COAL of AFRICA LIMITED

ABN 98 008 905 388

NOTICE OF ANNUAL GENERAL MEETING AND EXPLANATORY STATEMENT

Date of Meeting
25 November 2016

Time of Meeting
10 a.m. (London time)

Place of Meeting
Tavistock Communications
8th Floor
131 Finsbury Pavement
London EC2A 1NT

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 25 November 2016 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 2016, 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 2016."

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 – Bernard Pryor

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

"That Mr Bernard Pryor, 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 – Peter Cordin

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

"That Mr Peter Cordin, 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 – Khomotso Mosehla

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

"That Mr Khomotso Mosehla, 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: Election of Director – Shangren Ding

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

"That Mr Shangren Ding, having been appointed by the Board as an additional Director on 11 October 2016, who retires in accordance with clause 3.3 of the Constitution and, being eligible, offers himself for election, be elected as a Director."

Resolution 6: Replacement of Employee Share Options with 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 replace the employee share options issued under an employment contract with 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 consistent 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 7: Replacement of Employee Share Options with 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 replace the employee share options due to be issued under an employment contract with 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, consistent 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 6 AND 7

The Company will disregard any votes cast on each of Resolutions 6 and 7 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 6 or 7 (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 8 and 9 (as applicable), in accordance with the directions on the proxy form.

The Company will also disregard any votes cast on Resolutions 6 and 7 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 8: 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 9: 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 8 AND 9

The Company will disregard any votes cast on each of Resolutions 8 and 9 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 8 or 9 (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 6 and 7 (as applicable), in accordance with the directions on the proxy form.

The Company will also disregard any votes cast on Resolutions 8 and 9 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.

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: 24 October 2016

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, 6, 7, 8 and 9 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 23 November 2016. 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 23 November 2016. 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 2016. 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 2016, 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 2016 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 2017 annual general meeting, the Company will be required to put a resolution to the 2017 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 2017 annual general meeting. All of the Directors (other than the managing director (if any)) who were in office when the 2017 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 – BERNARD PRYOR

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.

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

Bernard Pryor

Mr Pryor was appointed as a Non-executive Director of the Company in August 2012 and subsequently appointed as Independent Chairman in February 2014.

Mr Pryor is currently the chief executive officer of Alufer Mining Limited and was previously the chief executive officer of African Minerals Limited and Q Resources plc. Between 2006 and 2010 Mr Pryor held senior executive positions with Anglo American Plc as head of business development and CEO of Anglo Ferrous Brazil Inc.

Mr Pryor is the Chairman of the Nomination and Remuneration Committee and a member of the Audit and Risk Committee.

Directors' recommendation
The Board (with Mr Pryor abstaining) recommends shareholders vote in favour of Resolution 2.

RESOLUTION 3: RE-ELECTION OF DIRECTOR – PETER CORDIN

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.

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

Peter Cordin

Mr Cordin has a Bachelor of Engineering from the University of Western Australia and is experienced in the evaluation, development and operation of resource projects within Australia and overseas. He is currently a non-executive director of Vital Metals Limited and Aurora Minerals Limited, who are also listed on the ASX.

Mr Cordin was first appointed as a Director of the Company in December 1997 and is the Chairman of the Safety, Health and Environment Committee.

Directors' recommendation

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

RESOLUTION 4: RE-ELECTION OF DIRECTOR – KHOMOTSO MOSEHLA

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.

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

Khomotso Mosehla

Mr Mosehla was initially appointed to the Board on 18 November 2010 as a non-executive Director. He is a member of the Audit and Risk Committee.

Mr Mosehla is a Chartered Accountant CA(SA) and completed his articles with KPMG. Mr Mosehla worked for five years at African Merchant Bank Limited where he gained a broad range of experience, including management buy-out and capital restructuring/raising transactions. In 2003 he established Mvelaphanda Corporate Finance, for the development of Mvelaphanda's mining and non-mining interests. Mr Mosehla served as a director on the boards of several companies, including Mvelaphanda Resources Limited and he is currently chief executive officer of Mosomo Investment Holdings Proprietary Limited. Mr Mosehla is currently a director of Northam Platinum Ltd as well as Zambezi Platinim Limited.

Directors' recommendation

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

RESOLUTION 5: ELECTION OF DIRECTOR – SHANGREN DING

Clause 3.3 of the Constitution states that the Directors may at any time appoint a person to be a Director, either to fill a casual vacancy or as an addition to the existing Board. Any Director so appointed holds office only until the next following annual general meeting and is then eligible for election.

