



Prospectus

Cokal Limited

ACN 082 541 437

For:

- a non-renounceable pro rata offer to Eligible Shareholders of 1 New Share for every 8 Existing Shares at an issue price of \$0.05 per New Share to raise up to approximately \$5.1 million (**Entitlement Offer**); and
- an offer to Eligible Shareholders and New Investors to subscribe for the shortfall to the Entitlement Offer at an issue price of \$0.05 per New Share (**Shortfall Offer**).

ASX Code: CKA

The Entitlement Offer closes at 5.00pm (AWST) Monday 15 July 2019

Shortfall Offer closes at 5.00pm (AWST) Monday 22 July 2019

This Prospectus is an important document and should be read carefully and in its entirety. If, after reading this Prospectus, you have any questions about the Shares being offered for issue under it or any other matter, you should contact your stockbroker, financial adviser, accountant, lawyer or other professional advisers.

Important Notices

This Prospectus is dated 18 June 2019 and a copy of this Prospectus was lodged with ASIC on that date. Application will be made to ASX for quotation of the New Shares offered under this Prospectus in accordance with the key dates set out in this Prospectus.

Neither ASIC, ASX nor any of their respective officers take any responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No New Shares will be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

Nature of this Prospectus

The New Shares offered under this Prospectus are in the same class of Shares that have been quoted on the official list of ASX during the 12 months prior to the issue of this Prospectus.

This Prospectus is a “transaction specific prospectus” to which the special content rules under section 713 of the Corporations Act apply. Section 713 allows the issue of a more concise prospectus in relation to an offer of securities in a class of securities which has been continuously quoted by ASX in the three months prior to the date of the prospectus. In general terms “transaction specific prospectuses” are only required to contain information in relation to the effect of the offer on the company and the rights and liabilities attaching to the securities offered. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Prospectus is therefore intended to be read in conjunction with the publicly available information in relation to the Company which has been disclosed to ASX. This Prospectus contains information only to the extent to which it is reasonable for investors and their professional advisers to expect to find the information in the Prospectus. This Prospectus does not contain the same level of disclosure as a prospectus for an initial public offering.

This Prospectus should be read carefully and in its entirety before you decide to participate in the Entitlement Offer.

The Company may make additional announcements after the date of this Prospectus and throughout the period that the Entitlement Offer are open that may be relevant to your consideration about whether you should participate in the Entitlement Offer. You can access these announcements at www.asx.com.au under the stock code CKA or at <http://www.cokal.com.au/>

By returning your Entitlement Offer and Acceptance Form and/ or paying for your New Shares, you acknowledge that you have read this Prospectus and you have acted in accordance with, and agree

to the terms of the Entitlement Offer detailed in this Prospectus.

Cooling off rights do not apply to an investment in New Shares. This means that, in most cases you cannot withdraw your Application once it has been accepted.

Prospectus availability

Eligible Shareholders can obtain a copy of this Prospectus at any time prior to the relevant Closing Date on the Company's website at <http://www.cokal.com.au/> or by contacting the Company. The information on the Company's website does not form part of this Prospectus.

If you access an electronic copy of this Prospectus, you should ensure that you download the entire Prospectus.

Any person accessing the electronic version of this Prospectus, for the purpose of making an investment in the Company, must only access this Prospectus from within Australia, New Zealand, Malaysia, Hong Kong or any jurisdiction outside Australia, New Zealand, Malaysia or Hong Kong where the distribution of this Prospectus is not restricted by law.

Applications for New Shares may be made on the Entitlement Offer and Acceptance Form or Shortfall Application Form attached to this Prospectus or in its paper copy form downloaded in its entirety from the Company's website.

The Corporations Act prohibits any person from passing the Entitlement Offer and Acceptance Form or Shortfall Application Form on to another person unless it is attached to a hard copy of the Prospectus or the complete and unaltered electronic version of the Prospectus.

If this Prospectus is found to be deficient, any Applications may need to be dealt with in accordance with section 724 of the Corporations Act. If section 724 applied, the Company would be required to either:

- (a) repay the money to the Applicants;
- (b) give Applicants a supplementary or replacement prospectus that corrects the relevant deficiency or changes the terms of the Entitlement Offer and allow the Applicants one month to withdraw their Application in which case any Applicant who withdrew their Application would be repaid their money; or
- (c) issue the New Shares to the Applicants and give the Applicants one month to withdraw their Application in which case any Applicant who withdrew their Application would be repaid their money.

New Zealand investors

The Offer is being made to Eligible Shareholders in New Zealand in reliance on the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016

(New Zealand). This Prospectus is not a Product Disclosure Statement for the purpose of New Zealand law and has not been lodged or approved by any authority in New Zealand.

Hong Kong

WARNING: The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

Malaysia

No approval from, or recognition by, the Securities Commission of Malaysia has been or will be obtained in relation to any offer of the New Shares. The New Shares may not be offered or sold in Malaysia except to existing shareholders of the Company and any New Shares not taken up by existing shareholders may not be offered or sold in Malaysia except pursuant to, and to persons prescribed under, Part I of Schedule 6 of the Malaysian Capital Markets and Services Act.

Foreign jurisdictions

This Prospectus contains offers to Eligible Shareholders in Australia, New Zealand, Malaysia and Hong Kong and New Investors in Australia.

This Prospectus does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation.

No action has been taken to:

- (a) register or qualify the New Shares or the Offer, or to otherwise permit an offering of the New Shares, in any jurisdiction other than as set out in this section; and
- (b) lodge this Prospectus in any jurisdiction outside of Australia, New Zealand, Malaysia or Hong Kong or to otherwise permit a public offering of New Shares in any jurisdiction outside Australia, New Zealand, Malaysia or Hong Kong.

