

Cokal Limited ACN 082 541 437 Supplementary Prospectus

1 Important information

This supplementary prospectus (**Second Supplementary Prospectus**) of Cokal Limited (**Cokal** or the **Company**) is dated 22 December 2017 and was lodged with ASIC on that date under section 719 of the Corporations Act.

This Second Supplementary Prospectus supplements the prospectus dated 18 December 2017 and lodged with ASIC on that date (**Prospectus**) and the first supplementary prospectus dated 20 December 2017 and lodged with ASIC on that date (**First Supplementary Prospectus**), and must be read together with the Prospectus and First Supplementary Prospectus. If there is any inconsistency between the Prospectus, the First Supplementary Prospectus and this Second Supplementary Prospectus, this Second Supplementary Prospectus prevails.

Terms used but not defined in this Second Supplementary Prospectus have the meanings given in the Prospectus. ASIC and ASX take no responsibility for the contents of this Second Supplementary Prospectus, the First Supplementary Prospectus or the Prospectus.

2 Convertible Notes and ASX Listing Rule 7.1, Appendix 3B and Change in Director's Interest Notice

The Company has today released the announcements attached to this Second Supplementary Prospectus.

3 Consent to lodgement

This Second Supplementary Prospectus is issued by the Company and the issue has been authorised by a resolution of the Directors. In accordance with section 720 of the Corporations Act, each Director of the Company has consented in writing to the lodgement of this Second Supplementary Prospectus with ASIC.



Domenic Martino
Director
22 December 2017

ASX ANNOUNCEMENT

22 December 2017

CONVERTIBLE NOTES AND ASX LISTING RULE 7.1

Cokal Limited (ASX: CKA, Company) has been advised by ASX that it considers a breach of ASX Listing Rule 7.1 has occurred in relation to the Company's issue of unlisted convertible notes, which are convertible into ordinary shares, under the facility announced on 11 October 2017.

ASX has advised the Company that it considers an issue of convertible securities with no fixed floor price and a variable exchange rate as breaching Listing Rule 7.1, due to the number of shares that the convertible notes convert into being unclear at the time of issue.

The Company believed that the terms of its convertible notes were sufficient to ensure compliance with Listing Rule 7.1 as:

- the Company has at no time issued more shares than it has available capacity under Listing Rule 7.1;
- it has at all times been a term of the agreement that the Company is not obliged to convert the notes into shares if the Company does not have available capacity under Listing Rule 7.1; and
- the Company would only issue shares under the notes if it had Listing Rule 7.1 capacity.

The Company has had several discussions with ASX and agreed to address its concerns by making this announcement and retaining the shares issued on conversion of the convertible notes in its calculation of used capacity under Listing Rule 7.1 for a period of 12 months. This means that the full amount of shares issued under Tranche A of the convertible notes being 38,371,699 shares issued to date, plus the shares potentially to be issued from the remaining 297,234 convertible notes (estimated as 9,482,991 shares) needs to remain in its calculation of used capacity under Listing Rule 7.1 for 12 months from the date that the convertible notes were issued (20 October 2017) and cannot be ratified by shareholders. The Company has disclosed this most recently in its Appendix 3B lodged 19 December 2017.

The Company believes that this determination has no impact on its ability to implement its business strategy

ENDS

Further Enquiries:

Louisa Youens
Company Secretary
Tel: +61 2 8823 3179

Rule 2.7, 3.10.3, 3.10.4, 3.10.5

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12

Name of entity

Cokal Limited

ABN

55 082 541 437

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

1	+Class of +securities issued or to be issued	Unlisted Options
2	Number of +securities issued or to be issued (if known) or maximum number which may be issued	5,000,000
3	Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion)	<p>1,000,000 unlisted options: exercise price - \$0.12 expiry - 22 December 2020 vesting once the Company has produced 100,000 tonnes of coal.</p> <p>4,000,000 unlisted options: exercise price - \$0.15 expiry - 22 December 2020 vesting once the Company is consistently operating at a production rate for three months of 45,000 tonnes of coal per month.</p>