Mr Ding was appointed to the Board on 11 October 2016 to act as a Non-executive Director. In accordance with clause 3.3 of the Constitution, Mr Ding now seeks election as a Director at the Annual General Meeting.

Shangren Ding

Mr Ding is a certified professional engineer with over 30 years experience in the energy and mining sectors. He is the Chief Representative in South Africa for Beijing Haohua Energy Resource Co. Limited (BHE) and has worked for BHE since 2006.

Mr Ding's positions at BHE have included COO for Daanshan Coal Mine, Deputy Director of the headquarters Operation Management Department, Deputy Director of the Project Development department, Director for the Overseas Business Department and Deputy General Manager for Haohua Energy International (Hong Kong) Resource Co. Ltd.

Directors' recommendation

The Board (with Mr Ding abstaining) recommends shareholders vote in favour of Resolution 5.

RESOLUTIONS 6 AND 7: GRANT OF PERFORMANCE RIGHTS TO MR BROWN (CEO) AND MR SCHUTTE (CFO)

Background

The Directors considered that it was desirable to establish an employee equity incentive plan pursuant to which employees may be offered the opportunity to be granted performance rights (**Performance Rights**) to acquire Shares in the Company. Accordingly, the Directors adopted the Performance Rights Plan on 19 October 2015.

The Company's Performance Rights Plan is designed 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.

Shareholder approval was obtained in November 2015, as required under Listing Rule 7.2 (Exception 9(b)), for the issue of securities under the Company's Performance Rights Plan.

Copies of the Company's Performance Rights Plan documentation are available for inspection by shareholders at the Company's registered office during business hours.

Prior to the Performance Rights Plan, the Company had an Employee Share Option Plan (ESOP). In accordance with their employment contracts and the terms of the ESOP the Company's CEO, Mr Brown and CFO, Mr Schutte, have been or were expected to be issued with the following options. All options expired three years after vesting.

	Date of Vesting	**Number of Options**	**Option Price**
Mr Brown (CEO)	1 February 2015	3,525,000	R1.20
	1 February 2016	3,525,000	R1.32
	1 February 2017	3,525,000	R1.45
Mr Schutte (CFO)	21 June 2016	2,200,000	R1.20
	21 June 2017	2,200,000	R1.32
	21 June 2018	2,200,000	R1.45

The details of these options were disclosed at the time of the appointment of Mr Brown and Mr Schutte.

Mr Brown's options were approved by shareholders at the 2014 annual general meeting. Mr Schutte's options have not been put to shareholders for their approval.

It is proposed that the current options issued to Mr Brown and those due to be issued to Mr Schutte be replaced with Performance Rights. All options issued or due to be issued to the two executive Directors will be forfeited.

Accordingly, an independent valuation was requested from BDO Corporate Finance in Perth, Western Australia. The valuation by BDO placed a value of R1,441,725 on the CEO options and R1,757,800 on the CFO options.

The details of the Performance Rights that are proposed to be issued are provided below.

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 6 and 7 is for shareholders to approve the proposed grants of Performance Rights consistent with the terms of the Company's Performance Rights Plan to Mr Brown and Mr Schutte.

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 Corporation 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 6 and 7

The following information in relation to the Performance Rights that may be granted to Mr Brown and Mr Schutte pursuant to Resolutions 6 and 7 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 ZAR1,441,725 (which is the independent value ascribed by the options currently held by Mr Brown) 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 ZAR1,757,800 (which is the independent value ascribed to the options entitled to be issued to Mr Schutte) 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**). The waiver was granted by the ASX on 13 October 2016.

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.

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 6 and 7 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.

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 x 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 6 and Mr Schutte who abstains in respect of the Performance Rights the subject of Resolution 7) 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 8 AND 9: GRANT OF PERFORMANCE RIGHTS TO MR BROWN (CEO) AND MR SCHUTTE (CFO)

Background

As detailed above, 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 8 and 9 is for shareholders to approve the proposed grants of Performance Rights under the Company's Performance Rights Plan 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.

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 8 and 9

The following information in relation to the Performance Rights that may be granted to Mr Brown and Mr Schutte pursuant to Resolutions 8 and 9 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 ZAR5,032,912 (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 ZAR2,835,000 (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**). The waiver was granted by the ASX on 13 October 2016.

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.

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 8 and 9 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.

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 8 and Mr Schutte who abstains in respect of the Performance Rights the subject of Resolution 9) 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.

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.

