

ASX ANNOUNCEMENT / MEDIA RELEASE
18 June 2019

Fully Underwritten Non-Renounceable Offer to Shareholders and Operations Update

Highlights:

- One for eight non-renounceable entitlement offer to shareholders to raise up to approximately AU\$5.1 million with the ability for shareholders and new investors to subscribe for shortfall
- Issue price of \$0.05, being a 10.71% discount to one month VWAP of \$0.056
- Major shareholder Aahana to fully underwrite entitlement offer with proceeds used to fund the initial construction to commence PCI operation at BBM Project and pay costs of the offer
- Aahana to assist Cokal Management source further funding to bring BBM into production
- Preparation of detailed mine plans and engineering for mining contractor tender
- Technical design for barges and tug boat finalised and commercial quotation being finalised

Cokal Limited (ASX:CKA, “Cokal” or “the Company”) is pleased to announce a fully underwritten non-renounceable entitlement offer of one (1) new share for every eight (8) Cokal shares held, at an issue price of AU\$0.05 per new share to raise approximately AU\$5.1 million before costs (“**Entitlement Offer**”). The total of new shares offered under the Entitlement Offer approximates 102,105,270 shares. The Entitlement Offer is underwritten by the Company’s major shareholder, Aahana Mineral Resources SDN BHD (“**Aahana**”). Cokal intends to use the proceeds from the capital raising to commence the initial infrastructure development at its premier metalliferous coal mine, BBM and pay the costs of the Entitlement Offer.

The Entitlement Offer is open to all eligible shareholders who have a registered address in Australia, New Zealand, Malaysia or Hong Kong, and who hold Cokal shares at 24 June 2019 (the “**Record Date**”). The Entitlement Offer will close on 15 July 2019 (unless extended). The Entitlement Offer includes the ability for eligible shareholders to apply for new shares in excess of their entitlement. Any new shares not taken up by eligible shareholders under the Entitlement Offer will be offered under a Shortfall Offer, whereby new shares are offered to investors, at the discretion of the Company.

All new shares issued will rank equally with existing shares on issue and the Company will apply for official quotation of the new shares. A prospectus in relation to the Entitlement Offer will be lodged with ASIC. Existing option holders are not entitled to participate in the Entitlement Offer without first exercising their options to be registered as a shareholder in Australia or New Zealand before the Record Date, in accordance with the terms and conditions of those options.

By undertaking the Entitlement Offer, all existing shareholders will be given the opportunity to acquire new shares at the same price, for which the Company will seek ASX quotation.

The proceeds from the Entitlement Offer will be used to pay the costs of the Entitlement Offer and commence the initial infrastructure development at the Company's premier metalliferous coal mine, BBM. Specifically, proceeds of the Entitlement Offer will be utilised to upgrade the Krajan mining camp, construct haul roads, drains, and barge-loading jetty in preparation to commence mining in Pit 2.

Since acquiring Platinum Funds' shareholding in Cokal, Aahana has focussed on the commencement of production of metallurgical coal from BBM at the earliest possible time, and is in talks with potential investors to raise sufficient funding to bring the project into production post this preliminary preparation / development at BBM mine site.

OPERATIONS UPDATE

Mine Development

Cokal's technical team led by CEO Jim Coleman has prepared a detailed start up schedule to upgrade infrastructure at BBM. This will be incorporated into a contract tender.

Part of the capital raised will fund the successful candidate to commence preparation of the PCI mine in the next few months. As well, the haul roads will be upgraded and the barge loading port will be prepared at the Krajan site (near the location of BBM's site office and accommodation).

A comprehensive five year mine plan has also been prepared by Cokal's mining team as the basis for a mining contractor tender. The processing and selection of the tender is expected to be completed by end of 2019 and PCI production expected to commence soon after.

Throughout 2020 proceeds from PCI coal sales will fund the construction of haul roads to the coaking coal mining pits, the construction of a coal beneficiation plant, and expansion of the Krajan barge loading port.

Shallow River Barge Specifications Finalised

Quotations from the US for the supply of 2 x 1000HP rotating propellers (Z Drives) on each tug boat have been received with costing of the tugs including the fitting of the propellers. Cokal's CEO, Jim Coleman, is preparing a recommendation for the Board to place an order for the first tug and four barges with the Vietnamese ship builder, An PhatLoc.

The total capacity of the four barges will be 6,800 tonnes of coal in 3.0 metres of water reduced to 4,000 tonnes in 2.0 metres of water when conditions require it. Based on the river logistics report prepared by a US river barge consultant, this configuration of tug and barges will be able to operate on the Barito River for 270 days per year on average according to 8 years of river height data.

The power of the tugs will enable Cokal to deliver coal in 2.5 days to Kelanis down stream where the coal can be transferred to 10,000 tonne ocean-going barges. These large barges are used to take coal out to a panamax ship (60,000 to 90,000 tonne ship) or across the straits to Krakatau Steel located on the northwest of Java Island.

Board Director, Pat Hanna, commented that "The Board can now see the light at the end of the tunnel. This funding will give us the capability to commence operations in the near future and the ability to build a mid-tier metallurgical mining company to supply premium export quality coal to the ASEAN region where demand continues to grow faster than any other place on Earth."

