of the Company and its subsidiaries, and to align the interests of those employees and directors with the interests of shareholders by matching rewards with the long-term performance of the Company.

Listing Rule 10.14 states that a listed company must not permit a Director to acquire securities under an employee incentive scheme without the prior approval of shareholders by an ordinary resolution.

As the Company's CEO, Mr Brown and CFO, Mr Schutte, are Directors, the purpose of Resolutions 7 and 8 is for shareholders to approve the proposed grants of Performance Rights under the Company's Performance Rights Plan to Mr Brown and Mr Schutte. To conserve cash resources while the Company was being restructured and legacy issues resolved, Mr Brown and Mr Schutte did not receive net increases for a period of four years for Mr Brown and three years for Mr Schutte. As such the Board has resolved to grant Mr Brown and Mr Schutte additional Performance Rights to compensate them for their reduced revenue and Performance Rights to be granted to Mr Brown will not exceed R1,212,750 and those to be granted to Mr Schutte will not exceed R756,000.

All Performance Rights granted to Mr Brown and Mr Schutte comply with the rules of the Company's Performance Rights Plan.

Related Party Benefit

The Board (other than Mr Brown and Mr Schutte) has considered the application of Chapter 2E of the Corporations Act to the grants of Performance Rights to Mr Brown and Mr Schutte and considers that the financial benefit given by such grant of Performance Rights constitutes reasonable remuneration to Mr Brown and Mr Schutte given:

- the circumstances of the Company; and
- Mr Brown's and Mr Schutte's respective roles and responsibilities with the Company,

for the purposes of the exception contained in section 211(1) of the Corporations Act.

Therefore, the Company is not seeking shareholder approval pursuant to section 208 of the Corporations Act in addition to the approvals being sought under the Listing Rules for the grants of Performance Rights to Mr Brown and Mr Schutte.

Requirements of Listing Rule 10.14 and 10.15 – Resolutions 7 and 8

The following information in relation to the Performance Rights that may be granted to Mr Brown and Mr Schutte pursuant to Resolutions 7 and 8 is provided to shareholders for the purposes of Listing Rule 10.15:

- a) **Number of securities:** Listing Rule 10.15.2 requires a company to state the maximum number of securities that may be acquired by all persons for whom approval is required, including any formula for calculating the number of securities to be issued.

The number of Performance Rights that may be granted to:

- i. The Board has resolved to grant Mr Brown additional Performance Rights to compensate him for reduced revenue and the value of the Performance Rights to be granted to Mr Brown will be determined by dividing (an amount not greater than) R1,212,750 by the volume weighted average price of the Shares of the Company over the 5 trading days prior to the date of grant of the Performance Rights. The proposed date of grant to Mr Brown is, subject to shareholder approval, intended to be on or as soon as practicable after the Annual General Meeting; and
- ii. The Board has resolved to grant Mr Schutte additional Performance Rights to compensate him for reduced revenue and the value of the Performance Rights to be granted to Mr Schutte will

be determined by dividing (an amount not greater than) R756,000 by the volume weighted average price of the Shares of the Company over the 5 trading days prior to the date of grant of the Performance Rights. The proposed date of grant to Mr Brown is, subject to shareholder approval, intended to be on or as soon as practicable after the Annual General Meeting.

Accordingly, the Company applied to the ASX for a waiver from Listing Rule 10.15.2 to the extent that it need not state in this Notice of Meeting the maximum number of Performance Rights proposed to be issued to Mr Brown and Mr Schutte (**Waiver**). At the time of issue of this Notice, the Waiver has not been granted by ASX. If the Waiver is not granted by ASX by the time appointed for the Meeting, then Resolutions 7 and 8 (as applicable) seeking shareholder approval for the grant of Performance Rights to Mr Brown and Mr Schutte will be withdrawn.

- b) **Price of securities:** The Performance Rights will be granted for no consideration. No exercise price is payable upon exercise of the Performance Rights.
- c) **Securities granted under the Performance Rights Plan under the last approval:** At the November 2015 AGM the Company obtained shareholder approval under Listing Rule 10.14 for the grant of Performance Rights to Mr Brown and Mr Schutte. Following this meeting 9,714,021 and 5,449,944 Performance Rights were issued under the Plan to Mr Brown and Mr Schutte respectively. None of the performance rights have been exercised to date.