The distribution of this Prospectus in jurisdictions outside Australia, New Zealand, Malaysia and Hong Kong may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any of these restrictions. Failure to comply with these restrictions may violate securities laws. Applicants who are residents in countries other than Australia, New Zealand, Malaysia and Hong Kong should consult their stockbroker, financial adviser, accountant, lawyer or other professional advisers as to whether any governmental or other consents are required or whether any other formalities need to be considered and followed.

Disclaimer of representations

No person is authorised to give information or to make any representation in connection with the

Entitlement Offer that is not contained in this Prospectus.

Any information or representation that is not contained in this Prospectus or disclosed by the Company pursuant to its continuous disclosure obligations may not be relied on as having been authorised by the Company, its Directors or any other person in connection with the Entitlement Offer.

Forward-looking statements

This Prospectus contains forward-looking statements that, despite being based on the Company's current expectations about future events, are subject to known and unknown risks, uncertainties and assumptions, many of which are outside the control of the Company and the Directors. These known and unknown risks, uncertainties and assumptions, could cause actual results, performance or achievements to materially differ from future results, performance or achievements expressed or implied by forward-looking statements in this Prospectus. These risks, uncertainties and assumptions include, but are not limited to, the risks outlined in section 9 of this Prospectus. Forward-looking statements include those statements containing such words as 'anticipate', 'estimate', 'believe', 'should', 'will', 'may' and similar expressions that are predictions of or indicate future events and future trends.

Privacy

By completing an Application to apply for New Shares, you are providing personal information to the Company through the Share Registry that may be personal information for the purposes of the Privacy Act 1988 (Cth).

The Company and the Share Registry, on its behalf, collect, hold, use that personal information in order to process your Application. The Company may also collect, hold and use that personal information in order to, service your needs as a Shareholder, provide facilities and services that you request and carry out appropriate administration of your investment.

If you become a Shareholder, the Corporations Act and the Australian taxation legislation require information about you (for example, your name, address and details of the Shares that you hold) to be included in the Company's Shareholder register, which is accessible by the public. The information must continue to be included in the Company's Shareholder register if you cease to be a Shareholder.

The Company will only use and/or disclose your personal information for the purposes for which it was collected, other related purposes and as permitted or required by law. If you do not wish to provide this information, the Company and its Share

Registry may not be able to process your Application.

The Company may also share your personal information with the Company's agents, service providers and others who provide services on the Company's behalf, some of which may be located outside of Australia where your personal information may not receive the same level of protection as afforded under Australian law.

For more details on how the Company collects, stores, uses and discloses your information, please read the Company's Privacy Policy located on the Company's website. Alternatively, you can contact the Company to request a copy of its Privacy Policy free of charge.

It is recommended that you obtain a copy of the Company's Privacy Policy and read it carefully before making an investment decision.

By completing an Application Form or by providing the Company with your personal information, you agree to this information being collected, held, used and disclosed as set out in this Prospectus and the Company's Privacy Policy. The Company's Privacy Policy, also contains information about how you can access and seek correction of your personal information, complain about a breach by the Company of the Australian privacy laws, and how the Company will deal with your complaint. Refer to section 8.21 for further details on Privacy.

Definitions, time and currency

Defined terms used in this Prospectus are contained in section 13.

Unless otherwise stated or implied, all references to time in this Prospectus refer to AWST which are indicative only and are subject to change.

Unless otherwise stated, all dollar values in this Prospectus are in Australian dollars (**\$ or AUD**). Rounding of figures provided in this Prospectus may result in some discrepancies between the sum of components and the totals outlined within the tables and percentage calculations.

Data

All data contained in charts, graphs and tables is based on information available as at the date of this Prospectus unless otherwise stated.

Enquiries

If you have any questions please call the Company's Share Registry on (+61 8) 9389 8033 (between 8:30am and 5:00pm AWST Monday to Friday) until the applicable Closing Date. Alternatively, consult your stockbroker, financial adviser, accountant, lawyer or other professional advisers.

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1 Corporate Directory

Directors

Domenic Vincent Martino
Gerhardus Antonius Kielenstyn
Patrick Joseph Hanna
Karan Adityavikram Bangur

Chief Executive Officer

James Coleman

Company Secretaries

Louisa Anne Martino

Registered Office

Level 5, 56 Pitt Street
Sydney NSW 2000

Website

www.cokal.com.au

Share Registry

Advanced Share Registry Services
110 Stirling Highway
Nedlands WA 6009

Australian Solicitors to the Offer

Mills Oakley
Level 7, 151 Clarence Street
Sydney NSW 2000

New Zealand Solicitors to the Offer

Quigg Partners
Level 7, The Bayleys Building
36 Brandon Street
Wellington 6140
New Zealand

Auditor

Ernst & Young
Level 51, 111 Eagle Street
Brisbane Queensland 4000
GPO Box 7878,
Brisbane Queensland 4001

