

**ASX ANNOUNCEMENT / MEDIA RELEASE****9 November 2020**

## **Cokal Awards Mining Services Contract, enabling Near-Term Development of the BBM Coking Coal Project**

### **Key Highlights**

- **Cokal has selected its mining services provider for the development of mining operations at the Bumi Barito Mineral coking coal project (“BBM”)**
- **Represents a significant milestone in Cokal’s strategy for the near-term development of BBM into a coal mine producing premium export quality coking coal and PCI products, generating cash flow, with minimal upfront capital costs**
- **Using contract mining provides significant strategic and financial advantages for Cokal, including a material reduction in the upfront capital requirement, avoiding any potential dilution of Cokal shareholders, whilst expediting the development of BBM**

**Cokal Limited** (ASX:CKA, “**Cokal**” or “the **Company**”) is pleased to announce that, after a rigorous but highly successful tender process, it has selected PT. Harmoni Panca Utama (“**HPU**”) as the preferred tenderer to provide contract mining services for the development and mining of BBM to produce premium coking coal and PCI products for the nearby Asian steel markets. Aahana Mineral Resources SDN BHD (Cokal’s largest shareholder), through its experience and influence in developing and operating coal assets in Indonesia, has significantly contributed to the selection process.

Cokal has agreed, through its Indonesian subsidiary PT Bumi Barito Mineral (“**PT BBM**”), to contract HPU for a period of five years to provide the following mining services:

- i. open-pit overburden removal;
- ii. provision of the required mining fleet and associated equipment; and
- iii. coal hauling from in-pit to near-out-of-pit intermediate stockpile facilities.

HPU has agreed to mobilise upon receiving notice from Cokal to do so.

The appointment of HPU remains subject to finalising formal contracts. However Cokal’s commercial team have negotiated the key commercial terms which are substantially attractive for Cokal, thus providing the opportunity to achieve favourable profit margins to be enjoyed by Cokal shareholders.

### About the BBM Project

BBM is Cokal's most advanced project – a high quality metallurgical coal project, located in the Central Province, Kalimantan, Indonesia with a mining lease area of 14,980ha

Cokal is focused on the near-term development of BBM, having recently received a binding funding commitment that provides the required capital for the development of BBM (refer ASX Announcement dated 14 October 2020)

### About HPU

Cokal's technical team is excited to be working with HPU, one of the largest mining services companies in Indonesia, with a high-quality management team that operates to the highest of international mining standards, including safety, environmental and community benchmarks.

HPU has capabilities across all facets of mine planning & design, mine development, and mining operations and has experience working and operating some of the largest coal mines in Indonesia.

Further details regarding HPU can be found on their company website <https://hpu-mining.com/>.

Cokal Jakarta based Director Karan Bangur said:

*"The team we have brought together at Cokal have extensive experience in the startup and logistical solutions for coal mines in Indonesia. They have first hand experience with major contractors and have ensured this award has been concluded on competitive terms with a strong contractor. The use of contract mining enables reduction of upfront capital requirements for commencement of mining and expedites the development of BBM. The Company looks forward to working with HPU to maximise value from the production of premium export quality coking coal and PCI products."*

### ENDS

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*This ASX announcement was authorised for release by the Board of Cokal Limited.*

#### About Cokal Limited

Cokal Limited (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.

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