

# Investor Presentation

Annual General Meeting

17<sup>th</sup> November 2014



# Disclaimer



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The presentation contains “forward-looking information” within the meaning of applicable securities legislation. Forward-looking information may include, but is not limited to, information with respect to the future financial and operating performance of the Company, its affiliates and subsidiaries, the estimation of mineral reserves and mineral resources, realization of mineral reserves and resource estimates, costs and timing of development of the Company’s projects, costs and timing of future exploration, timing and receipt of approvals, consents and permits under applicable legislation, results of future exploration and drilling and adequacy of financial resources. Forward-looking information is often characterized by words such as “plan”, “expect”, “budget”, “target”, “project”, “intend”, “believe”, “anticipate”, “estimate” and other similar words or statements that certain events or conditions “may” or “will” occur.

Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause actual results to be materially different from those expressed or implied by such forward-looking information, including risks associated with investments in publicly listed companies such as the Company; risks associated with general economic conditions; the risk that further funding may be required but unavailable for the ongoing development of the Company’s projects; changes in government regulations, policies or legislation; unforeseen expenses; fluctuations in commodity prices; fluctuation in exchange rates; litigation risk; restrictions on the repatriation of earnings by the Company’s subsidiaries; the inherent risks and dangers of mining exploration and operations in general; risk of continued negative operating cash flow; the possibility that required permits may not be obtained; environmental risks; uncertainty in the estimation of mineral resources and mineral reserves; general risks associated with the feasibility and development of each of the Company’s projects; foreign investment risks in Indonesia; changes in laws or regulations; future actions by government; breach of any of the contracts through which the Company holds property rights; defects in or challenges to the Company’s property interests; uninsured hazards; disruptions to the Company’s supplies or service providers; reliance on key personnel and retention of key employees.

Forward-looking information is based on the reasonable assumptions, estimates, analysis and opinions of management of the Company made in light of their experience and their perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances at the date that such statements are made, but which may prove to be incorrect. The Company believes that the assumptions and expectations reflected in such forward-looking information are reasonable. Assumptions have been made regarding, among other things: the Company’s ability to carry on its exploration and development activities, the timely receipt of required approvals, the price of coal, the ability of the Company to operate in a safe, efficient and effective manner and the ability of the Company to obtain financing as and when required and on reasonable terms. Readers are cautioned that the foregoing list is not exhaustive of all factors and assumptions which may have been used.

Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers should not place undue reliance on forward-looking information. The Company does not undertake to update any forward-looking information, except in accordance with applicable securities laws.

## **Competent Person Statement**

The information in this report relating to Exploration Results is based on information compiled by Patrick Hanna who is a fellow of the Australasian Institute of Mining and Metallurgy and is a consultant (through Hanna Consulting Services) to Cokal Limited. Mr Hanna is a qualified geologist and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking, to qualify as Competent Persons as defined in the 2012 Edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves”. Mr Hanna consents to the inclusion in the report of the matters based on the information, in the form and context in which it appears.

The information in this report relating to Mineral Resources is based on information compiled by Tri Yoso who is a member of the Australasian Institute of Mining and Metallurgy and was a full time employee of Cokal Limited at the time of the report. Mr Yoso is a qualified geologist and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking, to qualify as Competent Persons as defined in the 2012 Edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves”. Mr Yoso consents to the inclusion in the report of the matters based on the information, in the form and context in which it appears.

## Corporate Overview



## BBM Project Description – Priority Development



## Other Company Activity

## Community Development

Building a Global Metallurgical Coal Business

Positive and Agile Decision Making

Respect for all Stakeholders

Ethical Decision Making

Strong Indonesian Team

Technical Skills for Innovative Solutions

Results Orientated

# Strong Board Coal Pedigree



**Peter Lynch - Chairman and CEO**, Mining Engineer, 25 years experience in mining; MIM, Shell Coal, MacArthur Coal, Open Cut & Underground, TSX and ASX:WCI.



**Pat Hanna - Executive Director**, Geologist, over 30 years experience all coal; Globally consulting on over 40 projects; strong Indonesian track record; exploration manager Riversdale; prior JORC committee member.



**Domenic Martino - Non-Executive Director**, Former CEO, Deloitte Australia; ASX companies including Sydney Gas, Pan Asia, Clean Global Energy, NuEnergy Capital; Strong reputation in China and HKSE; over 12 years successful Indonesian energy and resource dealings with local partners.



**Agus Widjojo - Non-Executive Director**, Former Vice Chairman (Deputy Speaker) of the National Assembly of the Republic of Indonesia and Indonesian Armed Forces (TNI) Chief of Territorial Affairs.



**Garry Kielenstyn - Indonesian Country Manager**, Project, Production, previously General and Area Manager with various companies and veteran of the Indonesian mining and civil contracting industries. Based in Kalimantan, living and working in Indonesian since 1990.



**Vic Kuss - Chief Financial Officer and Joint Company Secretary**, Chartered Accountant; M&A activities and capital raising; worked extensively in a number of overseas mining and resource related operations including in Indonesia.

# Diverse & Experienced Management



**Yoga Suryanegara - Resource Manager Indonesia**, Geologist, international experience, responsible for overseeing multi-million dollar exploration programs in Queensland and Kalimantan; more than 10 years experience in Berau Coal (fifth largest open cut thermal coal in Indonesia).

**Mark Imber - Environmental & Approvals Manager**, ex Waratah Coal, WorleyParsons, oversaw the EPBC process for major Galilee Basin development.

**Teuku Juliansyah - Finance Manager, Indonesia**, Accountant, over 8 years practical experience in finance roles involving finance policy and procedure strategy and implementation, accounting, budgeting, auditing and other financial consulting type of work.

**Endah Cakrawati – Investor & Public Relations Manager**, Marketing Professional, Jakarta based focused on raising the profile of Cokal among investors in Asia, particularly Indonesia and Malaysia.

# Executive Summary



## Cokal Limited (CKA)

- Listed on the ASX in December 2010
- Developing Metallurgical Coal Projects in Central Kalimantan
- Objective: Metallurgical coal producer by H2 2015

## Bumi Barito Mineral Project

- High quality metallurgical coal project in Indonesia
- 261Mt JORC Measured, Indicated & Inferred Resource – 90% Coking Coal and 10% PCI
- Low ash, low sulphur and high calorific value (Direct Shipping)

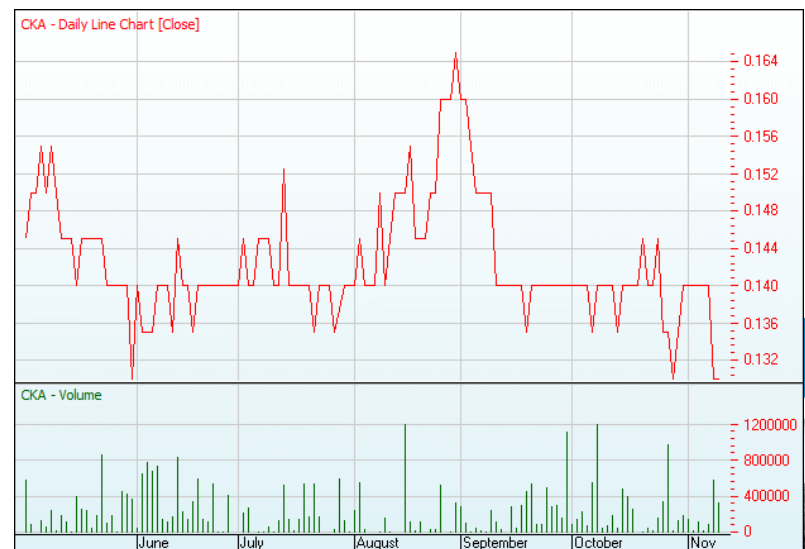
## Definitive Feasibility Study Completed for BBM (NPV US\$366M)