PROSPECTUS AND ENTITLEMENT & ACCEPTANCE FORM

A prospectus setting out details of the Entitlement Offer will be dispatched to eligible shareholders and accompanied by a personalised entitlement and acceptance form with instructions how to accept your entitlement. Eligible shareholders should consider the prospectus in deciding whether to acquire securities under the Entitlement Offer, and will need to complete the personalised entitlement and acceptance form that will accompany the prospectus.

INDICATIVE TIMETABLE

The following are indicative dates in respect of the Entitlement Offer:

Event	Date
Entitlement Offer announced	Tuesday 18 June 2019
Prospectus lodged with ASIC & ASX <i>Lodged after close of market</i>	Tuesday 18 June 2019
Lodgement of Appendix 3B with ASX <i>Lodged after close of market</i>	Tuesday 18 June 2019
Ex-Date for the Entitlement Offer	Friday 21 June 2019
Entitlement Offer Record Date <i>The date for determining Entitlements of Eligible Shareholders to participate in the Entitlement Offer</i>	7:00pm (AWST) Monday 24 June 2019
Opening date for Entitlement Offer and Shortfall Offer <i>Announcement that Prospectus and Entitlement Offer and Acceptance Form sent to Eligible Shareholders</i>	Wednesday 26 June 2019
Last day to extend the Offer Closing Date	Wednesday 10 July 2019
Closing Date for Entitlement Offer to Eligible Shareholders (Entitlement Offer & Top-Up Facility)	5:00pm (AWST) Monday 15 July 2019
Entitlement Offer New Shares commence trading on ASX on deferred settlement basis	Tuesday 16 July 2019
ASX notified of Shortfall Shares (if any) <i>Company to deliver Shortfall Notice</i>	Tuesday 16 July 2019
Settlement of the Entitlement Offer	Friday 19 July 2019
Issue date of New Shares under the Entitlement Offer	Monday 22 July 2019
Closing Date for Shortfall Offer	5:00pm (AWST) Monday 22 July 2019
Entitlement Offer New Shares trade on ASX on a normal settlement basis	Tuesday 23 July 2019
Settlement of the Shortfall Offer	Friday 26 July 2019
Issue date of Shortfall Shares	Monday 29 July 2019
Shortfall Shares trade on ASX on a normal settlement basis	Tuesday 30 July 2019

The above timetable is indicative only and may change. The Company reserves the right to vary any and all of the dates and times set out above without notice subject to the Listing Rules and the Corporations Act. In particular, the Company reserves the right to close the Entitlement Offer early, extend the Closing Dates or accept late Applications without notifying any recipients of the Prospectus or any Applicants. If the Offer is cancelled or withdrawn before the allocation of New Shares, then all Application monies will be refunded in full (without interest) in accordance with the requirements of the Corporations Act. Investors who wish to submit an Application are encouraged to do so as soon as practicable after the opening date for the Entitlement Offer.

ENDS

Further enquiries:

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About Cokal Limited

Cokal (ASX:CKA) is an Australian listed company with the objective of becoming a metallurgical coal producer with a global presence. Cokal has interests in four projects in Central Kalimantan, Indonesia considered prospective for metallurgical coal.

Forward Looking Statements

This release includes forward looking statements. Often, but not always, forward looking statements can generally be identified by the use of forward looking words such as “may”, “will”, “expect”, “intend”, “plan”, “estimate”, “anticipate”, “continue”, and “guidance”, or other similar words and may include, without limitation statements regarding plans, strategies and objectives of management, anticipated production or construction commencement dates and expected costs or production outputs.

Forward looking statements inherently involve known and unknown risks, uncertainties and other factors that may cause the company's actual results, performance and achievements to differ materially from any future results, performance or achievements. Relevant factors may include, but are not limited to, changes in commodity prices, foreign exchange fluctuations and general economic conditions, increased costs and demand for production inputs, the speculative nature of exploration and project development, including the risks of obtaining necessary licences and permits and diminishing quantities or grades of resources or reserves, political and social risks, changes to the regulatory framework within which the company operates or may in the future operate, environmental conditions including extreme weather conditions, recruitment and retention of personnel, industrial relations issues and litigation.

Forward looking statements are based on the company and its management's good faith assumptions relating to the financial, market, regulatory and other relevant environments that will exist and affect the company's business and operations in the future. The company does not give any assurance that the assumptions on which forward looking statements are based will prove to be correct, or that the company's business or operations will not be affected in any material manner by these or other factors not foreseen or foreseeable by the company or management or beyond the company's control.

Although the company attempts to identify factors that would cause actual actions, events or results to differ materially from those disclosed in forward looking statements, there may be other factors that could cause actual results, performance, achievements or events not to be anticipated, estimated or intended, and many events are beyond the reasonable control of the company. Accordingly, readers are cautioned not to place undue reliance on forward looking statements.

Forward looking statements in this release are given as at the date of issue only. Subject to any continuing obligations under applicable law or any relevant stock exchange listing rules, in providing this information the company does not undertake any obligation to publicly update or revise any of the forward looking statements or to advise of any change in events, conditions or circumstances on which any such statement is based.