At the November 2016 AGM the Company obtained shareholder approval under Listing Rule 10.14 for the grant of Performance Rights to Mr Brown and Mr Schutte. Following this meeting 11,254,933 and 7,983,715 Performance Rights were issued under the Plan to Mr Brown and Mr Schutte respectively. None of the performance rights have been exercised to date.

Shareholder's attention is brought to Resolutions 5 and 6 of this notice detailing the issue of Performance Grants to Mr Brown and Mr Schutte.

- d) **Eligible participants:** Eligible participants under the Performance Rights Plan are full time or part time employees and executive directors of the Company or its subsidiaries. Mr Brown and Mr Schutte are the only Directors, or associates of a Director, who are entitled to participate in the Company's Performance Rights Plan.
- e) **No loans given to acquire securities:** No loans will be provided by the Company in connection with the grant of the Performance Rights to either Mr Brown or Mr Schutte.
- f) **Voting exclusion statement:** A voting exclusion statement in relation to Resolutions 5 and 6 is set out in the Notice.
- g) **Date of issue of securities:** Following approval, the Company will issue the Performance Rights to Mr Brown and Mr Schutte as soon as practicable and in any event within 12 months after the date of the Annual General Meeting. The Company expects to issue all of the Performance Rights on the same date, however the exact date of issue is unknown at this stage.

If approval is given for the abovementioned issues of the Performance Rights to Mr Brown and Mr Schutte under Listing Rule 10.14, further approval is not required (and will not be sought) under Listing Rule 7.1 for the issues.

Worked Examples

The below table sets out the maximum potential dilution associated with the issue of performance rights to directors. The number of performance rights to be issued under Resolutions 7 and 8 will be determined by dividing the total value of the performance rights by the volume weighted average price of the Shares of the Company over the 5 trading days prior to the date of grant of the Performance Rights ("C"). Set out below are worked examples outlining the number of performance rights to be issued as if:

- a) the performance rights were to be issued on 17 October 2017;
- b) C is equal to the closing price of the Shares at 13 October; and
- c) C is equal to a closing price 25% below the closing price of the Shares at 13 October 2017.

	ZAR value of Performance Rights	AUD value of Performance Rights (\$1:ZAR10.47)	Number of Performance Rights to be issued		
			C = 5 day VWAP at 16 October 2017 (\$0.044)	C = Closing share price at 13 October 2017 (\$0.045)	C=25% decline in Closing share price at 13 October 2017 (\$0.03375)
Performance Rights to be issued to Mr Brown (Resolution 7)	ZAR1,212,750	\$115,830.95	2,632,522 (0.09% of fully diluted issued capital)	2,574,022 (0.09% of fully diluted issued capital)	3,432,029 (0.12% of fully diluted issued capital)
Performance Rights to be issued to Mr Schutte (Resolution 8)	ZAR756,000	\$72,206.30	1,641,053 (0.06% of fully diluted issued capital)	1,604,585 (0.06% of fully diluted issued capital)	2,139,447 (0.08% of fully diluted issued capital)
Total	-	-	4,273,575 (0.15% of fully diluted issued capital)	4,178,607 (0.15% of fully diluted issued capital)	5,571,476 (0.20% of fully diluted issued capital)

Please note that the above table outlines the maximum dilution that could occur following the issue of the Performance Rights in accordance with Resolutions 7 and 8 where:

- a) 100% of the Performance Rights have vested in accordance with the terms of the Company's Performance Rights Plan; and
- b) 100% of the vested Performance Rights are exercised by the relevant Directors.

Performance Rights are governed by the rules of the Plan adopted in 2015 and are subject to a hurdle based on the CAGR in TSR across the three year Performance Period (as defined and described below).

The Company also notes that the above table has been prepared on a pre-consolidation basis for the purpose of illustrating the maximum dilution associated with the issue of performance rights under Resolutions 7 and 8. In the event Resolution 9 is approved by Shareholders, it is intended that these Performance Rights will be issued on a post-consolidation basis. In such circumstances, it is expected that the number of Performance Rights will be reduced by twenty (20) times the level outlined in the above table, although the proportion of the rights issued as a percentage of the Company's fully diluted issued capital is expected to remain constant.