Investigating Accountant

Hall Chadwick
Level 40
2 Park Street
Sydney NSW 2000

Corporate Advisor

Indian Ocean Corporate Pty Ltd
Level 5, 56 Pitt Street
Sydney NSW 2000

2 Timetable to the Entitlement Offer and Shortfall Offer

Event	Date
Entitlement Offer announced	Tuesday 18 June 2019
Prospectus lodged with ASIC & ASX <i>Lodged after close of market</i>	Tuesday 18 June 2019
Lodgement of Appendix 3B with ASX <i>Lodged after close of market</i>	Tuesday 18 June 2019
Ex-Date for the Entitlement Offer	Friday 21 June 2019
Entitlement Offer Record Date <i>The date for determining Entitlements of Eligible Shareholders to participate in the Entitlement Offer</i>	7:00pm (AWST) Monday 24 June 2019
Opening date for Entitlement Offer and Shortfall Offer <i>Announcement that Prospectus and Entitlement Offer and Acceptance Form sent to Eligible Shareholders</i>	Wednesday 26 June 2019
Last day to extend the Offer Closing Date	Wednesday 10 July 2019
Closing Date for Entitlement Offer to Eligible Shareholders (Entitlement Offer & Top-Up Facility)	5:00pm (AWST) Monday 15 July 2019
Entitlement Offer New Shares commence trading on ASX on deferred settlement basis	Tuesday 16 July 2019
ASX notified of Shortfall Shares (if any) <i>Company to deliver Shortfall Notice</i>	Tuesday 16 July 2019
Settlement of the Entitlement Offer	Friday 19 July 2019
Issue date of New Shares under the Entitlement Offer	Monday 22 July 2019
Closing Date for Shortfall Offer	5:00pm (AWST) Monday 22 July 2019
Entitlement Offer New Shares trade on ASX on a normal settlement basis	Tuesday 23 July 2019
Settlement of the Shortfall Offer	Friday 26 July 2019
Issue date of Shortfall Shares	Monday 29 July 2019
Shortfall Shares trade on ASX on a normal settlement basis	Tuesday 30 July 2019

The above timetable is indicative only and may change. The Company reserves the right to vary any and all of the dates and times set out above without notice subject to the Listing Rules and the Corporations Act. In particular, the Company reserves the right to close the Entitlement Offer early, extend the Closing Dates or accept late Applications without notifying any recipients of this Prospectus or any Applicants. If the Offer is cancelled or withdrawn before the allocation of New Shares, then all Application monies will be refunded in full (without interest) in accordance with the requirements of the Corporations Act. Investors who wish to submit an Application are encouraged to do so as soon as practicable after the opening date for the Entitlement Offer.

3 Overview of capital structure

Existing Shares on issue at the date of this Prospectus	816,842,159
New Shares offered under the Entitlement Offer at \$0.05 per New Share (approx.) ¹	102,105,270
Maximum amount raised under this Prospectus (approx.) ¹	\$5,105,263

1. This assumes no further Shares are issued prior to the Entitlement Offer Record Date.

4 Chairman's letter

Dear Shareholders,

On behalf of my fellow Directors, it is my pleasure to invite you to participate in a capital raising by Cokal Limited (the **Company**).

Capital will be raised through a combination of:

- **Entitlement Offer** - An offer to Eligible Shareholders to participate in a non-renounceable pro rata Entitlement Offer of 1 New Share for every 8 Existing Shares held at an issue price of \$0.05 per New Share to raise up to approximately \$5.1 million; and
- **Shortfall Offer** – If the Entitlement Offer is not fully taken up by Eligible Shareholders, an offer of the shortfall to Eligible Shareholders and New Investors who wish to apply for additional New Shares at an issue price of \$0.05 per share.
- **Underwritten** – If both Entitlement and Shortfall Offers are not fully taken up by the Eligible Shareholders and New Investors, Aahana has committed to fully underwrite the Entitlement Offer and Shortfall Offer.

The issue price of \$0.05 per New Share represents a discount of approximately 5.66% to the closing share price on 17 June 2019 of \$0.053.

The Offer is underwritten by Aahana, a major shareholder of the Company, and Aahana also intends to take up its Entitlement in full. The allocation of New Shares under the Top Up Facility to the Entitlement Offer and Shortfall Offer is at the discretion of the Board of the Company.

This Prospectus should be read carefully and in its entirety before deciding whether to participate in the Offer. There are risks associated with any investment, and some of these are highlighted in the Prospectus (see section 9 for details of these risks).

Important dates

Please note these important dates:

- Monday 24 June 2019, 7.00pm (AWST) Entitlement Offer Record Date
- Monday 15 July 2019, 5.00pm (AWST) Entitlement Offer closes
- Monday 22 July 2019, 5.00pm (AWST) Shortfall Offer closes

On behalf of the Board of the Company, I'd like to take this opportunity to invite you to carefully review the Prospectus and consider the Offer and once again thank all shareholders for your ongoing support.

Yours sincerely,

Domenic Martino

Non-Executive Chairman

For further information:

Consult your stockbroker, financial adviser, accountant, lawyer or other professional advisers

Visit <http://www.cokal.com.au/>

Phone (+61 8) 9389 8033 between 8:30am and 5:00pm (AWST) Monday to Friday

5 Investment overview and key risks

The information set out in this section is intended to be a summary only and should be read in conjunction with the more detailed information appearing elsewhere in this Prospectus. In deciding whether to apply for New Shares under the Entitlement Offer, you should read this Prospectus carefully and in its entirety.

If you are in doubt as to the course you should follow, please consult your stockbroker, financial adviser, accountant, lawyer or other professional advisers.

Question	Response	Where to find more information
What is the Offer?	<p>The Offer consists of a non-renounceable pro rata offer to Eligible Shareholders of 1 New Share for every 8 Existing Shares held by Eligible Shareholders on the Entitlement Offer Record Date at an issue price of \$0.05 per New Share (Entitlement Offer).</p> <p>The Entitlement Offer will raise up to approximately \$5.1 million if fully subscribed.</p> <p>Any New Shares not taken up by Eligible Shareholders under the Entitlement Offer will be offered under the Shortfall Offer.</p> <p>Application will be made for the New Shares to be quoted on ASX.</p>	Section 8
Am I an Eligible Shareholder for the purposes of the Entitlement Offer?	<p>The Entitlement Offer is only made to Eligible Shareholders, who are those Shareholders that:</p> <p>(a) are the registered holders of Shares as at the Entitlement Offer Record Date; and</p> <p>(b) have a registered address in Australia, New Zealand, Malaysia or Hong Kong.</p>	Section 8.4
Can I apply under the Shortfall Offer?	The Shortfall Offer is open to Eligible Shareholders and New Investors.	Section 8.7
How will the proceeds of the Entitlement Offer be used?	The proceeds of the Entitlement Offer will be used to commence the initial infrastructure development at the Company's metalliferous coal mine, BBM. Specifically, the proceeds of the Entitlement Offer will be utilised to upgrade the Krajan mining camp, construct haul roads, drains, and barge-loading jetty in preparation to commence mining in Pit 2.	Section 7.2
What are the key risks associated with the Company?	<p>Completion of Project Finance</p> <p>As announced on ASX on 11 May 2018, the Company has entered into a Term Sheet with Domain International Holdings Limited for the funding of the BBM Coking Coal</p>	Section 9