- 2Mtpa Open pit coking coal mine targeting first coal H2 2015
- Confirms low initial capital expenditure (US\$75M)
- Operating cost – average first 5 years US\$82/product tonne (excluding 7% royalty)

## Cokal Capital Structure

ASX Code	CKA
Shares on Issue	471.4M
Options on Issue	36.7M
Debt – Facility Drawn	US\$4.0M US\$3.4M
Cash at 30 Sept 2014	\$7.2M

Price history at 11 November 2014



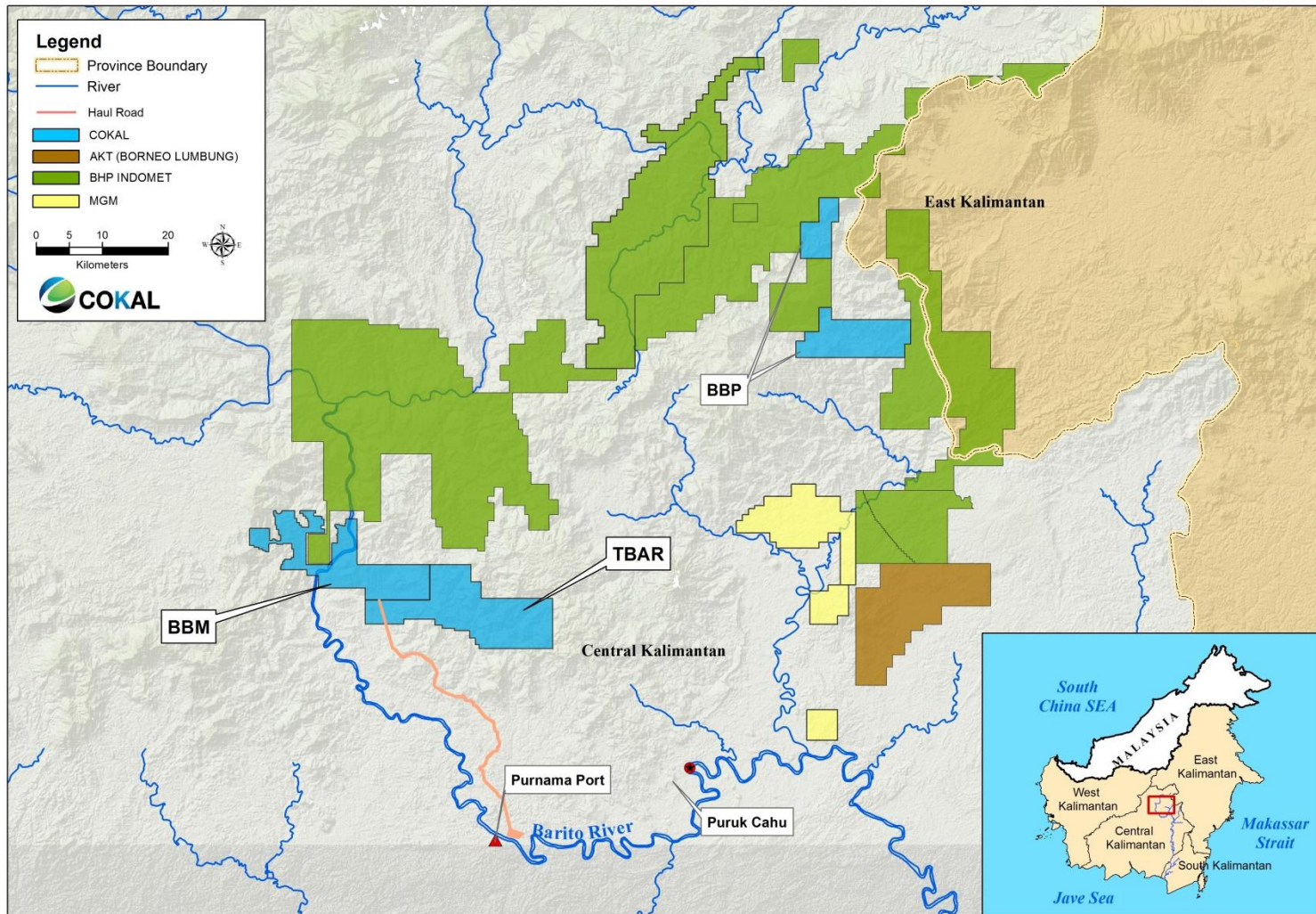
# Project Locations - Indonesia





# BBM, TBAR and BBP Tenements

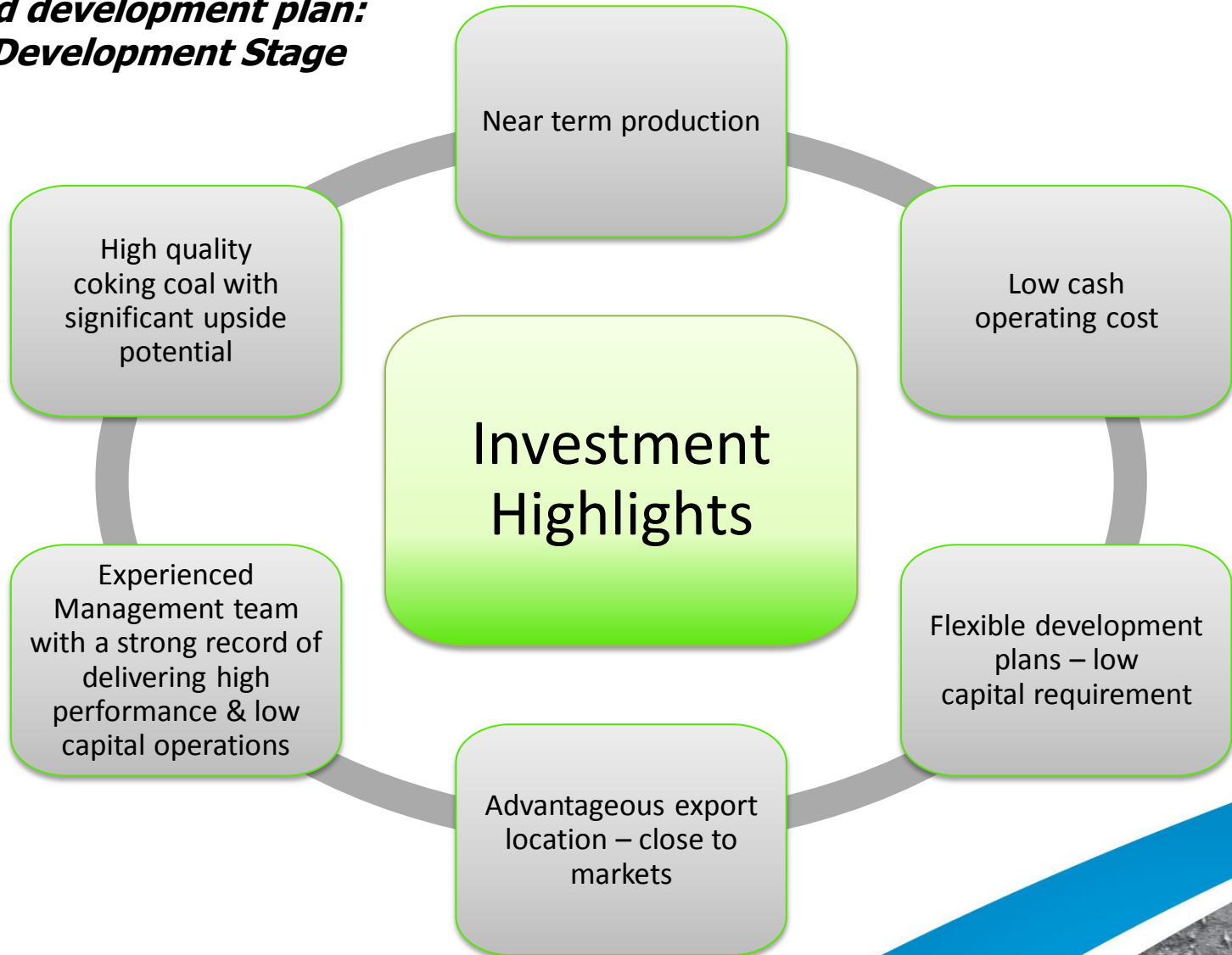
## INDONESIA



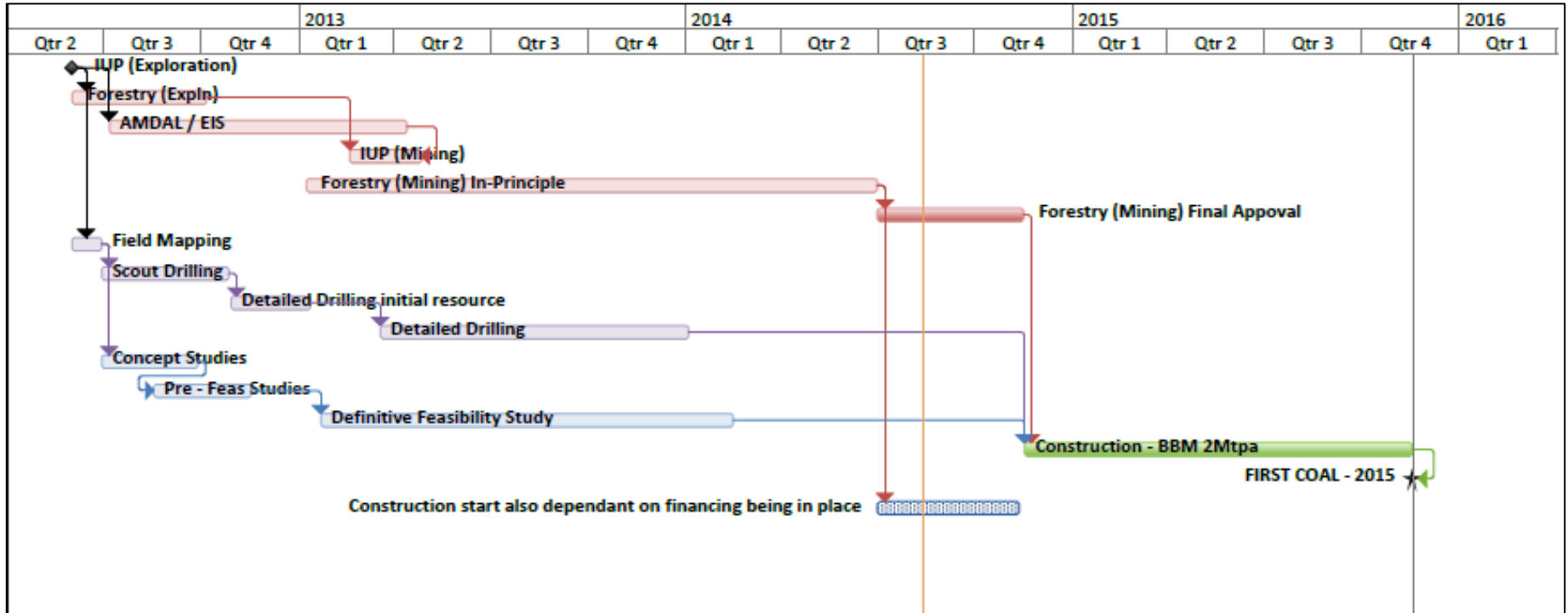
# BBM – Priority Project



## *Advanced development plan: In Mine Development Stage*



# BBM – Project Timeline



## *DFS: Real NPV of \$US366M (100% Project)*

- Stand-alone DFS at BBM completed by Resindo
- Capable of rapid expansion
- Confirms low initial capital expenditure and operating cost
- Schedule for production in H2 2015
- Payback <2 years

ASSET DESCRIPTION	
<b>Project</b>	BBM, Central Kalimantan, Indonesia
<b>JORC Resources</b>	261Mt 10.5Mt Measured, 13.5Mt Indicated + 237Mt Inferred)
<b>Coal Product</b> Total Resources	Premium coking coal 90%/PCI 10%
2Mtpa DFS	Premium coking coal 82%/PCI 18%
<b>Mining Method DFS</b>	Open-cut
<b>First Coal</b>	H2 2015
<b>Annual Production</b>	2Mtpa saleable coal

# Definitive Feasibility Study Highlights



- Confirmed that BBM and associated transport system can be developed as a low cost operation with moderate to medium range operating cost:
  - BBM Coal will command a high value as a blending feed in the Coking Coal Market
  - No risks were identified that would prevent construction and operation of the mine, supporting facilities and transport chain
- DCF Financial model:
  - US\$366M NPV after tax using a 10% discount rate (100% basis)
  - Payback period < 2 years
- Low capital cost requirements (incl. contract mining and barging) of US\$75M
  - Initial start-up capital US\$50M
  - After start-up: Enhancement capital US\$25M
    - Expand blending operations at the Intermediate port of Kelanis
    - Increase coal handling capability to handle higher ash pits.