Vesting Conditions

All the Performance Rights proposed to be granted to Mr Brown and Mr Schutte will be subject to the following vesting conditions detailed in Resolutions 7 and 8 of this notice.

Employment condition: In addition to satisfying the TSR Vesting Condition above, vesting of Mr Brown's and Mr Schutte's Performance Rights will be subject to Mr Brown and Mr Schutte (respectively) continuing to be employed by a member of the Group, and not have given or received notice of termination of his employment, three years after the grant date of the Performance Rights.

Directors' recommendation

Each of the Directors (other than Mr Brown who abstains in respect of the Performance Rights the subject of Resolution 7 and Mr Schutte who abstains in respect of the Performance Rights the subject of Resolution 8) recommends the grants of Performance Rights to Mr Brown and Mr Schutte for the reasons set out above and recommends that shareholders vote in favour of these Resolutions. Each of the Directors (other than Mr Brown and Mr Schutte) are non-executive Directors of the Company and are not eligible to participate in the Performance Rights Plan and accordingly do not have an interest in the outcome of these Resolutions.

RESOLUTION 9: CONSOLIDATION

Resolution 9 seeks Shareholder approval for the Company to undertake consolidation of its Shares on a one (1) for twenty (20) basis (“**Consolidation**”).

Pursuant to section 254H(1) of the Corporations Act, the Company may convert all or any of its Shares into a larger or smaller number of Shares by ordinary resolution passed at a general meeting.

The result of the Consolidation is that each member’s security holding will be reduced to one twentieth of its current level.

In compliance with the information requirements of ASX Listing Rule 7.20, Shareholders are advised of the following information.

Purpose of proposed resolution

Resolution 9 seeks Shareholder approval to consolidate the Company’s issued capital by consolidating (i.e. converting) every 20 existing Shares into one new Share. The Company has a large number of Shares in issue due to historical equity-based capital raisings resulting in the number of shares in issue being disproportionately large. In addition the Company has received feedback that the large number of Shares in issue is a strong disincentive for institutional investors to invest in the Company as their mandate inhibit them from investing in ‘penny’ stocks or other stocks where unit prices are too low, irrespective or the company’s market capitalisation. The share Consolidation should increase the Share price while reducing the number of shares held by each investor on the basis of one Share for every 20 Shares currently held and the Directors propose the Consolidation as it will result in a more appropriate and effective capital structure for the Company and a Share price more appealing to a wider range of investors.

The Company currently has 2,817,574,530 Shares on issue, which for a company of its size, is a very large number and subjects Shareholders to several disadvantages, including:

- (a) poor market perception;
- (b) vulnerability to speculative day-trading and short selling, which generates Share price volatility; and
- (c) discouraging quality, long term institutional investors, equity funds and lending institutions seeking stability and long term growth.

The Board believes these factors can be minimised by the Consolidation.

Effect of the Consolidation

The effect of the Consolidation on the capital structure of the Company, as illustrated in the table below, is that each holding of Shares will be reduced by twenty (20) times its current level (subject to rounding).

As the Consolidation applies equally to all Shareholders, individual Shareholdings will be reduced in the same ratio as the total number of Shares (subject to rounding). Accordingly, assuming no other market movements or impacts occur, the Consolidation will have no effect on the percentage interest in the Company of each Shareholder.

Capital Structure	Shares	Unlisted Options	Unlisted Performance Rights	Unissued IDC Warrants
Pre-consolidation Securities	2,817,574,530	25,000,000 ¹	55,635,237 ²	48,175,033 ³
Post 20:1 Consolidation Securities	140,878,727 ⁴	1,250,000	2,781,762	2,408,752

1. The terms of the Options are set out in the table below.
2. The terms of the Performance Rights are set out below.
3. The terms of the unissued IDC Warrants are set out below.
4. Subject to rounding.

The Consolidation will not result in any change to the substantive rights and obligations of existing Shareholders.

Options - Pre-consolidation

Terms	Number
Options exercisable at ZAR1.32 on or before 21 October 2018	20,000,000
Options exercisable at GBP0.055 on or before 1 December 2018	5,000,000
Total	25,000,000

Options - Post-consolidation

Terms	Number
Options exercisable at ZAR26.40 on or before 21 October 2018	1,000,000
Options exercisable at GBP1.10 on or before 1 December 2018	250,000
Total	1,250,000

Performance Rights - Pre-consolidation

Terms	Number
Performance Rights vesting on 1 December 2018 subject to vesting conditions	22,186,113
Performance Rights vesting on 13 December 2019 subject to vesting conditions	33,449,124
Total	55,635,237

The Performance Rights are governed by the rules of the Plan adopted in 2015 and are subject to a hurdle based on the CAGR in TSR across the three year Performance Period.