Question	Response	Where to find more information
	<p>Project. The proposed terms of the agreement are set out in that announcement. As stated in the announcement, the current proposal is non-binding unless an initial payment of \$1 million is received and it is conditional on formal documentation, shareholder and regulatory approvals, where required. Consequently, there is a risk that this transaction may not complete and the Company will need to access further capital for the development of its BBM operations.</p> <p>As announced on ASX on 1 August 2018 the Company has executed a Term Sheet with Aahana Global Resources & Investment Pte Ltd to fully fund the development of the BBM PCI Project. There is a risk that this transaction may not complete and the Company will need to access further capital for the development of its BBM operations.</p> <p>On 21 September 2018 the Company announced principles surrounding a proposal by BMA Group to fund construction of the BBM PCI Project and BBM Coking Coal Project, subject to a final agreement. There is a risk that this transaction may not complete and the Company will need to access further capital for the development of its BBM operations.</p> <p>Additional requirements for capital</p> <p>The Company has been in the process of securing funding. Unless a financing arrangement is completed in a timely manner, Cokal may need to enter into delayed payment arrangements with its trade creditors and seek finance from new sources to fund its current liabilities and future construction of both BBM Projects.</p> <p>There is no guarantee that a financing arrangement will complete in a timely manner or at all and there can be no guarantee that the Company will be able to access alternative funding or, more generally, the funds necessary to finance its activities and successfully achieve all the objectives of the Company's overall business strategy on terms acceptable to the Company, or at all. Any equity financing may be dilutive to shareholders and any debt financing, if available, may involve restrictive covenants, which may limit the Company's operations and business strategy.</p> <p>The Company's failure to raise additional capital, if and when needed, could delay or suspend the Company's business strategy and could have a material adverse effect on the Company's activities and its ability to pay its debts as and when they fall due.</p>	

General Operating Risk

Cokal's forecast production at the BBM PCI and BBM Coking Coal operations may encounter operation difficulties that may impact the level of coal produced, delay coal deliveries or drive up the cost of mining for varying lengths of time. Operation difficulties may include weather and natural disaster, unexpected maintenance or technical problems and failure of key equipment. Variations in mining conditions may cause difficulties such as variations in coal seam thickness and quality, variations in the amount of rock and soil overlaying a coal deposit, variations in rock and other natural materials and variations in geological conditions.

These unforeseen geological difficulties could cause a loss of revenue due to lower production than expected, higher operating and maintenance costs and/or ongoing unplanned capital expenditure. Any such geological conditions may adversely affect Cokal's financial performance.

Coal Sales/Commodity Risk

If the Company's existing projects are developed further to production, its revenue will be derived from the sale of coal. Therefore, its earnings will be closely related to the price and arrangements it entered into for sale of its products. Product prices fluctuate and are affected by factors including the relationship between global supply and demand, forward selling by producers, the cost of production and general economic conditions, such as inflation, interest rates and currency exchange rates.

Fluctuations in coal prices will significantly affect the Company's future operations and profitability. Declines in the prices for coal could cause the continued development of, and eventually the commercial production from, the Company's projects to be rendered uneconomic.

The Company gives no assurance that fluctuations in commodity prices will not affect the timing and viability of its projects.

Development mining and processing risks

The future profitability of the Company and the value of its Share are directly related to project development. Until the Company can realise ongoing value from its projects, through continued production and sales, operating costs cannot be covered. There are risks in undertaking development activities including:

Question	Response	Where to find more information
	<ul style="list-style-type: none"> • Access to adequate capital for project development; • Design and construction of efficient development and production infrastructure within capital expenditure budgets; • Securing and maintaining title to tenements; • Obtaining regulatory consents and approvals (including environmental) necessary for the Company's development and product activities; • Local community actions; • Access to competent operation management and prudent financial administration, including the availability and reliability of appropriate skilled and experienced employees, contractors and consultants; and • Adverse weather conditions, mechanical difficulties, shortages or delays in delivery. <p>Whether or not continual income will result from projects undergoing development programs depends on successful establishment of production facilities and the negotiation of sales agreements on suitable commercial terms with acceptable counterparty(s). Factors including costs, actual mineralisation, consistency and reliability of ore grades and commodity prices affect successful development and mining operations.</p> <p>Industry operating risks include fire, explosions, industrial disputes, unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment, mechanical failure or breakdown, environmental hazards such as accidental spills or leakage of liquids, gas leaks, ruptures, discharges of toxic gases or geological uncertainty. The occurrence of any of these risks could result in legal proceedings against the Company and substantial losses to the Company due to injury or loss of life, damage to or destruction of property, natural resources or equipment, pollution or other environmental damage, clean-up responsibilities, regulator investigation, penalties or suspension of operations. Damage occurring to third parties as a result of such risks may give rise to claims against the Company.</p> <p>Cokal has conducted the exploration and development aspects of its projects to bankable feasibility study using international standards used in Australian Coal Mines. This level of feasibility study is aimed at minimising the risks noted in this document.</p>	

Resources and reserve estimates

Resources and reserve estimates (refer to Company's announcement 1 August 2017) are stated to the JORC Code and are expressions of judgement based on knowledge, experience and industry practice. Often these estimates were appropriate when made, but may change significantly when new information becomes available. There are risks associated with such estimates, including that coal mined may be of different quality, tonnage or strip ratio from the estimates. Resource and reserve estimates are necessarily imprecise and depend to some extent on interpretations, which may ultimately prove to be inaccurate and require adjustment. Adjustments to resources and reserves could affect Cokal's development and mining plans.