# Mine Costs



Development Capital	US\$ (Million)
- Initial Start up	50
- Enhancement	25
<b>TOTAL</b>	<b>*75</b>

Operating Cost (excluding 7% Royalty)	US\$ /t Avg
Year 1	65.00
- Average first 5 years	82.00
Life of Mine	*97.00

\*Note: Based on contract mining and barging

## Highly Competitive

- Capital Investment
- Operating Costs
- Margin

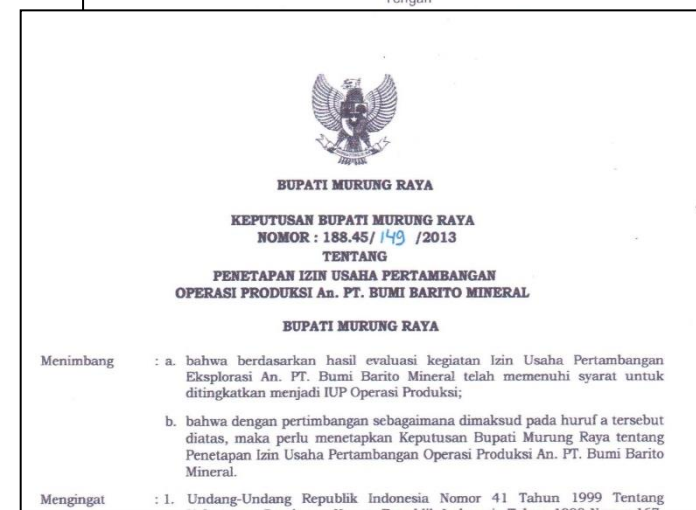
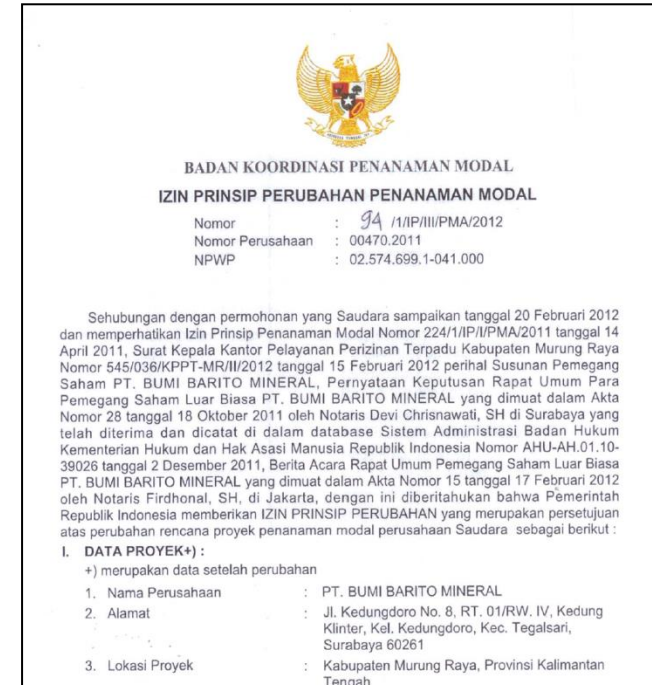


## Current Approvals

- IUP (Exploration), on 'Clean & Clear' List
- PT BBM approved Foreign Owned company (PMA status)
- Cokal Shareholding of PT BBM approved by BKPM (Central Government Foreign Investment Co-ordination Board)
- Exploration Forestry Permit (IPPKH Izin Pinjam Pakai)
- Environmental Approval (AMDAL)
- IUP (Production)
- In – Principal Forestry Permit (Production)

## Upcoming

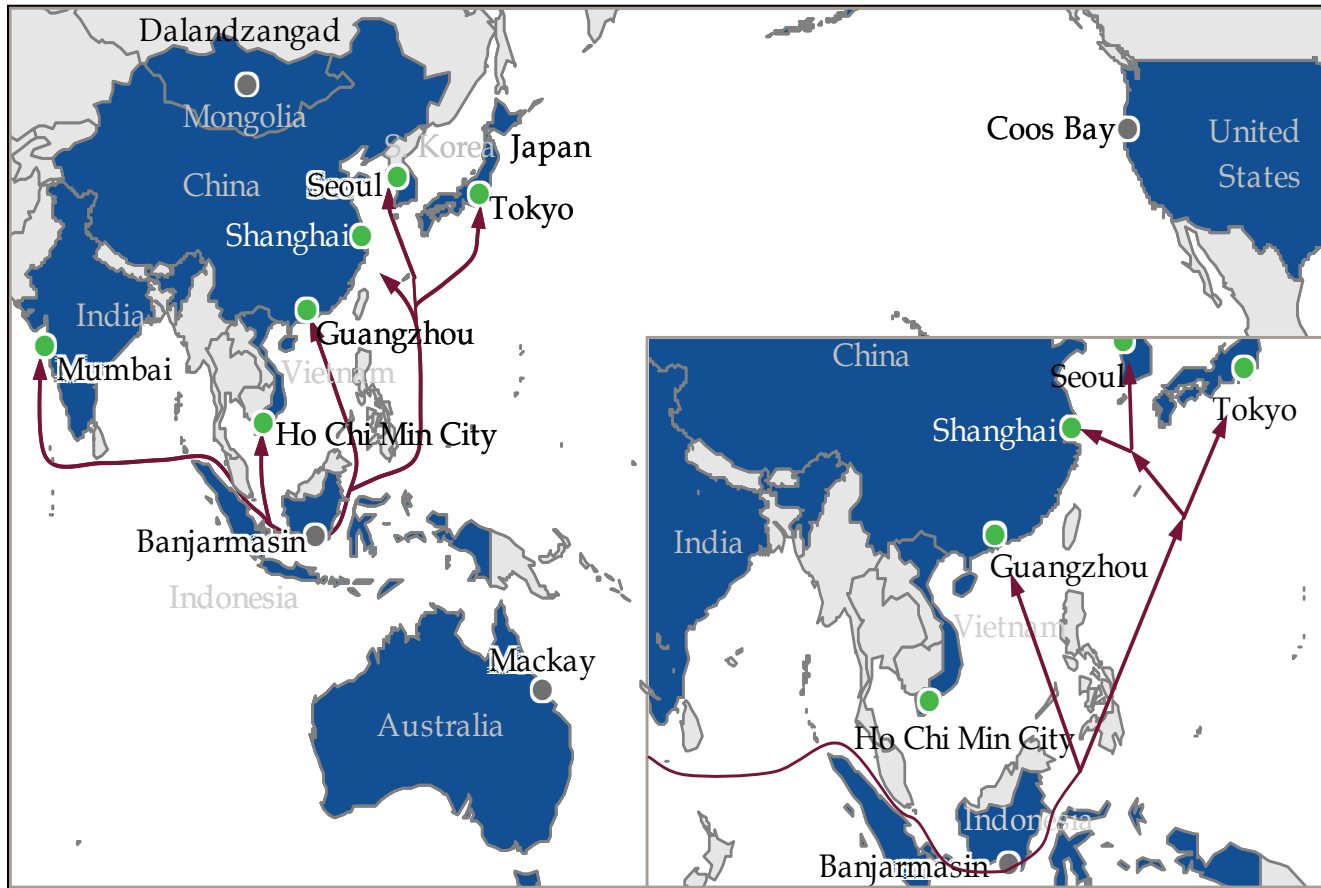
- IPPKH Forestry Permit (Production)