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 (ie its controlled entities).

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

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.

COAL of AFRICA LIMITED
ABN 98 008 905 388

CZA

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

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

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, 23 November 2016

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 I ND

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, 8th Floor, 131 Finsbury Pavement, London EC2A 1NT on Friday, 25 November 2016 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 6 - 9 (except where I/we have indicated a different voting intention below) even though Resolutions 1 and 6 - 9 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 6 - 9 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
Resolution 1	Non-binding resolution to adopt Remuneration Report	☐	☐	☐
Resolution 2	Re-election of Director – Bernard Pryor	☐	☐	☐
Resolution 3	Re-election of Director – Peter Cordin	☐	☐	☐
Resolution 4	Re-election of Director – Khomotso Mosehla	☐	☐	☐
Resolution 5	Election of Director – Shangren Ding	☐	☐	☐
Resolution 6	Replacement of Employee Share Options with Performance Rights to Director – David Brown	☐	☐	☐
Resolution 7	Replacement of Employee Share Options with Performance Rights to Director – De Wet Schutte	☐	☐	☐
Resolution 8	Grant of Performance Rights to Director – David Brown	☐	☐	☐
Resolution 9	Grant of Performance Rights to Director – De Wet Schutte	☐	☐	☐

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	Securityholder 2	Securityholder 3
Sole Director and Sole Company Secretary	**Director**	**Director/Company Secretary**

Contact Name ______________________ **Contact Daytime Telephone** ______________________ **Date** ____ / ____ / ____

COAL OF AFRICA LIMITED

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, 25 November 2016

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, 22 November 2016 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 'Vote 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 2016 Integrated Report and Notice of Meeting is available online, simply visit: www.coalofafrica.com.

CANCELLED

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

C0000000000

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

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, 8th Floor, 131 Finsbury Pavement, London EC2A 1NT**, on **Friday, 25 November 2016** at **10.00 am (London Time)** and at any adjournment thereof.

Ordinary Resolutions	For	Against	Abstain
1. Non-binding resolution to adopt Remuneration Report	☐	☐	☐
2. Re-election of Director – Bernard Pryor	☐	☐	☐
3. Re-election of Director – Peter Cordin	☐	☐	☐
4. Re-election of Director – Khomotso Mosehla	☐	☐	☐
5. Election of Director – Shangren Ding	☐	☐	☐
6. Replacement of Employee Share Options with Performance Rights to Director – David Brown	☐	☐	☐
7. Replacement of Employee Share Options with Performance Rights to Director – De Wet Schutte	☐	☐	☐
8. Grant of Performance Rights to Director – David Brown	☐	☐	☐
9. Grant of Performance Rights to Director – De Wet Schutte	☐	☐	☐

Signature

Date

DD / MM / YY

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

(previously, GVM Metals 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")

Computershare

FORM OF PROXY – ANNUAL GENERAL MEETING OF SHAREHOLDERS TO BE HELD ON FRIDAY, 25 NOVEMBER 2016 AT 10:00 AM (GMT)

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, 8th Floor, 131 Finsbury Pavement, London, EC2A 1NT, United Kingdom on Friday, 25 November 2016 at 10:00 am (GMT) 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, 8th Floor, 131 Finsbury Pavement, London, EC2A 1NT, United Kingdom on Friday, 25 November 2016 at 10:00 am (GMT) 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).

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 Resolution 1 (except where I/we have indicated a different voting intention below) even though Resolution 1 is connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

	For	Against	Abstain
Ordinary Resolution 1 Non-binding Resolution to adopt Remuneration Report			
Ordinary Resolution 2 Re-election of Director – Bernard Pryor			
Ordinary Resolution 3 Re-election of Director – Peter Cordin			
Ordinary Resolution 4 Re-election of Director – Khomotso Mosehla			
Ordinary Resolution 5 Election of Director – Shangren Ding			
Ordinary Resolution 6 Replacement of Employee Share Options with Performance Rights to Director – David Brown			
Ordinary Resolution 7 Replacement of Employee Share Options with Performance Rights to Director – De Wet Schutte			

Ordinary Resolution 8	Grant of Performance Rights to Director – David Brown			
Ordinary Resolution 9	Grant of Performance Rights to Director - De Wet Schutte			

Signed at on 2016

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 (Pty) Ltd, Ground Floor, 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107) or faxed to +27 11 688-5238 to be received by no later than 10:00 AM (London time) / 12:00pm (Johannesburg time) on Wednesday, 23 November 2016.**

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