Country risk

The Company's operations in Indonesia are exposed to various levels of political, economic and other risks and uncertainties associated with operating in a foreign jurisdiction. These risks and uncertainties include, but are not limited to, currency exchange rates, high rates of inflation, labour unrest, social unrest, civil disobedience, renegotiation or nullification of existing concessions, licences, permits and contracts, changes in taxation policies, changing political conditions, war and civil conflict, lack of law enforcement, currency controls and governmental regulations that favour or require the awarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction.

Changes, if any, in mining or investment policies or shifts in political attitude in Indonesia may adversely affect the Company's operations or profitability. Operations may be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on production, price controls, export controls, currency remittance, income taxes, foreign investment, maintenance of claims, environmental legislation, land use, land claims of local people, water use and mine safety, Failure to comply strictly with applicable laws regulations and local practices relation to mineral right applications and tenure, could result in loss reduction or expropriation of interests.

Tenement rights

As noted above, the Company's operations and mineral permits are located in Indonesia and the Company's exploration permits are subject to the Mining Code and Mining Regulations. Exploration permits and other mining

Question	Response	Where to find more information
	<p>permits are granted for a specific term and their grant, transfer and renewal are subject to Ministerial or Presidential discretion.</p> <p>Exchange rate risk</p> <p>The revenues and earnings of the Company will be exposed to exchange rate fluctuations.</p> <p>Transport</p> <p>It is anticipated that coal from BBM will use the Barito River to barge product as well as haul road to connect the mine area to the barge loading port (refer to Appendix B, 11 December 2017 announcement).</p> <p>A number of factors could disrupt these transport services, including weather related problems, port capacity constraints, key equipment and infrastructure failures.</p> <p>Reliance on Third Parties</p> <p>As stated in the Company's ASX announcements, it is assumed the contractors will perform mining functions for Cokal in respect of the BBM Project. There is no guarantee that an appropriate contractor will be engaged on terms acceptable to Cokal. Cokal will also be reliant on contractors for the success of operations. While the situation is normal for the mining industry, problems caused by third parties may arise which have the potential to impact the performance of Cokal.</p> <p>Securities investments and share markets conditions</p> <p>There are risks associated with any securities investment. The prices at which the securities trade may fluctuate in response to a number of factors.</p> <p>Furthermore, the stock market may experience extreme price and volume fluctuations that may be unrelated or disproportionate to the operating performance of the company. These factors may materially adversely affect the market price of the securities of the Company regardless of the Company's operational performance. Neither the Company nor the Directors warrant the future performance of the Company, or any return of an investment in the Company.</p> <p>Economic risk</p> <p>Changes in both Australia and world economic conditions may adversely affect the financial performance of the Company. Factors such as inflation, currency fluctuations, interest rates, industrial disruption and economic growth may impact on future operations and earnings.</p>	

Question	Response	Where to find more information
	<p>Competition</p> <p>Cokal faces competition from other producers of coal. An increase in production or reduction in the price of competing coals from both Indonesia and internationally may adversely impact Cokal's ability to sell its coal products and the price attained for sales.</p> <p>The development of new steel making technologies or practices may also lead to greater use of lower quality coals or other carbon sources in substitution for the metallurgical coals produced by Cokal. This is likely to lower demand for and the price of metallurgical coal produced by Cokal.</p>	
Is the Entitlement Offer underwritten?	Yes. The Entitlement Offer is fully underwritten by major Shareholder, Aahana. An underwriting fee of 5% will be paid to the Underwriter.	Section 8.5
Is the Entitlement Offer subject to any conditions?	The Entitlement Offer is not subject to a minimum subscription.	Section 8.2
What will be the effect of the Entitlement Offer on control of the Company?	The effect of the Entitlement Offer on control of the Company will vary with the level of Entitlements taken up by Eligible Shareholders and the number of Shortfall Shares taken up under the Shortfall Offer.	Section 7.4
What will be the capital structure of the Company following completion of the Entitlement Offer?	<p>On completion of the Entitlement Offer (assuming the Entitlement Offer is fully subscribed), the capital structure of the Company will be as set out below:</p> <p>102,105,270 - Maximum number of New Shares to be issued under the Entitlement Offer.</p> <p>918,947,429 - Maximum total number of Shares after issue of New Shares under the Entitlement Offer.</p>	Section 7.3
What are the options available to Eligible Shareholders in respect of the Entitlement Offer?	<p>As an Eligible Shareholder you may:</p> <p>(a) take up all or part of your Entitlement under the Entitlement Offer (and if you have taken up all of your Entitlement, also apply for participation in the Top-Up Facility);</p> <p>(b) exercise only a portion of your Entitlement and allow the balance to lapse; or</p> <p>(c) allow all of your Entitlement to lapse.</p>	Sections 8.11 to 8.14
Can I sell my Entitlements?	No, the Entitlement Offer is non-renounceable, meaning Entitlements cannot be transferred or sold by Eligible Shareholders.	Section 8.1