# On the Doorstep of the Biggest MET Coal Markets



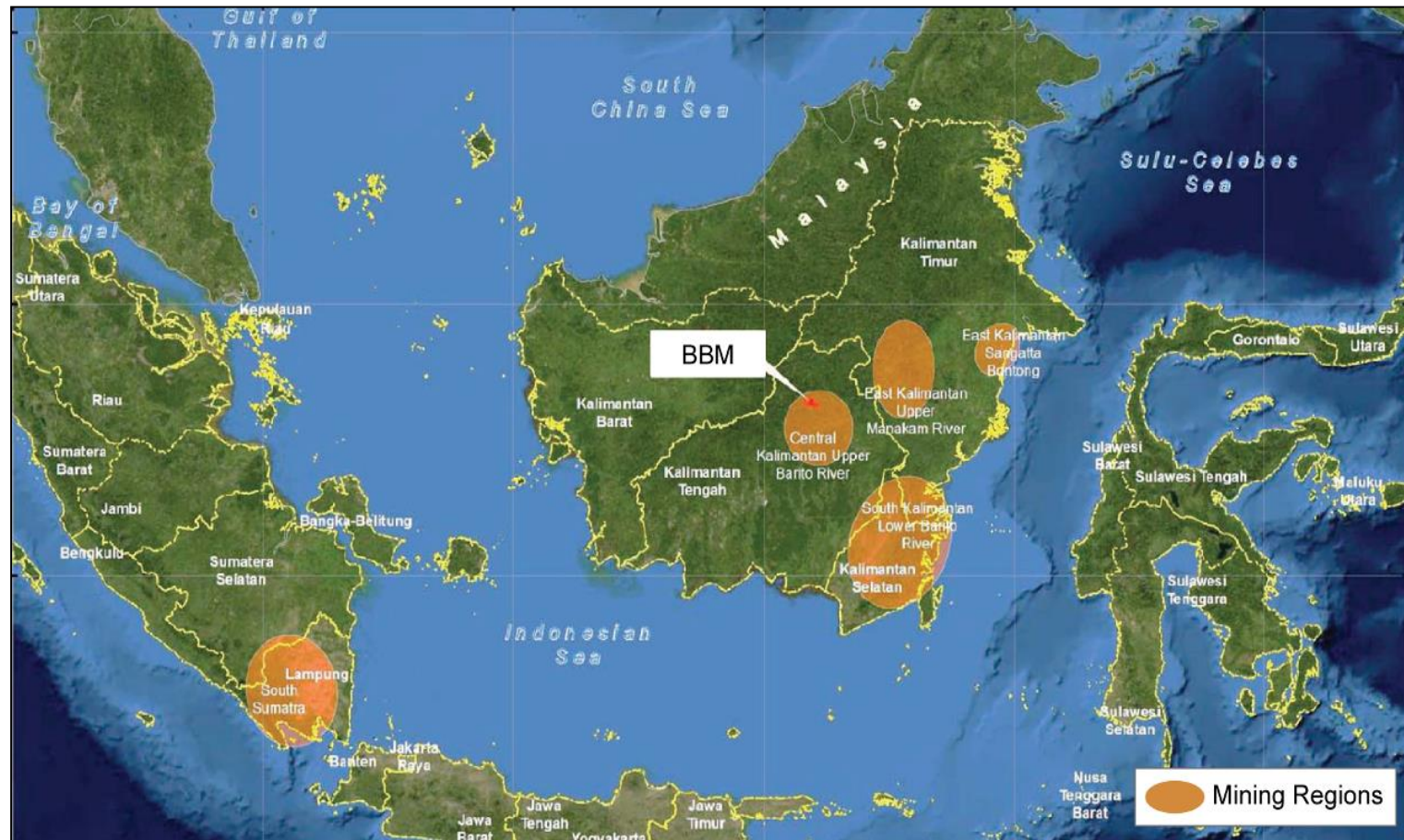
Fastest and lowest cost shipping to key customers





# Developing a new Coking Coal Province

## Indonesian Coal Reserves



# BBM Resources – 261Mt<sup>1</sup>



***Sufficient Resource to underwrite 2Mtpa initial open cut production plan***

## Resources by Seam and Category

Seam Name	Seam Thickness (m)	Measured Resource (Mt)	Indicated Resources (Mt)	Inferred Resources (Mt)	Total Resources (Mt)
J	1.34	10.5	13.5	31	55
D	1.37			75	75
C	1.14			70	70
B	0.97			61	61
<b>Total</b>		<b>10.5</b>	<b>13.5</b>	<b>237</b>	<b>261</b>

## Resources by Category and Depth of Cover

Depth Range (m)	Measured Resources (Mt)	Indicated Resources (Mt)	Inferred Resources (Mt)	Total Resources (Mt)
0-50	5.0	2.0	6	13.0
0-100	9.3	8.0	18	35.3
0-150	10.5	13.0	39	62.5
0-200	10.5	13.5	60	84.0
0-250	10.5	13.5	86	110.0
0-300	10.5	13.5	120	144.0
>300	10.5	13.5	237	261.0

<sup>1</sup>261Mt Measured, Indicated and Inferred Resource



## Premium Quality Coking and PCI Coal

Product Quality – BCD Seams Premium Coking Coal							
	Ash (% adb)	CSN	Volatile Matter (% adb)	Sulphur (adb)	Phosphorus (% adb)	Calorific Value (adb)	Fixed Carbon (adb)
<b>Range</b>	≤8.0	7.5-8.5	13.9-14.1	0.31-0.34	0.000-0.001	7960-8065	77.0-78.1
<b>Average</b>	8.0	8.0	14.0	0.33	0.001	8020	77.6

Product Quality – J Seam Premium Coking Coal							
	Ash (% adb)	CSN	Volatile Matter (% adb)	Sulphur (adb)	Phosphorus (% adb)	Calorific Value (adb)	Fixed Carbon (adb)
<b>Range</b>	≤8.0	9.0-9.5	16.2-18.6	0.34-0.47	0.002-0.016	6935-7925	64.0-73.5
<b>Average</b>	8.0	9.0	17.4	0.38	0.008	7600	69.9

## *Premium Quality Coking and PCI Coal*

BBM PCI Product Coal							
	Ash (% adb)	CSN	Volatile Matter (% adb)	Sulphur (adb)	Phosphorus (% adb)	Calorific Value (adb)	Fixed Carbon (adb)
Range	≤8.0	0.0-3.0	5.9-13.4	0.37-0.48	0.001-0.003	7720-8080	78.6-84.3
Average	8.0	1.0	10.2	0.40	0.002	7985	81.3

Low insitu-ash allows direct shipping potential – low **OPEX** and **CAPEX**

Highly sought after:

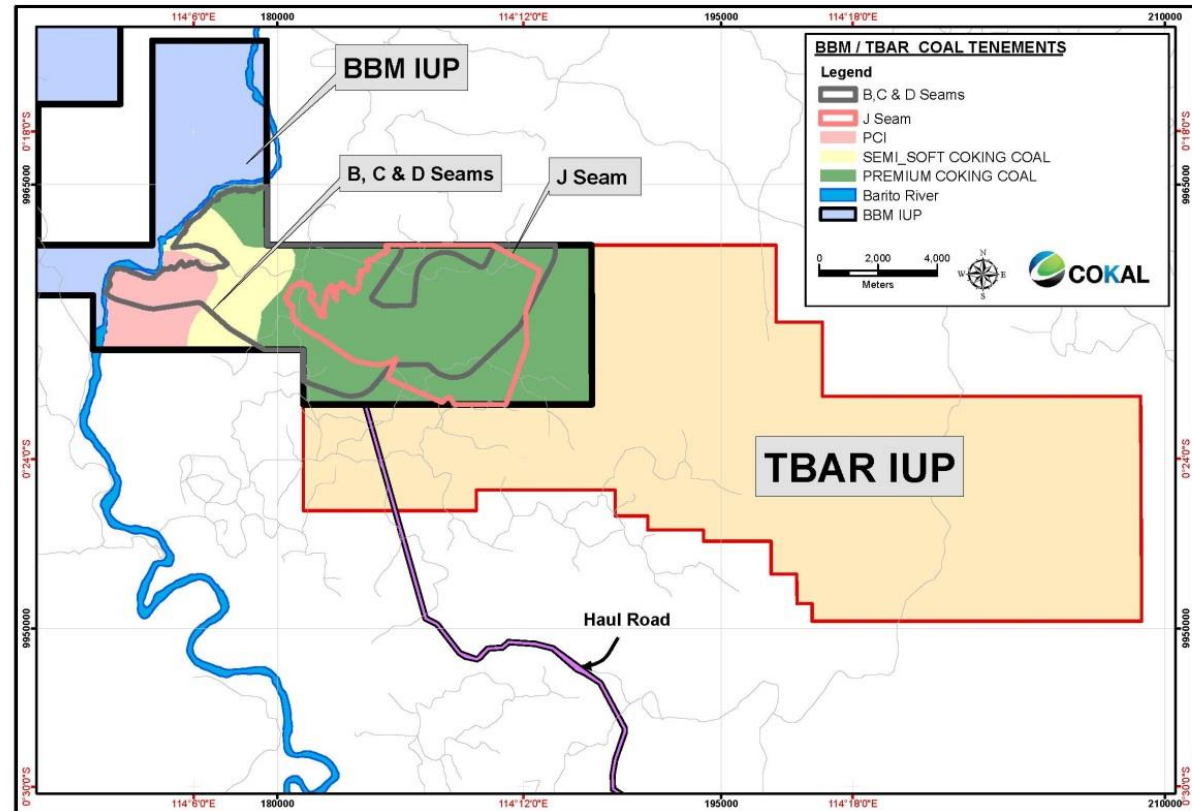
- ✓ High Carbon
- ✓ Low Sulphur
- ✓ Low Phosphorus
- ✓ High Energy



# BBM – Potential to Increase

## Resource Size

- This potential is in addition to the current 261Mt JORC Measured, Indicated and Inferred Resources
- Comprised of 13 Seams in the Eastern Block of BBM (40% of the tenement area)





## Truck / Excavator Operation

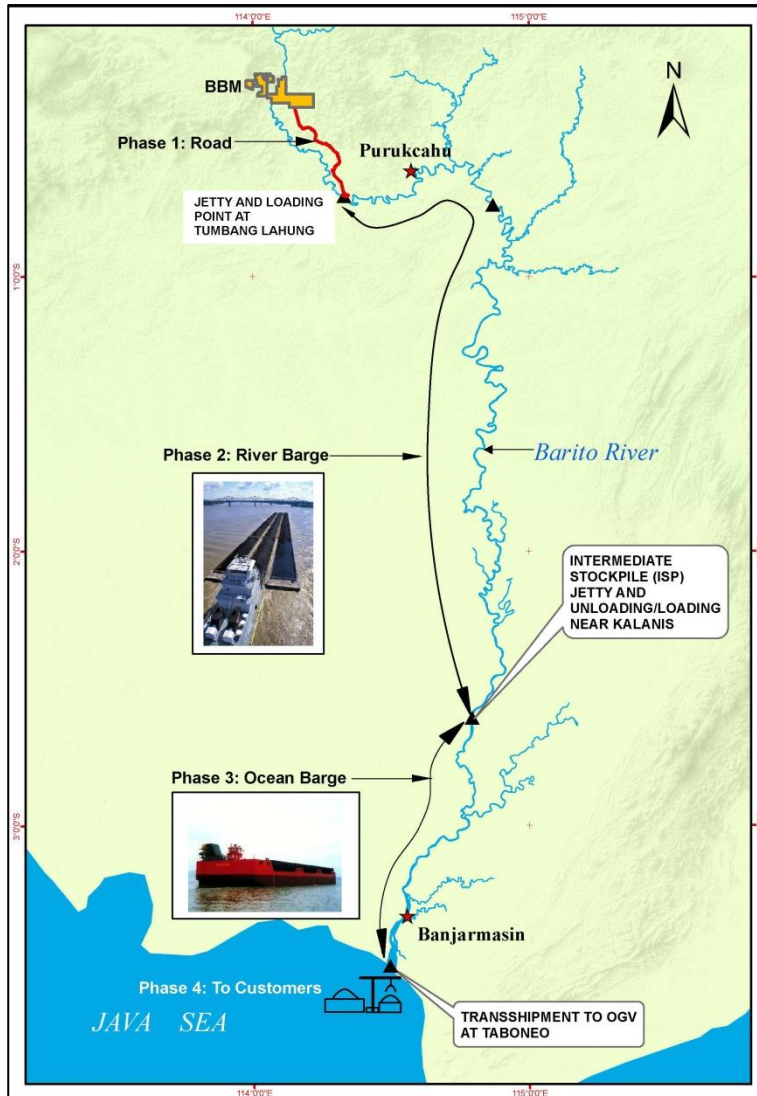
- Contractor operated
- Pit to Jetty



## Seam Outcrop on the Surface

- Significant length of outcrop
- J Seam ~ 1.4m thick
- In-pit sizing / screening

