

31 July 2019

**QUARTERLY REPORT FOR THE THREE MONTHS
ENDING 30 JUNE 2019****HIGHLIGHTS**

- **BBM receives RKAB approval of its annual plan**
- **BBM Office relocated in Jakarta**
- **Cokal Rights Issue to raise approx. AU\$5.1 Million**
- **BBM mine planning continues**

PROJECT STATUS***BBM Project******(PT Bumi Barito Mineral (BBM) – 60% interest)***

BBM's permit covers an area of 14,980ha with multiple seams of high quality metallurgical coal. Refer Figure 1 showing the BBM IUP boundary. Almost the entire IUP contains coal-bearing sediments with open cut mineable areas controlled by three major fault systems.

BBM has all regulatory approvals in place including:

- Mining Licence – 20 years with two further extensions of 10 years each
- Environmental approval for a mining rate of 6Mt per annum
- Port construction approval
- Forestry Permit to commence mining activity
- RKAB approval of its annual plan.

Since all permits for mining are in place, BBM is the first area to be mined by Cokal commencing with PCI coal production from Pit 2 in Q1 2020, with the addition of coking coal production from Pit 3 as further infrastructure is developed.

BBM is dissected by the Barito River which cuts through the tenement in a northerly-southerly trend. Coal analyses from over 130 outcrops on the west side of the Barito River indicate that it contains premium quality anthracite and PCI coals.

Updated rehabilitation plans were submitted as required by the government.

Work plan for 2019 was submitted (RKAB) during the quarter. This was approved by the government in Q1 (Directorate General Minerals and Coal).

No exploration activity, mining production or development was conducted by Cokal during the quarter..

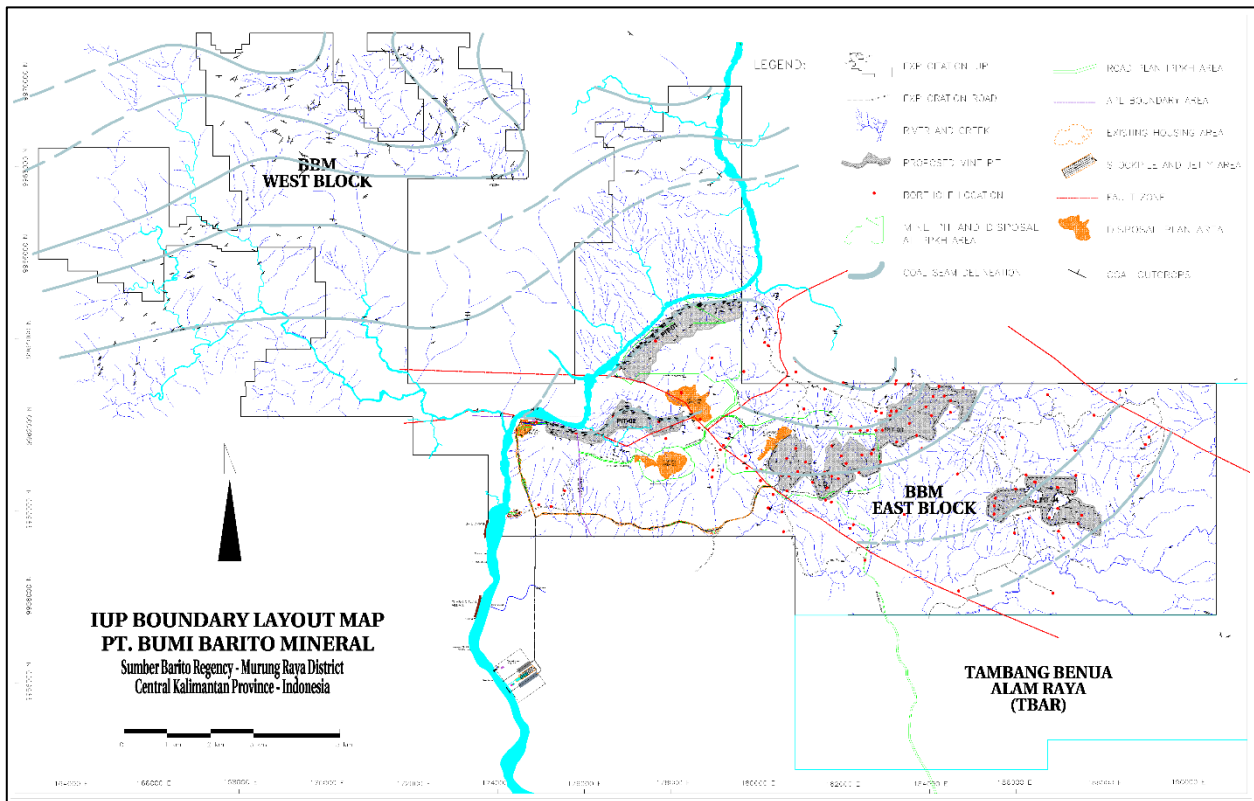


Figure 1: BBM IUP Boundary

TBAR Project

(PT Tambang Benua Alam Raya (TBAR) – 75% interest)