Performance Rights - Post-consolidation

Terms	Number
Performance Rights vesting on 1 December 2018 subject to vesting conditions	1,109,306
Performance Rights vesting on 13 December 2019 subject to vesting conditions	1,672,457
Total	2,781,763

Warrants

In terms of the Loan Agreement between the Industrial Development Corporation of South Africa Limited (“IDC”), the Company and its subsidiary Baobab Mining & Exploration (Proprietary) Limited (the “**Loan Agreement**”), the Company undertook to issue two tranches of Warrants, both equal to 2.5% (two point five percent) of the Share capital of the Company, subject to certain terms and conditions.

In terms of the Loan Agreement the Company drew down an initial amount of R120 million during the June 2017 financial period and is required to issue 48,175,033 Warrants to the IDC, equal to 2.5% of the issued Share Capital of the Company as at 5 December 2016. This initial tranche of 48,175,033 Warrants due had not been issued at the date this notice.

The Warrants issued to the IDC on each Warrant Issue Date will vest immediately and will expire on the 5th anniversary of the issue date. The second tranche of Warrants will only be issued if the Company draws down the second loan tranche amount of R120 million.

Warrants - Pre consolidation

Terms	Number
Initial tranche of Warrants to be issued in terms of the Loan Agreement with the IDC	48,175,033

Warrants - Post consolidation

Terms	Number
Initial tranche of Warrants to be issued in terms of the Loan Agreement with the IDC	2,408,752

Securities to be issued under this Notice

Subject to the receipt of Shareholder approval to Resolutions 5, 6, 7 and 8, the Company will issue further performance rights to Mr Brown and Mr Schutte. As set out above, the Company has applied to the ASX for a waiver from Listing Rule 10.15.2 to the extent that it need not state the maximum number of Performance Rights proposed to be issued. Further, the Company expects to issue all of the Performance Rights as soon as possible and in any event within 12 months after the date of the Annual General Meeting, however the exact date of issue is unknown at this stage.

In the context of the Consolidation, any Performance Rights issued by the Company under this Notice will be issued on a post consolidation basis once the consolidation has been completed

Fractional entitlements

Where the Consolidation results in an entitlement to a fraction of a Share, that fraction will be rounded up to the nearest whole number of Shares. Each member’s proportional interest in the Company’s issued capital will, however, remain unchanged as a result of the Consolidation (other than minor variations resulting from rounding).

Holding statements

Taking effect from the date of the Consolidation, all existing holding statements will cease to have any effect, except as evidence of entitlement to a certain number of securities on a post Consolidation basis. After the Consolidation becomes effective, new holding statements will be issued to security holders, who are encouraged to check their holdings after the Consolidation.

Taxation

The Consolidation should not result in a capital gains tax event for Australian tax residents. The cost base of the Shares held after the Consolidation will be the sum of the cost bases of the original Shares pre-Consolidation. The acquisition date of Shares held after the Consolidation will be the same as the date on which the original Shares were acquired.

This Explanatory Statement does not however consider the tax implications in respect of Shares or other securities held on revenue account, as trading stock or by non-resident Shareholders. Shareholders should consider their own circumstances and seek their own professional advice in relation to their tax position. Neither the Company nor any of its officers or employees assumes any liability or responsibility for advising Shareholders or other security holders about the tax consequences of the proposed Consolidation.

Indicative Timetable

If approved by Shareholders, the proposed Consolidation will take effect on 7 December 2017 in accordance with Appendix 3A.3 of the Listing Rules. The following is an indicative timetable (subject to change) of the key events:

Event	Date
Notice of General Meeting and announcement of share consolidation	23 October 2017
Annual General Meeting	24 November 2017
Notification to ASX that Consolidation is approved	24 November 2017
Last day for trading in pre-consolidated securities AIM Suspension commences	27 November 2017
Trading in the consolidated securities on a deferred settlement basis commences	28 November 2017
Last day to register transfers on a pre-consolidation basis (Record Date)	29 November 2017
Registration of securities on a post-consolidation basis	30 November 2017
Despatch of new holding statements Deferred settlement trading ends	6 December 2017
Normal trading starts on ASX, AIM, and JSE	7 December 2017

The Company notes that it is likely that its securities will be placed in suspension from trading on AIM while the Shares are trading on a deferred settlement basis on ASX as set out in the indicative timetable above.