# Infrastructure and Transport

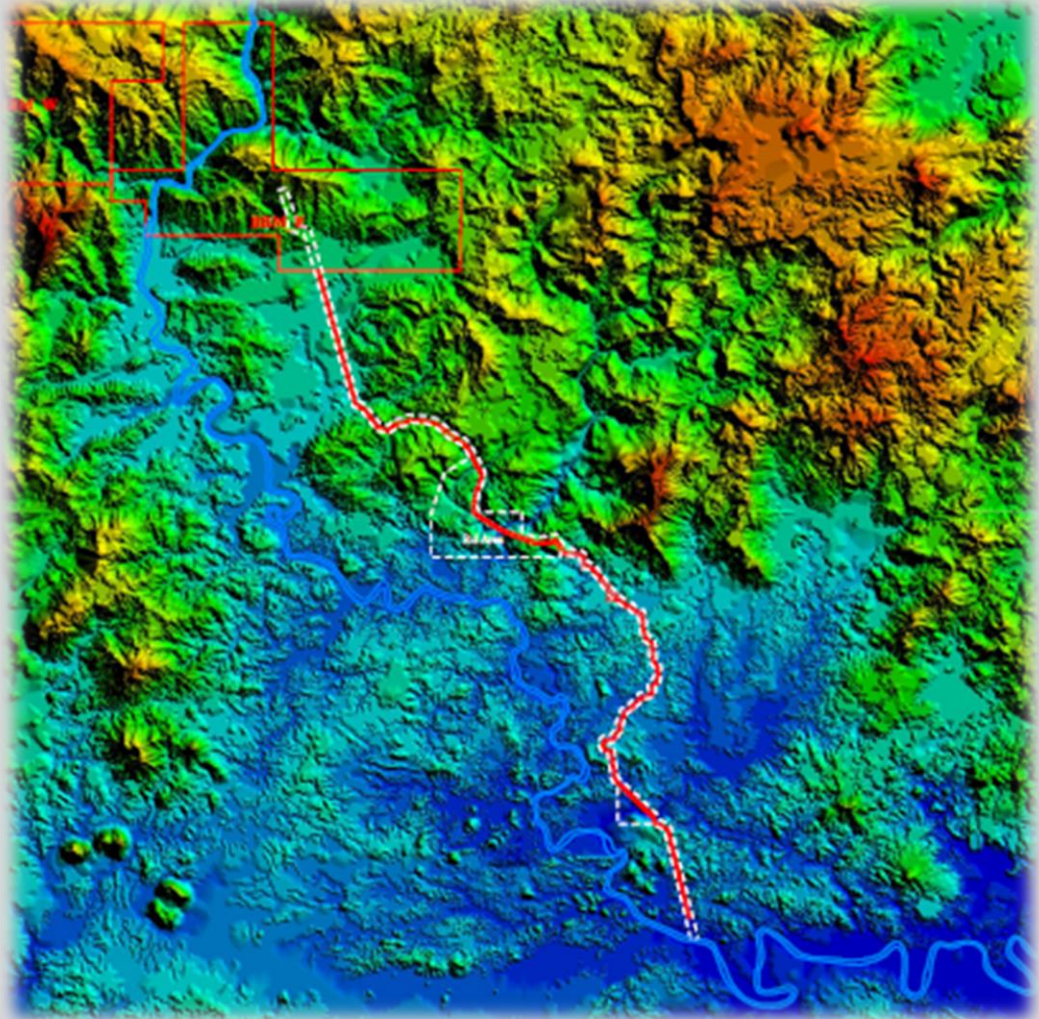


Coal to be transported in three phases, accounting for ~ 774km from the mine site to the Java Sea

- 55km haul road from mine to the Barito River
- 500km down the Barito River to the Intermediate Stockpile Port at Kelanis
- Ocean-going barges to transport coal ~ 200km to the open sea anchorage at Taboneo in the Java Sea
- Coal to be transshipped to an ocean going vessel for the customer

# Truck Haulage

- 55km road route, 2 studies done, initial quotation received
- Detail work underway
- All weather surface
- Ease of loading, unloading, reliability
- Excellent balance of operating and capital costs

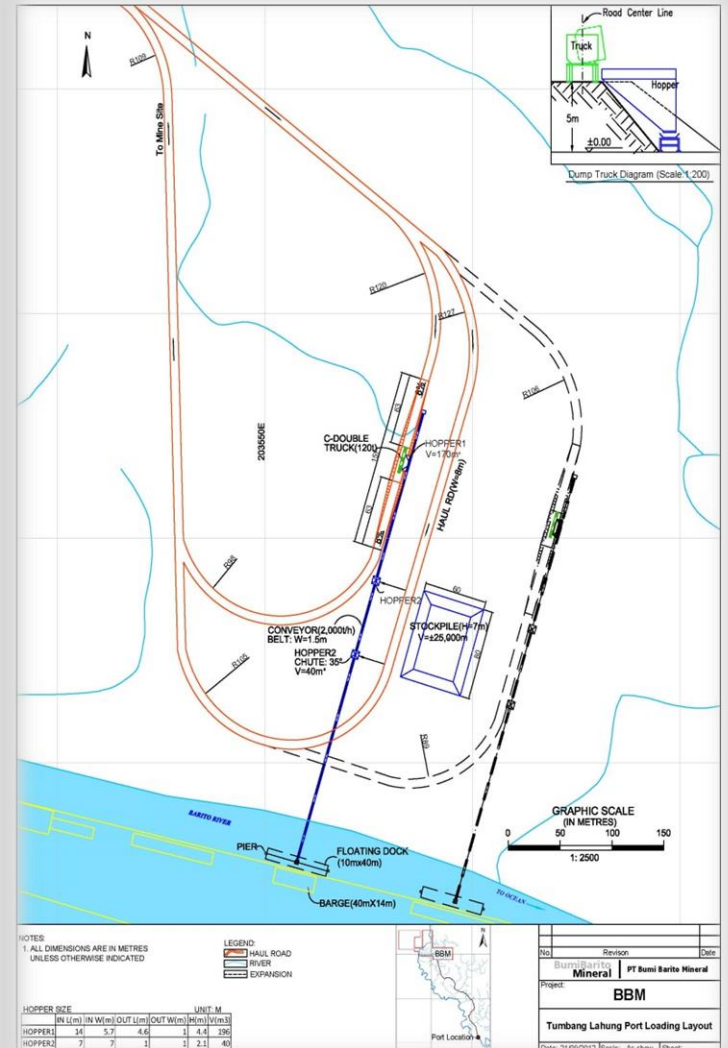




# Barge Loading



- Plan for direct load from trucks to barges
- Spare barges enable efficient system
- Stockpiling capability
- Front End Loader hoppers for re-loading from stockpile
- Low capital, low operating cost
- Minimises coal degradation



# Shallow Draft Barges

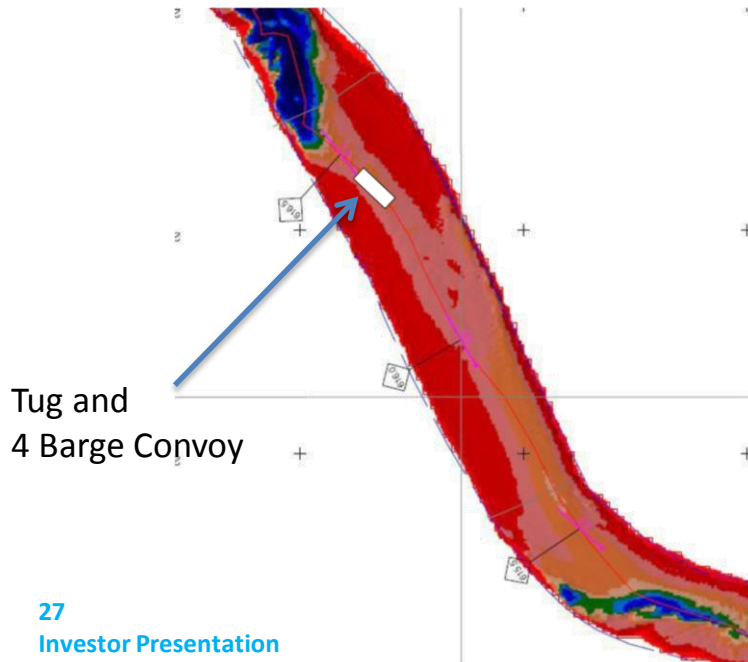
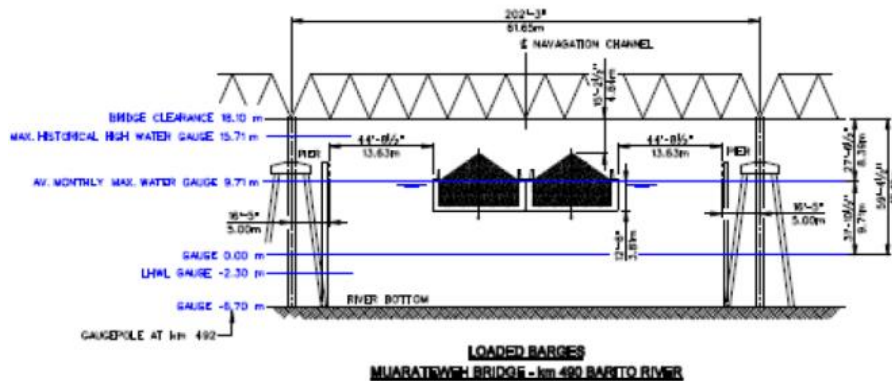
- River designed barge system for safe, reliable and economic transport
- Indonesian system currently uses towed ocean going barges
- Mississippi style allows flexibility, for manoeuvring and cargo sizes
- JV formed with MDM Meratus highly respected Indonesian river barging company