TBAR's exploration authority covers an area of 18,850ha immediately adjacent to and south of Cokal's BBM tenement. Over 80% of the lease is available for exploration subject to the issuance of an exploration forestry permit. The application of exploration forestry permit was submitted in 2014 and continues to be processed by the Environment and Forestry Ministry of Indonesia. Following its transfer process from Murung Raya to Provincial Government, Cokal continues its efforts to acquire regulatory approval for the IUP (exploration licence) upgrade process application to a Production and Operation IUP, equivalent to a mining licence. Progress is being made in this regard through dialogue with the ombudsman. Now that the Presidential election has been concluded it is expected faster progress can be made.

Outcrop mapping of four seams over 17km strike indicates a substantial resource of high grade coking coal in this deposit. These seams correlate to the A, B, C, D and J seams in the adjacent BBM deposit.

No exploration activity was conducted by Cokal during the quarter. Further exploration will be proposed as soon as the transfer to the Provincial Government has been concluded.

BBP Project

(PT Borneo Bara Prima (BBP) – 60% interest)

Cokal's BBP project covers 13,050ha in Murung Raya Regency, Central Kalimantan. BBP has been granted an Exploration Forestry Permit (IPPKH) and has been confirmed on the Central Government's Clean and Clear list. The IUP was transferred to the Central Government where it now awaits approval to be upgraded to a mining licence (Production and Operation IUP).

A business licence decree for operation foreign mining production (IUP OP PMA) from capital investment coordination board centre (BKPM) was received in Q1 2019. Work plans and the budget (RKAB) 2019 have been submitted to the government (Directorate General Minerals and Coal). No exploration activity was conducted on BBP during this period.

AAK Project

(PT Anugerah Alam Katingan (AAK) – 75% interest)

Cokal's AAK project covers 5,000ha in Central Kalimantan. Applications for the Exploration Forestry Permit (IPPKH) and Clean and Clear Certificates continue to be processed. Cokal continues to monitor the progress of the regulatory upgrade approvals for AAK.

No exploration activity was conducted on AAK during this period.

RELOCATION TO NEW OFFICE IN JAKARTA

During the quarter Cokal relocated its Indonesian Jakarta office from suite #1202 to suite #2302 in the same building. This was part of a necessary restructure to reduce Company overheads, resulting in a saving of approximately US\$20,000 for every quarter in Indonesian office rental payment.

RIGHTS ISSUE TO RAISE AU\$5.1 MILLION

On 18 June 2019 the Company announced a fully underwritten non-renounceable entitlement offer of one (1) new share for every eight (8) Cokal shares held, at an issue price of AU\$0.05 per new share to raise approximately AU\$5.1 million before costs. After the closing date of the entitlement offer, approximately AU\$1.7 million had been taken up by shareholders. The directors are currently placing the shortfall, with the remainder to be placed with the Company's major shareholder and underwriter, Aahana Global Resources & Investment Pte Ltd.

The entitlement offer enables the commencement of the preparatory work at the BBM mine site with a view to start PCI coal production. The funding raised shall be used towards current operating costs and initial infrastructure development and upgrading of existing facilities at the BBM mine site.

In addition to this, the Company is in discussions with prospective investors who are keen to work on long term off take and investment based arrangements for sourcing PCI and premium coking coal from the BBM mine.

PREPARATION FOR MINING OPERATIONS IN BBM

Cokal's CEO, Jim Coleman, and his team continue to develop a plan for the start and ramping up of production at BBM. Reconsideration of mine development strategy indicates the revision of the Definitive Feasibility Study (DFS) to reflect:

- Barging from the mine to eliminate 60km truck haul, reduce transport costs;
- The incorporation of highwall mining to increase recoverable reserves; and
- The potential development of a small fluidised bed power station fuelled by washery reject and carbonaceous shale in Pit 2 overburden.

