

ASX ANNOUNCEMENT / MEDIA RELEASE
28 November 2018

Progress Report BMA Due Diligence and Funding

As announced on 21 September 2018, **Cokal Limited** (Cokal ASX:CKA, "Cokal" or "the Company") entered into a Key Principles of Agreement with the BMA Group (PT Bara Mineral Asri and its affiliates) to develop and operate PCI and Coking Coal production from its mines in the Bumi Barito Mineral (BBM) Project. Subject to completion of satisfactory due diligence, Cokal and the BMA Group will enter into an exclusive Operational Partnership Agreement whereby the BMA Group will invest in infrastructure and mine development. The BMA Group will also provide mining services to mine, haul and bring the coal to barges, and further to market and deliver coal to buyers.

GEOTECHNICAL AND DUE DILIGENCE DRILLING

Two BMA Group drilling rigs have arrived on site at the BBM Project and the BMA Group are preparing to commence a 2,000 metre drilling program. The main purpose of the drilling program is to fulfil the due diligence requirements of the BMA Group and to prepare the plan for the mining of coal including:

1. Validation drilling whereby boreholes will be located adjacent to Cokal boreholes to confirm the seam thickness and coal quality of the seams;
2. Geotechnical drilling to provide additional detail technical data and analysis for the design of Pits 1 and 2 in order to comply with recently amended Indonesian mining regulations. Cokal has previously acquired this data for Pit 3;
3. Infill drilling to increase the estimation of Indicated Resources and consequently increase the estimation of JORC Reserves.

Cokal will have a geologist attending each of the drilling rigs at all times to ensure the quality of the drill core recovery meets the requirements of the JORC Code.

FUNDING

The BMA Group is providing USD500,000 per month as previously announced. The BMA Group and Cokal have now signed an agreement that these advanced funds will be repayable from a share of future coal sales.

MINING SCHEDULE

Cokal's CEO, Jim Coleman, and his team continue to work closely with the BMA team to develop a plan for the start up and ramping up of production at BBM. The plan is working towards the commencement of production of PCI coal in Q1 of 2019. It is proposed to progressively increase production over the following 12 months and to include coking coal in the production mix.

The proposal includes the construction of all-weather haul roads to Pits 1 and 2 (primarily PCI coal) and Pit 3 (coking coal) and a newly located barge loading port comprising a blending stockpile, a truck dump hopper, crusher, coal beneficiation plant, stacker, reclaim hopper and associated conveyors.

Cokal is investigating the opportunity to develop the shallow-river barging system in the early stages of the production schedule. This system is currently operating in other parts of Asia and Cokal's management will inspect these operations before the end of the year.

ENDS

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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.