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

4	<p>Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> the date from which they do the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<p>No. Unlisted options will rank equally with fully paid ordinary shares upon exercise of the options.</p>
5	Issue price or consideration	<p>Nil issue price</p>
6	<p>Purpose of the issue</p> <p>(If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>To provide performance linked incentive component for management</p>
6a	<p>Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h <i>in relation to the +securities the subject of this Appendix 3B</i>, and comply with section 6i</p>	<p>No</p>
6b	The date the security holder resolution under rule 7.1A was passed	<p>Not applicable</p>
6c	Number of +securities issued without security holder approval under rule 7.1	<p>Nil</p>
6d	Number of +securities issued with security holder approval under rule 7.1A	<p>Not applicable</p>
6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	<p>5,000,000 unlisted options in accordance with Resolution 8 passed at the Company's Annual General Meeting held on 29 November 2017</p>
6f	Number of securities issued under an exception in rule 7.2	<p>Nil</p>

+ See chapter 19 for defined terms.

6g If securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the issue date and both values. Include the source of the VWAP calculation.

N/A

6h If securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements

N/A

6i Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements

Remaining issue capacity:

▪ Rule 7.1= 40,046,745

7 Dates of entering +securities into uncertificated holdings or despatch of certificates

22 December 2017

8 Number and +class of all +securities quoted on ASX (*including* the securities in section 2 if applicable)

Number	+Class
655,204,235	Ordinary Shares

9 Number and +class of all +securities not quoted on ASX (*including* the securities in section 2 if applicable)

Number	+Class
10,000,000	Options (\$0.126 @ 24-Feb-19)
25,000,000	Options (\$0.13 @ 6-Feb-19, unless a prescribed event occurs, in which case 6-Feb-23)
15,000,000	Options (\$0.20 @ 27-Aug-18, unless a prescribed event occurs, in which case 27-Aug-22)
1,000,000	Options (\$0.10 @ 19-Sep-2020)
297,234	Convertible Notes
1,000,000	Options (\$0.12 @ 22-Dec-20, vesting on production of 100,000 tonnes of coal)

+ See chapter 19 for defined terms.

	4,000,000	Options (\$0.15 @ 22-Dec-20, vesting on achieving a consistent production rate for three months of 45,000 tonnes of coal per month.)
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	N/A

Part 2 - Bonus issue or pro rata issue

11	Is security holder approval required?	
12	Is the issue renounceable or non-renounceable?	
13	Ratio in which the +securities will be offered	
14	+Class of +securities to which the offer relates	
15	+Record date to determine entitlements	
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	
17	Policy for deciding entitlements in relation to fractions	
18	Names of countries in which the entity has +security holders who will not be sent new issue documents Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.	
19	Closing date for receipt of acceptances or renunciations	
20	Names of any underwriters	
21	Amount of any underwriting fee or commission	

+ See chapter 19 for defined terms.

22	Names of any brokers to the issue	
23	Fee or commission payable to the broker to the issue	
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders	
25	If the issue is contingent on +security holders' approval, the date of the meeting	
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	
28	Date rights trading will begin (if applicable)	
29	Date rights trading will end (if applicable)	
30	How do +security holders sell their entitlements in full through a broker?	
31	How do +security holders sell part of their entitlements through a broker and accept for the balance?	
32	How do +security holders dispose of their entitlements (except by sale through a broker)?	
33	+Despatch date	

+ See chapter 19 for defined terms.

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of securities
(tick one)

(a) ☐ Securities described in Part 1

(b) ☐ All other securities
Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

35 ☐ If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders

36 ☐ If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over

37 ☐ A copy of any trust deed for the additional +securities

+ See chapter 19 for defined terms.