USA: 40,000 km of rivers; 2.7m draft; \$5B economic impact; 624Mtpa  
*Transferring current technology to Indonesia barging*



# Shallow Draft Barges



- Stage 1 – 6,000t convoys (4 x 1,500t barges) – 500km
- Shallow draft: down to 2.3m water level
- 3 Studies completed
- Full bathymetric survey of river
- Daily river height data for over 10 years used
- 6 tugs and barge sets for 2Mtpa
- Spare barge set at loading and unloading point



## Deep Water Barges to Floating Crane in Java Sea

- 12,000t now common (matches 2 x 6,000t upper river shallow barge convoys)
- Matches common ship hatch size



## Operators

- Many Barge operators at this point
- Many Floating crane operators offshore
- Low cost, efficient

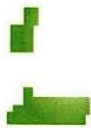
# Other Tenements

## Central Kalimantan, INDONESIA



**TBAR** – Agreement signed 75/25 with local owners. 19,000ha adjoins BBM, which doubles the size of the exploration area available.

- Potential for BBM seams extend into TBAR
- Tenement is on the Clean and Clear List issued by the Directorate General of Mineral and Mining, Central Jakarta on 23 January 2013
- Mapping has commenced.



**BBP** – 60/40 with local owner, PMA company ownership structure. 13,000ha directly adjacent to BHP, Maruwai. Has bright coal seam outcrops, laboratory tests indicate **low in-situ ash, low sulphur, ultra-low phosphorous and high energy**

- Exploration forestry permit (IPPKH) granted
- Targeting potential following BBM Cashflow.



**AAK** – 75/25 with local owner, PMA company ownership structure – 5,000ha with 5 outcrops (1-2m in thickness) with bright coal and possible anthracite.



**AAM** – 75/25 with local owner, PMA company ownership structure 10,000ha – 11 outcrops have bright coal.

# BBM Project Conclusions



High quality  
coking product

Low operating  
cost

Low capital  
investment  
required

Good margin  
and quick  
payback

Early  
production

Geographically  
well  
positioned

Potential for  
expansion

Experienced  
Executive  
team

# Developing Infrastructure



Two river ports and two coal  
-fired power stations  
to facilitate metallurgical  
coal production

Working together for  
mutual benefit with  
the Murung Raya Regency



CSR program on education  
and training, employment and local infrastructure  
development

Peter Lynch, Drs. Perdie MA (*Head of Regency*), Darmaji (*Vice Bupati*), Agus Widjojo, Garry Kielensyn.

Brings jobs, education and prosperity to the region



## Local Schools

- Assisted with materials and labour to make repairs to the Tumbang Tuan Village Jnr Elementary School
- Provided an emergency generator to ensure reliable electricity for the local school
- Sponsored four teachers for the Tumbang Tuan Jnr High School



## Sponsorship Programs

- University Scholarship program in conjunction with the Palangkaraya University
- Evolving to assist students in Snr High School within the project area



## Medical Support

- Provided medical support to the community, arranging a ophthalmologist to run a free clinic



## Local Supply

- Co-operative business employs local people to assist Cokal with logistics for food, general supplies and field work.



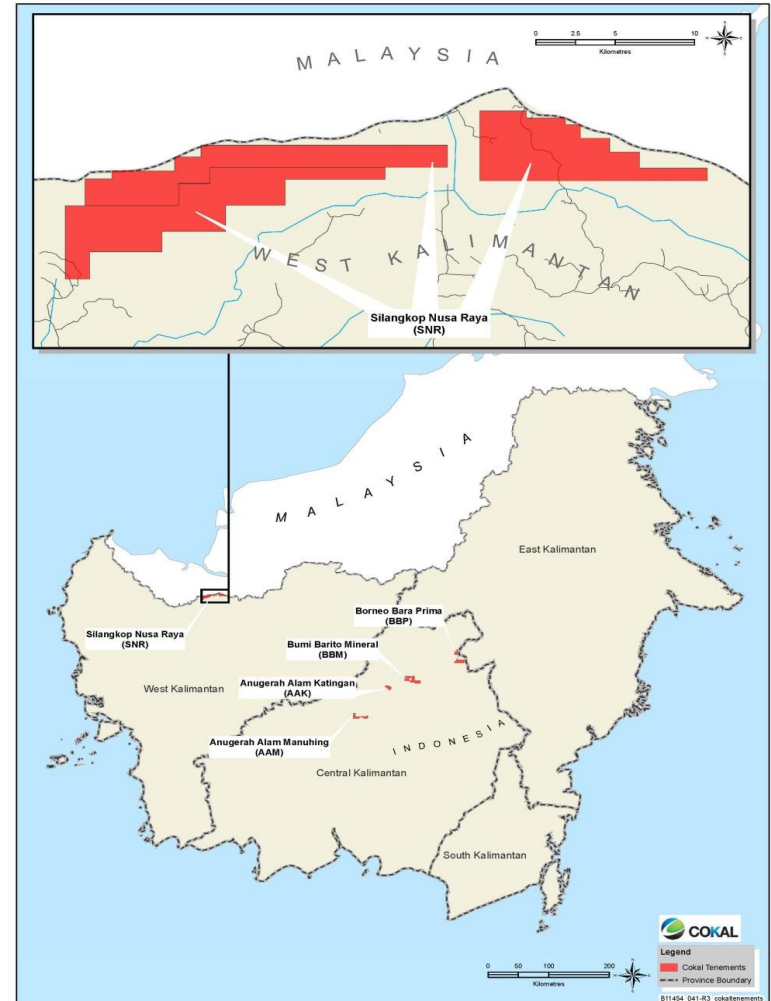
# Project Location

## West Kalimantan, INDONESIA

Cokal 75.2% interest in **PT Silangkop Nusa Raya (SNR)**

Three IUPs in Singtang Regency, West Kalimantan covers an area of 13,000ha

Outcrop samples show high volatile, low ash, moderate sulphur and low phosphorus coking coal



# Summary