Board recommendation

The Directors recommend Shareholders vote in favour of Resolution 9.

RESOLUTION 10: APPROVAL FOR CHANGE OF COMPANY NAME

Section 157(1)(a) of the Corporations Act provides that a company may change its name if the company passes a special resolution adopting a new name.

Resolution 10 is a special resolution which seeks Shareholder approval for the proposed change of company name from “Coal of Africa Limited” to “MC Mining Limited” in accordance with section 157(1)(a) of the Corporations Act.

Coal of Africa was considered by the then Board as an appropriate name that defined the Company’s geographic and operational focus. Although not wishing to forget those origins, it is the view of the present Board that the Company needs to rebrand itself in order to reflect its potential growth, particularly of its hard coking coal prospects and, presents an opportunity to better endorse the Company to the wider investment community. The Directors of the Company believe that the timing of the name change is opportune now that all the material legacy issues have been settled, notably:

- completion of the turnaround strategy that included securing strategic investors, obtaining regulatory approvals for the Makhado project and reducing the Company’s overhead structure;
- restructuring the Company’s thermal assets, including the recent sales of the Mooiplaats thermal coal colliery and Holfontein Project as well as other non-core assets, namely the Opgoedenhooop Project and Woestalleen thermal coal colliery;
- settlement of the historic payments to Rio Tinto Limited for the acquisition of the Greater Soutpansberg assets; and
- acquisition of the Uitkomst thermal coal cash generating asset.

The securing of a loan from the Industrial Development Corporation of South Africa Limited together with their investment in the Makhado hard coking coal project indirectly reflects the confidence of the South African government in the planned colliery. Furthermore the recently released Makhado Project Lite construction plan reinforces the Company’s uniqueness in the South African junior coal mining arena due to its significant near-production hard coking coal reserves that will replace a portion of coking coal that the country currently imports.

In accordance with section 157(1)(a) of the Corporations Act, this Resolution is a special resolution which requires the approval of 75% of the Shareholders attending and entitled to vote at the Meeting.

The proposed name has been reserved with ASIC by the Company. If Resolution 10 is passed, the Company will apply to ASIC for the change of name which will take effect upon a new certificate of registration being issued.

The Company will also change its ASX, AIM and JSE codes to MCM, subject to approval from the respective listing regulators.

Board recommendation

The Directors recommend Shareholders vote in favour of Resolution 10.

GLOSSARY

ASX means ASX Limited ABN 98 008 624 691 and, where the context permits, the Australian Securities Exchange operated by ASX Limited.

ASX Listing Rules means the Listing Rules of ASX.

Baobab Mining & Exploration Proprietary Limited means the Company's 95% owned subsidiary (69% on completion of the Broad Based Black Economic Empowerment transaction).

Board means the board of Directors of the Company.

Closely Related Party has the meaning given to that term in the Corporations Act.

Company means Coal of Africa Limited ABN 98 008 905 388.

Constitution means the constitution of the Company in effect as at the date of this Notice.

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

Directors means the directors of the Company.

Explanatory Statement means this explanatory statement.

Group means the Company and all the entities the Company is required to include in its consolidated financial statements (i.e. its controlled entities).

IDC means the Industrial Development Corporation of South Africa Limited.

Key Management Personnel has the meaning given to that term in the Corporations Act.

Loan Agreement means the agreement between the Company, IDC and Baobab Mining & Exploration (Proprietary) Limited in terms of which Warrants in the Company are due to be issued to the IDC.

Meeting or **Annual General Meeting** means the annual general meeting the subject of the Notice.

Notice or **Notice of Meeting** or **Notice of Annual General Meeting** means the notice of Meeting which accompanies this Explanatory Statement.

Option means an option to acquire a Share.

Performance Rights has the meaning given to that term on page 9 of the Explanatory Statement.

Performance Rights Plan means the performance rights plan adopted by the Company entitled "Coal of Africa Limited Performance Rights Plan".