Question	Response	Where to find more information
What are the costs of the Entitlement Offer and who is paying them?	The costs of the Entitlement Offer include all legal, investigating accountant, registry, ASIC, ASX, printing, postage and all other expenses (including travel) related to the Offer. At the time of production of this Prospectus the costs payable were estimated to be \$458,747 (net of claimable GST) assuming the Entitlement Offer is fully subscribed.	Section 11.5
Is there a cooling off period?	No.	Refer to “Important Notices” section – “Nature of this Prospectus”
How can I obtain further information?	If you would like more information or have any questions relating to the Entitlement Offer, you can contact the Company’s Share Registry on (+61 8) 9389 8033 between 8:30am and 5:00pm (AWST) Monday to Friday until the relevant Closing Date. If you are uncertain as to whether an investment in the Company is for you, please consult your stockbroker, financial adviser, accountant, lawyer or other professional advisers.	Section 8.24

6 Overview of the Company

6.1 About the Company

Cokal Limited is a coal explorer which is developing coking coal assets in Kalimantan, Indonesia. Cokal originally begun as Jack Doolan Capital Pty Ltd (**JDC**), a private company, with ambitions to become a metallurgical coal producer, on a global scale.

6.2 Company overview

In December 2010, JDC was acquired by the ASX listed Altera Resources Limited (**AEA**), with the Board of JDC assuming the control of AEA. Altera Resources Limited, was renamed Cokal Limited in February 2011, better reflecting its global ambitions. Cokal holds interests in four coal projects in Central Kalimantan, Indonesia, which are considered prospective for metallurgical coal.

6.3 Key Company facts as at 17 June 2019

ASX CODE	CKA
LISTING DATE	17 April 2000
MARKET CAPITALISATION	\$43.29 million
SHARE PRICE	\$0.053
SHARES ON ISSUE	816,842,159

	1,000,000	Options (\$0.10 @ 19-Sep-2020);
	1,000,000	Options (\$0.12 @ 22-Dec-2020, vesting on production of 100,000 tonnes of coal);
	4,000,000	Options (\$0.15 @ 22-Dec-2020, vesting on achieving a consistent production rate for three months of 45,000 tonnes of coal per month);
	75,000,000 ¹	Options (\$0.016 @ 16-Feb-2023, vesting on all Platinum loans being released and discharged under the Debt Restructure Transaction);
OPTIONS ON ISSUE	1,000,000	Options (\$0.045 @ 20-Dec-2021);
	3,000,000	Options (\$0.045 @ 20-Dec-2021, vesting upon production of 20,000 tonnes per month of coal (including PCI) for three consecutive months);
	3,000,000	Options (\$0.055 @ 20-Dec-2021, vesting upon production of 40,000 tonnes per month of coal (including PCI) for three consecutive months);
	3,000,000	Options (\$0.07 @ 20-Dec-2021, vesting upon commencement of shallow river barging);
	5,000,000	Options (\$0.10 @ 20-Dec-2021, vesting upon first shipment of coking coal from BBM).

¹ At the Company's 2017 Annual General Meeting held on 29 November 2017, shareholders approved the issue to Platinum Entities or their nominees 75 million Options with a 5 year term and an exercise price of 1.6 cents, vesting on completion of the conversion of the Platinum Entities' debt owing to a royalty (**Platinum Options**), as part of the Debt Restructure Transaction. These options were issued on 20 February 2018. It has subsequently been agreed that half of these options will not be exercised. The remaining 50% have been transferred to Aahana Mineral Resources SDN BHD.

7 Purpose and effect of the Entitlement Offer

7.1 Entitlement Offer

The Company is seeking to raise approximately \$5.1 million by offering Eligible Shareholders 1 New Share for every 8 Existing Shares held as at the Entitlement Offer Record Date at a price of \$0.05 per New Share.

7.2 Purpose of the Entitlement Offer

The proceeds from the Entitlement Offer will be used to commence the initial infrastructure development at the Company's premier metalliferous coal mine, BBM. Specifically, the proceeds of the Entitlement Offer will be utilised to upgrade the Krajan mining camp, construct haul roads, drains, and barge-loading jetty in preparation to commence mining in Pit 2.

Not all proceeds of the Entitlement Offer may be received by the Closing Date. Accordingly, it may take up to three months from the Closing Date for the proceeds to be applied in accordance with the Company objectives.

7.3 Effect of the Entitlement Offer on share capital

Subject to rounding up of fractional Entitlements and assuming none of the Existing Options are exercised before the Entitlement Offer Record Date, the capital structure of the Company following the issue of the New Shares (assuming full subscription under the Entitlement Offer) is expected to be as follows:

Shares on issue at the date of this Prospectus	816,842,159
Approximate maximum number of New Shares to be issued under the Entitlement Offer	102,105,270

Approximate total number of Shares after issue of New Shares under the Entitlement Offer	918,947,429
Number of Options on issue after the Entitlement Offer	96,000,000

7.4 Potential effect on control

The Entitlement Offer is a pro-rata offer so that if all Eligible Shareholders take up their Entitlements and none of the Existing Options are exercised, the existing voting power of all Eligible Shareholders will remain the same. However, if some Eligible Shareholders take up their Entitlements, Eligible Shareholders who do not take up all of their Entitlements will have their interest in the company diluted.

If all other Eligible Shareholders take up their Entitlement, foreign Shareholders with registered addresses in Australia, New Zealand, Malaysia and Hong Kong as at the date of this Prospectus will not be diluted as a consequence of the Entitlement Offer, unless they elect not to take up their Entitlements.