The initial mining areas delineated by JORC Resources and Reserves occur mainly in seams A, B, C, D, and J as shown in Figure 2 in Pits 1, 2, 3 and 4. Pit 1 contains both coking and PCI coal in seams A, B, C and D. Pit 2 has only PCI coal in seams A, B, C and D. Pits 3 and 4 contain only coking coal in seam J. This seam is continuous between Pit 3 and pit 4. The economics of mining are being evaluated to determine if the two open cut mining areas may merge into one at the current coking coal price.

A five year mining plan is being finalised to form the basis of mining contracts for the commencement of mining with production of PCI coal from Pit 2 in Q1 of 2020. It is proposed to progressively increase production over

the following 36 months to a rate of 2.0Mt/a¹ to include both PCI coal (0.6Mt/a) and coking coal (1.4Mt/a) in the production mix. The camp at Krajan can accommodate 65 people and is being refurbished to be used in initial mining operations. The fully developed port including barge loading at Krajan will include truck dump stations and blending stockpiles as well as CHPP for coking coal (Figure 3).

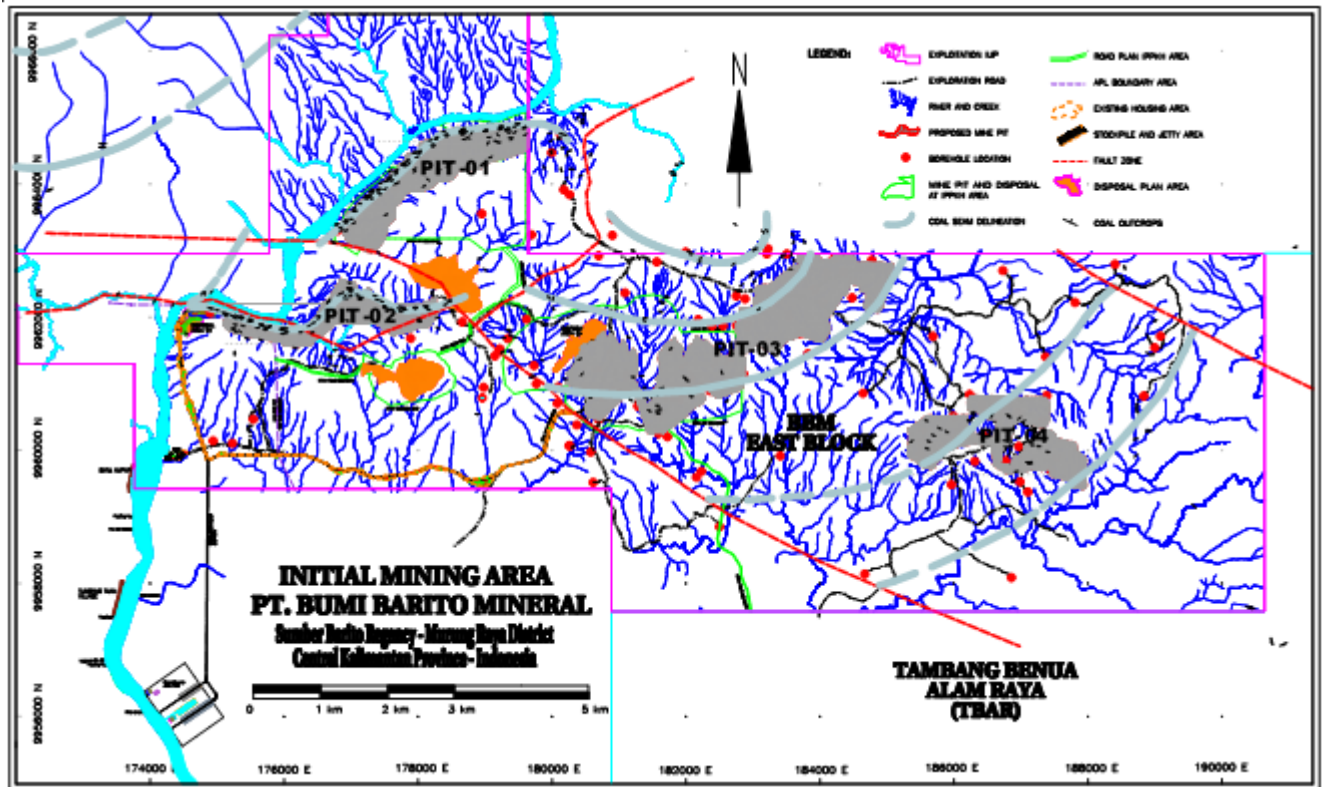


Figure 2: BBM Initial Mining Areas

The BBM barge loader will no longer be at Purnama with a 60km haul road required but will be located close to the Krajan camp with 5.5km and 9.5km haul roads required initially for Pit 2 and Pit 3 respectively. This will be located as in Figure 3. This will be 3.6km south of Krajan camp to make use of a straight section of riverbank and take advantage of two deep water holes to facilitate dry season operations.