Remuneration Report means the section of the Directors' report contained in the annual financial statements of the Group for the year ended 30 June 2016 entitled "Remuneration Report".

Resolution means a resolution proposed pursuant to the Notice.

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

Warrants means warrants to be issued to the IDC in terms of the Loan Agreement between the Company and IDC.



COAL of AFRICA LIMITED
ABN 98 008 905 388

Lodge your vote:

Online:
www.investorvote.com.au

By Mail:
Computershare Investor Services Pty Limited
GPO Box 242 Melbourne
Victoria 3001 Australia

Alternatively you can fax your form to
(within Australia) 1800 783 447
(outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only
(custodians) www.intermediaryonline.com

For all enquiries call:
(within Australia) 1300 850 505
(outside Australia) +61 3 9415 4000

CZA
MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Proxy Form

XX



Vote and view the annual report online

- Go to www.investorvote.com.au or scan the QR Code with your mobile device.
- Follow the instructions on the secure website to vote.



Your access information that you will need to vote:

Control Number: 999999

SRN/HIN: I9999999999 PIN: 99999

PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

**For your vote to be effective it must be received by 10.00 a.m (London Time) / 6.00 p.m (Perth time)
Wednesday, 22 November 2017**

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

Appointment of Proxy

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

Signing Instructions for Postal Forms

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, 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 sign in the appropriate place to indicate the office held. Delete titles as applicable.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the help tab, "Printable Forms".

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

**GO ONLINE TO VOTE,
or turn over to complete the form** →



MR SAM SAMPLE
 FLAT 123
 123 SAMPLE STREET
 THE SAMPLE HILL
 SAMPLE ESTATE
 SAMPLEVILLE VIC 3030



Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

IND

Proxy Form

Please mark to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Coal of Africa Limited hereby appoint

the Chairman of the Meeting **OR**

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

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Coal of Africa Limited to be held at Tavistock Communications, 1 Cornhill, London EC3V 3ND on Friday, 24 November 2017 at 10.00 a.m (London time) and at any adjournment or postponement of that Meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolutions 1 and 5 - 8 (except where I/we have indicated a different voting intention below) even though Resolutions 1 and 5 - 8 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolutions 1 and 5 - 8 by marking the appropriate box in step 2 below.

STEP 2 Items of Business

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

		For	Against	Abstain			For	Against	Abstain
Resolution 1	Non-binding resolution to adopt Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 7	Grant of Performance Rights to Director - David Brown	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Re-election of Director – De Wet Schutte	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 8	Grant of Performance Rights to Director - De Wet Schutte	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Re-election of Director – Rudolph Torlage	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 9	Consolidation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Re-election of Director – Andrew Mifflin	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 10	Approval for Change of Company Name	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Grant of Performance Rights to Director – David Brown	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
Resolution 6	Grant of Performance Rights to Director – De Wet Schutte	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

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

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name

Contact Daytime Telephone

Date / /

All Correspondence to:
The office of the Depositary
Computershare Investor Services PLC
The Pavilions, Bridgwater Road,
Bristol, BS99 6ZY

MR A SAMPLE
< DESIGNATION >
SAMPLE STREET
SAMPLE TOWN
SAMPLE CITY
SAMPLE COUNTY
AA11 1AA

CANCELLED

Form of Instruction - Annual General Meeting to be held on Friday, 24 November 2017

To be effective, all forms of instruction must be lodged at the office of the Depositary at:
Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY by Tuesday, 21 November 2017 at 10.00 am (London Time).

Explanatory Notes:

1. Please indicate, by placing 'X' in the appropriate space overleaf, how you wish your votes to be cast in respect of the Resolution. If this form is duly signed and returned, but without specific direction as to how you wish your votes to be cast, the form will be rejected.
2. The 'Abstain' option overleaf is provided to enable you to vote withheld on the Resolution. However, it should be noted that a 'Abstain' is not a vote in law and will not be counted in the calculation of the proportion of the votes 'For' and 'Against' a Resolution.
3. Any alterations made in this form should be initialled.
4. The 2017 Integrated Report and Notice of Meeting is available online, simply visit: www.coalofafrica.com.

