

ASX ANNOUNCEMENT / MEDIA RELEASE  
29 NOVEMBER 2018

## FIRST MILESTONE ACHIEVED UNDER USD13.9M DEBT RESTRUCTURE TRANSACTION

### Highlights:

- **One third of USD13.9M Platinum Loans converted from debt to royalty resulting in significant reduction in liabilities**
- **Remaining two thirds to be converted upon satisfaction of Subsequent Conditions, the timing of which has been extended to July 2020**

**Cokal Limited** (Cokal ASX:CKA, "Cokal" or "the Company") advises that further to the Company's ASX announcement of 31 October 2018, the Company has concluded and executed an amended agreement with Northrock Financial LLC and Wintercrest Advisors LLC (the **Platinum Entities**) in respect of loans outstanding totaling US\$13.89 million. The agreement confirms the conversion of the debt owing by the Company into a production royalty.

On 22 July 2016, the Company announced that it had reached an agreement to convert the Blumont Loan and Northrock Loan (together the **Platinum Loans**) into a production royalty, subject to the preparation of definitive agreements (**Debt Restructure Transaction**). The Company entered into a definitive royalty deed on 29 April 2017 under which the Company will be granted a discharge and release of its obligations under the Platinum Loans in exchange for a production royalty, subject to certain conditions being satisfied. The terms and conditions of the royalty deed (including the conditions) were announced to the market on 2 May 2017.

On 20 February 2018, the Company issued 75 million Options to (the **Platinum Entities**) with an expiry date of 20 February 2023 and an exercise price of 1.6 cents (**Existing Platinum Options**). Each Existing Platinum Option currently vests once all the Platinum Loans have been released and discharged.

The conditions precedent under the royalty deed relating to ongoing production and financing budgets (**Subsequent Conditions**) have not yet been satisfied. Under the current terms of the royalty deed, the Subsequent Conditions must be satisfied by 9 December 2018.

The amended agreement:

- Confirms that one third of the debt has now been converted to a royalty (refer ASX Announcement 22 July 2016). Any outstanding conditions in respect of the one third conversion of the debt have been waived;
- Extends the date for meeting the remaining Subsequent Conditions under the royalty deed for conversion of the balance of the Platinum Loans to 31 July 2020.
- In consideration of the above the Company will issue New Platinum Options (37.5 million options with a 4 year term and exercise price of 1.6 cents), subject to shareholder approval, and the Platinum Entities agreeing not to exercise 37.5 million of the Existing Platinum Options. The resolution to approve this is before the Company's AGM being held tomorrow Friday 30 November.

The Chairman Domenic Martino commented “This effectively concludes our negotiations with the Platinum Entities and ensures our current project financing initiatives can proceed without this secured debt over the project. Notwithstanding that the Company has an extension until July 2020 to meet these final conditions precedent it is the Company’s intention that these conditions precedent will be met in the first half of Calendar 2019.”

## **ENDS**

Further enquiries:

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### **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, which are 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.