¹ Refer ASX Announcements 29th April 2016, 2nd November 2016 and 1st August 2017

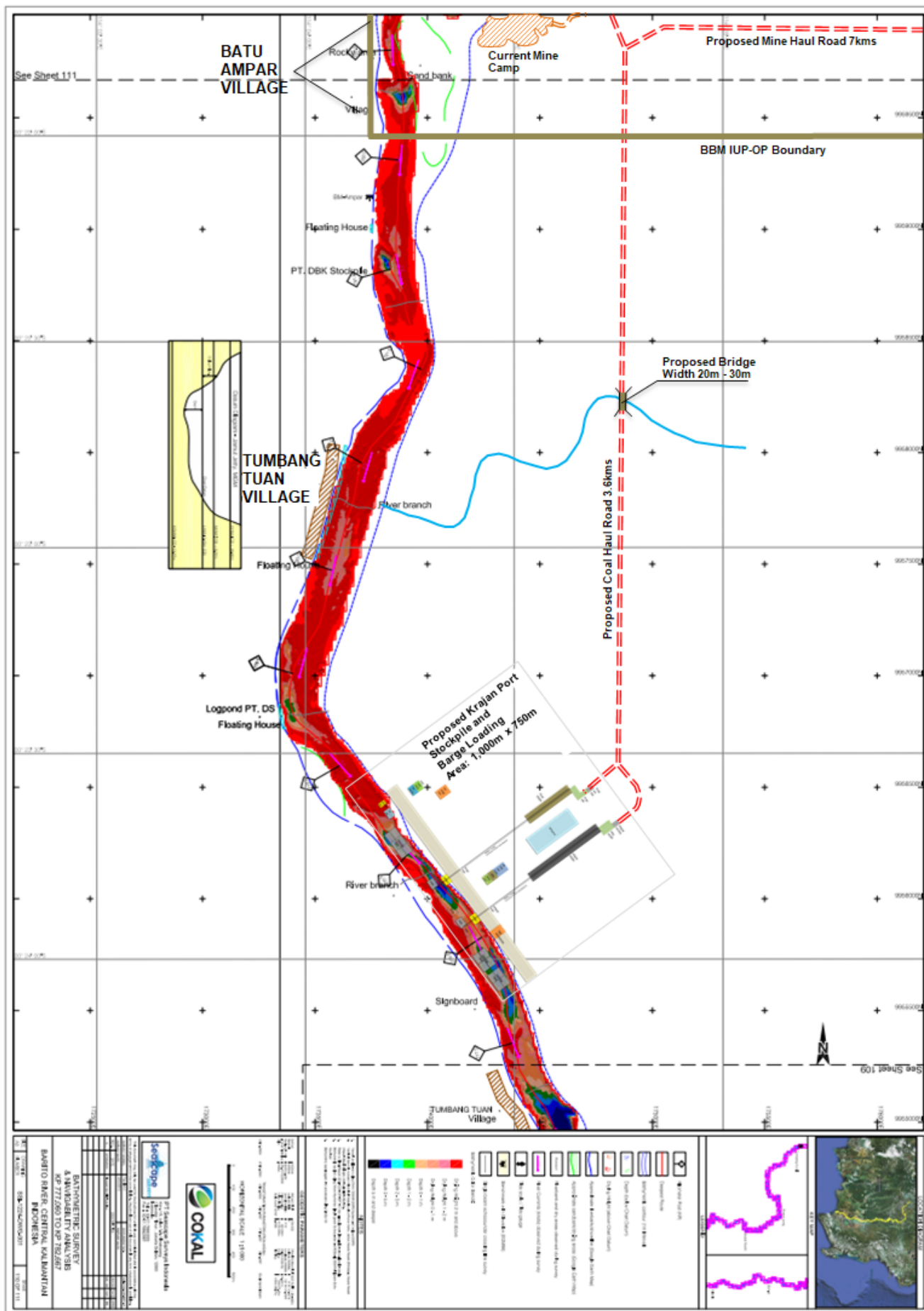


Figure 3: Location of Krajan Barge Loading Port

Stage 1 – Develop Pit 2, Develop Krajan Temporary Barge Loading Facility

- Finalise 5 year plan in 2019 and award mining contract
- Construct 5.9km haul road from Pit 2 to the temporary port south of Krajan
- Develop temporary barge loader at Krajan and commission
- Mine PCI coal in Strip 1 Pit 2, free dig then rip prior to obtaining a blasting permit
- Upgrade 6.2km exploration road Krajan to Pit 3. This will now be part of a 9.8km haul to the new port
- Negotiate highwall mining contract for Pit 2

Stage 2 - Start Pit 3 coking coal, PCI coal Pit 2, Facilities to prepare coking coal at port site

- Construct truck dump hopper, feeder breaker and stacker at Krajan for coking coal
- Construct jig based coal beneficiation plant for coking coal from Pit 3
- 550m long 1,000 t/h coking coal reclaim conveyor to barge loader
- Construct 1,000 t/h barge loader for shallow draft barges
- Obtain blasting permit
- Obtain forestry permit for Eastern Part Pit 2
- Commence mining coking coal from Pit 3
- Commence highwall mining in Pit 2

Stage 3 – Develop Permanent Port at Krajan, Expand Pit 2 and Pit 3

- Complete permanent facilities at Krajan port
- Pit 2 extend into the eastern area and expand to 50,000t/month
- Pit 3 expanded to 140,000t/month
- Total BBM Saleable Production rate 2Mt/a.

SHALLOW DRAFT BARGING

Cokal is preparing a detailed budget to improve 28 sites along the upper Barito River for channel improvement to increase the number of annual operating days the river is suitable for barging. This is intended to develop a 75m wide channel to be used by barges and push boats capable of operating in a controlled way in water as shallow as 2m.

Negotiations with a Vietnamese shipbuilding company have concluded on the design of barges, each capable of carrying 1,700 tonnes coal in 3m water and 1,000 tonnes when the water is 2m deep. The design of the appropriate push boat has also been agreed.

PARTNERS AND CUSTOMERS

PT Bara Mineral Asri (BMA)

The Due Diligence (DD) by PT Bara Mineral Asri (BMA) continues. BMA is working towards a proposal to partner with Cokal for the funding and development of the BBM Mine. The manner of this future cooperation will now change with the established participation of the Aahana Group.