Kindly Note: This form is issued only to the addressee(s) and is specific to the unique designated account printed hereon. This personalised form is not transferable between different: (i) account holders; or (ii) uniquely designated accounts. Computershare Investor Services PLC (the "Depositary") and the Custodian accept no liability for any instruction that does not comply with these conditions.

All Named Holders

MR A SAMPLE
< Designation >
Additional Holder 1
Additional Holder 2
Additional Holder 3
Additional Holder 4



Form of Instruction



Please use a **black** pen. Mark with an **X** inside the box as shown in this example.



C0000000000

I/We hereby instruct the Custodian "Computershare Clearing PTY Limited A/c CCNL DI" to vote on my/our behalf at the Annual General Meeting of Coal of Africa Limited to be held at **Tavistock Communications, 1 Cornhill, London EC3V 3ND**, on **Friday, 24 November 2017 at 10.00 am (London Time)** and at any adjournment thereof.

Ordinary Resolutions

- | | For | Against | Abstain |
|---|--------------------------|--------------------------|--------------------------|
| 1. Non-binding resolution to adopt Remuneration Report | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 2. Re-election of Director – De Wet Schutte | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 3. Re-election of Director – Rudolph Torlage | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 4. Re-election of Director – Andrew Mifflin | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 5. Grant of Performance Rights to Director – David Brown | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 6. Grant of Performance Rights to Director – De Wet Schutte | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 7. Grant of Performance Rights to Director – David Brown | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 8. Grant of Performance Rights to Director – De Wet Schutte | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 9. Consolidation | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Special Resolution | | | |
| 10. Approval for Change of Company Name | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

Signature

Date



In the case of joint holders, only one holder need sign. In the case of a corporation, the Form of Instruction should be signed by a duly authorised official whose capacity should be stated, or by an attorney.



COAL of AFRICA LIMITED

(Incorporated and registered in Australia)
(Registration number: ABN 98 008 905 388)
Share code on the JSE Limited, AIM and ASX: "CZA"
ISIN: AU000000CZA6
("CoAL" or "the Company")



FORM OF PROXY – ANNUAL GENERAL MEETING OF SHAREHOLDERS TO BE HELD ON FRIDAY, 24TH NOVEMBER 2017 AT 10:00 AM (BST)

Only for use by certificated shareholders or dematerialised shareholders of Coal of Africa Limited who have selected "own-name" registration.

For use by CoAL shareholders at the Annual General Meeting of shareholders to be held at Tavistock Communications, 1 Cornhill, London, EC3V 3ND, United Kingdom on Friday, 24 November 2017 at 10:00 am (BST) and at any adjournment or postponement of that Meeting.

If you have dematerialised your shares with a Central Securities Depository Participant ("CSD Participant") or broker and have not selected "own-name" registration, you must arrange with your CSD Participant or broker to provide you with the necessary letter of representation to attend the Annual General Meeting or you must instruct them as to how you wish to vote in this regard. This must be done in terms of the agreement entered into between you and the CSD Participant or broker.

I/We (Names in full – please print)

of (address – please print):

being the holder of shares in CoAL hereby appoint:

1. _____ of _____ or failing him/her,

2. _____ of _____ or failing him/her,

or if no person is named, the Chairman of the Meeting, as my/our proxy to attend and vote for me/us at the Annual General Meeting of shareholders to be held at Tavistock Communications, 1 Cornhill, London, EC3V 3ND, United Kingdom on Friday, 24 November 2017 at 10:00 am (BST) and at any adjournment or postponement thereof, and, if deemed fit, passing, with or without modification, the resolutions to be proposed thereat in accordance with the following instructions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) (see notes).

The Explanatory Memorandum that accompanies and forms part of this Notice of Annual General Meeting describes the matters to be considered at the Annual General Meeting.

		For	Against	Abstain
Ordinary Resolution 1	Non-binding resolution to adopt Remuneration Report			
Ordinary Resolution 2	Re-election of Director – De Wet Schutte			
Ordinary Resolution 3	Re-election of Director – Rudolph Torlage			
Ordinary Resolution 4	Re-election of Director – Andrew Mifflin			
Ordinary Resolution 5	Grant of Performance Rights to Director - David Brown			
Ordinary Resolution 6	Grant of Performance Rights to Director - De Wet Schutte			
Ordinary Resolution 7	Grant of Performance Rights to Director - David Brown			
Ordinary Resolution 8	Grant of Performance Rights to Director - De Wet Schutte			
Ordinary Resolution 9	Consolidation			
Ordinary Resolution 10	Approval for Change of Company Name			