The maximum number of New Shares which will be issued pursuant to the Entitlement Offer is approximately 102,105,270. This equates to approximately 11.11% of all the issued Shares in the Company immediately following completion of the Entitlement Offer (on the basis that the Entitlement Offer is fully underwritten). The potential effect the Entitlement Offer will have on the control of the Company's undiluted share capital and the consequences of that effect will depend on:

- (a) the extent Eligible Shareholders take up their Entitlements; and
- (b) the extent that Eligible Shareholders take up Shortfall Shares.

The Underwriter, Aahana, is a substantial shareholder of the Company and as at the date of this Prospectus holds 148,125,000 shares in the Company, being an 18.13% interest. Aahana has agreed to take up its full Entitlement to 18,515,625 New Shares under the Entitlement Offer in its capacity as an Eligible Shareholder.

If there is a shortfall under the Entitlement Offer, then subject to the terms of the Underwriting Agreement (see Section 8.5), Aahana, as Underwriter, is obliged to take up the shortfall and may be entitled to up to 102,105,270 Shortfall Shares. The maximum potential relevant interest to be acquired by the Underwriter in the Company by way of entitlement to subscribe for Shortfall Shares acquired under the Underwriting Agreement will be 27.23%. The greater the level of participation amongst Shareholders in the Entitlement Offer and Shortfall Offer, the fewer number of Shortfall Shares that Aahana will be entitled to be issued.

The potential impact of the Entitlement Offer on the control of the Company is set out in the table below:*

	Shares Held by Aahana	% of Total Shares
Existing Holding prior to the Entitlement Offer	148,125,000	18.13%
0% Shortfall taken by Underwriter	166,640,625	18.13%
25% Shortfall taken by Underwriter	192,166,943	20.41%
50% Shortfall taken by Underwriter	217,693,260	22.68%
100% Shortfall taken by Underwriter	250,230,270	27.23%

* Assumes 100% of Entitlement Offer not subscribed for.

Section 606 of the Corporations Act prohibits a person acquiring a relevant interest in a listed company to more than 20%, unless an exception applies. As shown in the above table, upon completion of the Entitlement Offer, Aahana is likely (depending on the number of issued Shortfall Shares) to have a relevant interest of more than 20% in the Company's shares.

Section 611 provides exceptions for acquisitions that result from a rights issue, under a disclosure document of securities to a person as underwriter.

The Directors believe, having regard to:

- (a) the discount of the price of the Entitlement Offer to market;
- (b) the Company's requirement for funds;
- (c) the implementation of a Top-Up facility whereby current shareholders are able to increase their holding with any Shortfall shares;
- (d) the Shortfall Offer; and
- (e) having reviewed all available alternatives to raise funds,

that entering into the Underwriting Agreement with Aahana will provide the Company with the highest degree of success in the market.

7.5 Future intentions of Aahana

Aahana has confirmed that, regardless of what its voting power in the Company increases to as a result of the Underwriting Agreement, it has no present intention to:

- (a) change the existing business of the Company or any Group Member;
- (b) change the financial or dividend policies of the Company or any Group Member;
- (c) change the strategic direction or operational priorities of the Company;
- (d) change any current employee arrangement within the Company or its Group Members;
- (e) acquire (or have its associates acquire) any Company assets or transfer any of its (or its associates) assets; and/or
- (f) obtain control of additional shares in the Company or its Group Members for itself or its associates.

As noted in the Company's announcements of 16 January 2019 and 21 March 2019, Aahana is able to nominate two directors to the board of Cokal Limited and its Indonesian subsidiaries. Mr. Karan Bangur was appointed to the board of Cokal Limited on 10 April 2019, the remaining position remains open.

7.6 Effect on the Company's financial position

Set out in section 14 is the historical Statement of Financial Position of the Company and the Pro Forma Statement of Financial Position, as at 31 December 2018. The Pro Forma Statement of Financial Position is extracted from the statutory financial statements of the Company for the year ended 31 December 2018, lodged with ASX on 18 March 2019, and adjusted for the impact of the Entitlement Offer including the following assumptions:

- (a) no further Shares are issued other than all Shares offered under this Prospectus;
- (b) the Entitlement Offer is fully subscribed raising approximately \$5.1 million; and

- (c) the Company's costs in connection with the Entitlement Offer are paid by the Company.

The Pro Forma Statement of Financial Position set out in Section 14.2 has been prepared to illustrate the financial position of the Company following completion of the Entitlement Offer. The Pro Forma Statement of Financial Position is intended to be illustrative only and will not reflect the actual position and balances as at the date of this Prospectus or at the completion of the Entitlement Offer.

The Pro Forma Statement of Financial Position has been prepared in accordance with draft ASIC Consultation Paper 69 Disclosing Pro Forma Financial Information (issued July 2005).

The Pro Forma Statement of Financial Position has been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and settlement of liabilities in the normal course of business.

The significant accounting policies upon which the Pro Forma Statement of Financial Position is based are contained in the statutory financial statements for the year ended 30 June 2018.

8 Details of the Entitlement Offer

8.1 Details of the Entitlement Offer

Under the Entitlement Offer, a non-renounceable pro rata offer is made to Eligible Shareholders of 1 New Share for every 8 Existing Shares held as at the Entitlement Offer Record Date at a price of \$0.05 per New Share to raise up to approximately \$5.1 million. Fractional entitlements will be rounded up to the nearest whole number.

The Entitlement Offer is only open to Eligible Shareholders. The Company reserves the right to reject any application that it believes comes from a person who is not an Eligible Shareholder.

Entitlements cannot be transferred or sold by Eligible Shareholders.

8.2 Minimum subscription

The Entitlement Offer is not subject to a minimum subscription.

8.3 Acceptances

The Entitlement Offer may be accepted in whole or in part prior to the Closing Date of the Entitlement Offer subject to the rights of the Company to extend the Entitlement Offer Closing Date.