Entities that have ticked box 34(b)

38 Number of securities for which +quotation is sought

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39 Class of +securities for which quotation is sought

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40 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?

If the additional securities do not rank equally, please state:

- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

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41 Reason for request for quotation now
Example: In the case of restricted securities, end of restriction period

(if issued upon conversion of another security, clearly identify that other security)

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42 Number and +class of all +securities quoted on ASX (including the securities in clause 38)

Number	+Class

+ See chapter 19 for defined terms.

Quotation agreement

1. +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.
2. We warrant the following to ASX.
 - The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
 - There is no reason why those +securities should not be granted +quotation.
 - An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

 - Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
 - If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.
3. We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
4. We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

On behalf of the Board
Louisa Martino



Company Secretary
22 December 2017

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Appendix 3B – Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities

Introduced 01/08/12 Amended 04/03/13

Part 1

Rule 7.1 – Issues exceeding 15% of capital	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
Insert number of fully paid +ordinary securities on issue 12 months before the +issue date or date of agreement to issue	593,092,704
Add the following: <ul style="list-style-type: none"> Number of fully paid +ordinary securities issued in that 12 month period under an exception in rule 7.2 Number of fully paid +ordinary securities issued in that 12 month period with shareholder approval Number of partly paid +ordinary securities that became fully paid in that 12 month period <p><i>Note:</i></p> <ul style="list-style-type: none"> Include only ordinary securities here – other classes of equity securities cannot be added Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed It may be useful to set out issues of securities on different dates as separate line items 	275,000 shares 19,444,445 shares
Subtract the number of fully paid +ordinary securities cancelled during that 12 month period	-
“A”	612,812,149

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

Step 2: Calculate 15% of “A”	
“B”	0.15
Multiply “A” by 0.15	91,921,822
Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used	
<p><i>Insert</i> number of ⁺equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued:</p> <ul style="list-style-type: none"> Under an exception in rule 7.2 Under rule 7.1A With security holder approval under rule 7.1 or rule 7.4 <p><i>Note:</i></p> <ul style="list-style-type: none"> <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i> <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	<p>4,020,387 shares (24 October 2017)</p> <p>3,120,389 shares (24 November 2017)</p> <p>600,000 shares (24 November 2017)</p> <p>17,250,055 shares (4 December 2017)</p> <p>17,401,255 shares (19 December 2017)</p> <p>9,482,991 shares (remaining est. on conversion of Convertible Note)**</p>
“C”	51,875,077
Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1	
“A” x 0.15	91,921,822
Subtract “C”	51,875,077
Total [“A” x 0.15] – “C”	40,046,745

** Using variables as at 18 December 2017.

+ See chapter 19 for defined terms.

Part 2

Rule 7.1A – Additional placement capacity for eligible entities	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
“A” <i>Note: number must be same as shown in Step 1 of Part 1</i>	Not applicable
Step 2: Calculate 10% of “A”	
“D”	0.10
Multiply “A” by 0.10	
Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used	
Insert number of +equity securities issued or agreed to be issued in that 12 month period under rule 7.1A Notes: <ul style="list-style-type: none"> <i>This applies to equity securities – not just ordinary securities</i> <i>Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed</i> <i>Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained</i> <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	
“E”	
Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A	
“A” x 0.10 <i>Note: number must be same as shown in Step 2</i>	
Subtract “E” <i>Note: number must be same as shown in Step 3</i>	
Total [“A” x 0.10] – “E”	

+ See chapter 19 for defined terms.

**ASX ANNOUNCEMENT
22 December 2017**

Cokal Limited (ASX:CKA “Cokal” or “the Company”) attaches a Change of Director’s Interest Notice for Mr Gerhardus (Garry) Kielenstyn.

Notification of a change in the Director’s Interest in respect of options that expired in July 2017 was lodged late due to an internal administrative oversight. The notice has been lodged immediately upon the oversight having been identified.