BMA has to date contributed US\$2 million to Cokal to be repaid from the sale of coal when mining commences. This will be paid at \$10/t for coal sales at \$100/t or greater and 10%/t for coal sold at less than \$100/t.

BMA indicated it will submit a revised proposal for cooperation but so far this has not been received.

Aahana Global Resources and Investment Pte Ltd (AGRI)

During Q1 Aahana Mineral Resources SDN BHD (AMR), an associate company of Aahana Global Resources & Investment Pte Ltd (AGRI), completed the acquisition of a substantial shareholding in Cokal Limited. AMR/AGRI is now the largest single shareholder in Cokal.

In addition, during the quarter AGRI nominated its first director to be appointed to the Cokal Limited board as Mr. Karan Bangur. Mr. Karan Bangur is the CEO of Aahana Global Resources & Investment Pte Ltd and has over 10 years' experience in the South East Asian region in mining and resources companies. He is a most welcome and valuable addition to our team.

AGRI, under AMR, has fully underwritten the current Cokal Entitlement Offer to raise approx. AU\$5.1 Million.

Further to this AGRI is proceeding with discussions with the Company to arrange a suitable financing package for the development of the BBM Coking Coal project.

Krakatau National Resources (Krakatau)

A meeting was held with senior management of Krakatau to discuss the future sale to them of both PCI coal and coking coal. Krakatau indicated its PCI capable blast furnace is being commissioned and will require 10,000t/month PCI coal month by the end of this year. They requested a 10kg sample of our PCI coal which has been collected and is now en route to Krakatau via the laboratory in Benjamarsin.

ENDS

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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.

Compliance Statement

The Company confirms that it is not aware of any new information or data that materially affects the information included in the announcements made on 1st August 2017 and 29th April 2016 and that all material assumptions and technical parameters underpinning the estimates in the announcements made on 1st August 2017 and 29th April 2016 continue to apply and have not materially changed.