Signed at _____ on _____ 2017

Name

(In block letters)

Signature/s

Assisted by me

(If applicable)

Full name/s of signatory/ies if signing in a representative capacity

(In block letters and authority to be attached – see note 11)

Please read the notes below:

Notes

- (1) Each shareholder is entitled to appoint one or more proxies (none of whom need be a shareholder of CoAL) to attend, speak, vote or abstain from voting in place of that shareholder at the Annual General Meeting of shareholders.
- (2) A shareholder may insert the name of a proxy or the names of two alternative proxies of the shareholder's choice in the space/s provided, with or without deleting "the Chairman of the Meeting," but any such deletion must be initialled by the shareholder. The person whose name stands first on the form of proxy and who is present at the Annual General Meeting of shareholders will be entitled to act as proxy to the exclusion of those whose names follow.
- (3) **Forms of proxy must be lodged with or posted to the transfer secretaries, Computershare Investor Services (Proprietary) Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196, South Africa, (PO Box 61051, Marshalltown, 2107) or faxed to +27 11 688-5238 to be received by no later than Wednesday, 22 November 2017 at 10:00 am (BST/12pm CAT).**
- (4) The completion and lodging of this form of proxy will not preclude the shareholder from attending the Annual General Meeting and speaking and voting in person to the exclusion of any proxy appointed in terms hereof, should such shareholder wish to do so.
- (5) **If the signatory does not indicate in the appropriate place on the face hereof how he/she wishes to vote in respect of any resolutions, his/her proxy shall be entitled to vote as he/she deems fit in respect of that resolution. The Chairman intends to vote all available undirected proxies in favour of all Resolutions.**
- (6) The Chairman of the Meeting shall be entitled to decline to accept the authority of a person signing this form of proxy:
 - under a power of attorney; or
 - on behalf of a company;unless the power of attorney or authority is deposited at the office of CoAL's transfer secretaries, not less than 48 hours before the time appointed for the holding of the Annual General Meeting.
- (7) The Chairman of the Meeting may reject or accept any form of proxy, which is completed and/or received other than in accordance with these notes, provided that the Chairman is satisfied as to the manner in which the shareholder concerned wishes to vote.
- (8) Subject to note (2) above, a deletion of any printed matter and the completion of any blank spaces need not be signed or initialled. Any alterations must be signed, not initialled.
- (9) If the shareholding is not indicated on the form of proxy, the proxy will be deemed to be authorised to vote the total shareholding registered in the shareholder's name.
- (10) A vote given in terms of an instrument of proxy shall be valid in relation to the Annual General Meeting, notwithstanding the death of the person granting it, or the revocation of the proxy, or the transfer of the shares in CoAL in respect of which the vote is given, unless an intimation in writing of such death, revocation or transfer is received by the transfer secretaries no less than 48 hours before the commencement of the Annual General Meeting.
- (11) Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity (e.g. for a company, close corporation, trust, pension fund, deceased estate, etc.) must be attached to this form of proxy unless previously recorded by CoAL or its transfer secretaries or waived by the Chairman of the Meeting.
- (12) Where this form of proxy is signed under power of attorney, such power of attorney must accompany this form of proxy, unless it has previously been registered with CoAL or the transfer secretaries.
- (13) Where there are joint holders of shares and if more than one such joint holder is present or represented thereat, then the person whose name appears first in the register of such shares or his/her proxy, as the case may be, shall alone be entitled to vote in respect thereof.
- (14) Where shares are held jointly, all joint holders are required to sign.
- (15) A minor must be assisted by his/her parent or guardian, unless the relevant documents establishing his/her legal capacity are produced or have been registered by the transfer secretaries of CoAL.
- (16) Dematerialised shareholders who have not selected "own-name" registration and who wish to attend the Annual General Meeting or to vote by way of proxy, must advise their CSD Participant or broker who will issue the necessary letter of representation in writing, for a dematerialised shareholder or proxy to do so.

Transfer Secretaries
Computershare Investor Services (Proprietary) Limited
Reg. No. 2004/003647/07
Proxy Dept. PO Box 61051, Marshalltown, 2107, South Africa
Fax: +27 11 688-5238