The Company believes it has adequate documents and procedures in place with its directors to ensure the Company is able to meet its disclosure obligations under ASX Listing Rule 3.19A and 3.19B, including:

- Inclusion in the Company’s securities trading policy and director appointment letters of director obligations under the listing rules;
- Support of the Company Secretary to assist directors meet their obligations;
- Continual monitoring of compliance.

The Company’s existing arrangements are considered adequate and the Company and its Directors remain aware of their obligations under ASX Listing Rules 3.19A and 3.19B in relation to notifiable interests.

ENDS

Appendix 3Y

Change of Director's Interest Notice

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 30/09/01 Amended 01/01/11

Name of entity Cokal Limited
ABN 55 082 541 437

We (the entity) give ASX the following information under listing rule 3.19A.2 and as agent for the director for the purposes of section 205G of the Corporations Act.

Name of Director	Gerhardus (Garry) Kielenstyn
Date of last notice	31 January 2017

Part 1 - Change of director's relevant interests in securities

In the case of a trust, this includes interests in the trust made available by the responsible entity of the trust

Note: In the case of a company, interests which come within paragraph (i) of the definition of "notifiable interest of a director" should be disclosed in this part.

Direct or indirect interest	Direct
Nature of indirect interest (including registered holder) Note: Provide details of the circumstances giving rise to the relevant interest.	
Date of change	- 11 July 2017 – expiry of unlisted options - 22 December 2017 – issue of unlisted options
No. of securities held prior to change	4,000,000 unlisted options (\$0.126 @ 24-Feb-19) 4,000,000 unlisted options (\$0.214 @ 11-Jul-17)
Class	Unlisted options
Number acquired	1,000,000 unlisted options (\$0.12 @ 22-Dec-20, vesting on production of 100,000 tonnes of coal) 4,000,000 (\$0.15 @ 22-Dec-20, vesting on achieving a consistent production rate for three months of 45,000 tonnes of coal per month.)

+ See chapter 19 for defined terms.

Appendix 3Y

Change of Director's Interest Notice

Number disposed	4,000,000 unlisted options (\$0.214 @ 11-Jul-17)
Value/Consideration Note: If consideration is non-cash, provide details and estimated valuation	Estimated value of options acquired is \$127,019 using Black & Scholes model (assuming 25% discount to value for vesting conditions)
No. of securities held after change	4,000,000 unlisted options (\$0.126 @ 24-Feb-19) 1,000,000 unlisted options (\$0.12 @ 22-Dec-20, vesting on production of 100,000 tonnes of coal) 4,000,000 (\$0.15 @ 22-Dec-20, vesting on achieving a consistent production rate for three months of 45,000 tonnes of coal per month.)
Nature of change Example: on-market trade, off-market trade, exercise of options, issue of securities under dividend reinvestment plan, participation in buy-back	4,000,000 unlisted options expired on 11 July 2017 5,000,000 unlisted options issued pursuant to Resolution 8 passed by shareholders at the Company's Annual General Meeting held on 29 November 2017

Part 2 – Change of director's interests in contracts

Note: In the case of a company, interests which come within paragraph (ii) of the definition of "notifiable interest of a director" should be disclosed in this part.

Detail of contract	
Nature of interest	
Name of registered holder (if issued securities)	
Date of change	
No. and class of securities to which interest related prior to change Note: Details are only required for a contract in relation to which the interest has changed	
Interest acquired	
Interest disposed	

+ See chapter 19 for defined terms.

Appendix 3Y
Change of Director's Interest Notice

Value/Consideration Note: If consideration is non-cash, provide details and an estimated valuation	
Interest after change	

Part 3 – ⁺Closed period

Were the interests in the securities or contracts detailed above traded during a ⁺closed period where prior written clearance was required?	No
If so, was prior written clearance provided to allow the trade to proceed during this period?	
If prior written clearance was provided, on what date was this provided?	

⁺ See chapter 19 for defined terms.