Instructions for accepting your Entitlement are set out in sections 8.11 to 8.14 and on the Entitlement Offer and Acceptance Form which accompanies this Prospectus.

8.4 Entitlement to Entitlement Offer

The Entitlement Offer is made to Eligible Shareholders, who are those Shareholders that:

- (a) are the registered holder of Shares as at 7:00pm (AWST) on the Entitlement Offer Record Date; and
- (b) have a registered address in Australia, New Zealand, Malaysia or Hong Kong.

8.5 Underwriting

The issue of the New Shares under the Entitlement Offer is fully underwritten by the Company's major shareholder, Aahana.

The Company has entered into an underwriting agreement with Aahana (**Underwriting Agreement**) where Aahana has agreed to underwrite subscriptions for New Securities in accordance with the terms of the Entitlement Offer. Pursuant to the Underwriting Agreement, the Company has agreed to pay the underwriter an underwriting fee of 5% of the total underwritten amount.

The Underwriter may also terminate its agreement to underwrite the Entitlement Offer in the event that one or more of the following events happens:

- (a) a director or senior manager of the Company or any of its subsidiaries is charged with an indictable offence;
- (b) the Takeovers Panel makes a declaration that circumstances in relation to the affairs of the Company are unacceptable circumstances under Pt 6.10 of the Corporations Act, or an application for such declaration is made to the Takeovers Panel;
- (c) ASIC gives notice of its intention to hold a hearing under section 739 or any other provision of the Corporations Act in relation to the Prospectus to determine if it should make a stop order in relation to the Prospectus or the ASIC makes an interim or final stop order in relation to the Prospectus under section 739 or any other provision of the Corporations Act;
- (d) If at any time after the date of the Underwriting Agreement, as published by ASX there is a fall on the indices of 10% or more below its respective level as at the close of business on the Business Day prior to the date of the Underwriting Agreement;
- (e) the Company does not lodge the Prospectus on the Lodgement Date or the Prospectus or the Entitlement Offer is withdrawn by the Company;
- (f) official Quotation has not been granted for all the Shares offered under the Entitlement Offer by the date upon which the Company is required to give notice to the Underwriter of any shortfall of securities or, having been granted, is subsequently withdrawn, withheld or qualified;
- (g) the Underwriter, having elected not to exercise its right to terminate its obligations, forms the view on reasonable grounds that a supplementary or replacement prospectus should be lodged with ASIC for any reasons referred to in section 719 of the Corporations Act and the Company fails to lodge a supplementary or replacement prospectus in such form and content and within such time as the Underwriter may reasonably require;
- (h) the Company lodges a supplementary or replacement prospectus without the prior written agreement of the Underwriter;
- (i) it transpires that the Prospectus does not contain all information required by section 713 of the Corporations Act;
- (j) it transpires that there is a statement in the Prospectus that is misleading or deceptive or likely to mislead or deceive, or that there is an omission from the Prospectus (having regard to the provision of section 713 of the Corporations Act) or if any statement in the Prospectus becomes or is misleading or deceptive or likely to mislead or deceive or if the issue of the Prospectus is or becomes misleading or deceptive or likely to mislead or deceive;
- (k) the Company is prevented from allotting the shares offered under the Entitlement Offer to the Underwriter within the time required by the Underwriting Agreement, the Corporations Act, the Listing Rules, any statute, regulation or order of a court of competent jurisdiction by ASIC, ASX or any

court of competent jurisdiction or any governmental or semi-governmental agency or authority.

If the Underwriter terminates its agreement to underwrite the Entitlement Offer, no Shares will be issued and all application monies received will be refunded to applicants in full without interest.

8.6 Issue of additional Shares under Top-Up Facility

Any New Shares not taken up by Eligible Shareholders by the Closing Date of the Entitlement Offer may be made available to those Eligible Shareholders who took up their full Entitlement and applied for additional New Shares under the Top-Up Facility in accordance with the procedure set out in section 8.13. There is no cap on the number of additional New Shares that Eligible Shareholders may apply for under the Top-Up Facility, although the number of New Shares available under the Top-Up Facility will not exceed the total number of New Shares not taken up by Eligible Shareholders pursuant to their Entitlements.

There is no guarantee that Eligible Shareholders who apply for additional New Shares under the Top-Up Facility will receive the number of New Shares applied for under the Top-Up Facility. The Directors reserve the right to allot and issue New Shares under the Top-Up Facility at their discretion.

8.7 Shortfall Offer

A shortfall will arise if Applications received for New Shares under the Entitlement Offer (including after the completion of the Top-Up Facility (if any)) are less than the number of New Shares offered under the Entitlement Offer (**Shortfall**).

The Company will allow Eligible Shareholders who take up their full Entitlement and other New Investors to apply for Shares under the Shortfall Offer subject to Applications being received by the Closing Date for the Shortfall Offer. Applications for any Shortfall Shares should be made under the Shortfall Application Form.

The Directors reserve the right, subject to the requirements of the Listing Rules and the Corporations Act, to place Shortfall Shares within three months after the Closing Date of the Entitlement Offer to existing or new Shareholders at their absolute discretion. If issued, Shortfall Shares will be issued at a price not less than the Issue Price of New Shares under the Entitlement Offer. Eligible Shareholders will not receive any payment or value for the Entitlements not taken up under the Entitlement Offer that are subsequently taken up under the Shortfall Offer.

8.8 New Investor Applications

New Investors may apply for New Shares under the Shortfall Offer by completing the Shortfall Application Form in accordance with the instructions set out on that form. See section 8.7 for details of the manner in which shares under the Shortfall Offer will be allocated.

If you wish to apply for Shares under the Shortfall Offer please complete your Shortfall Application Form and note the amount of New Shares you may wish to apply for under the Shortfall Offer and submit your Shortfall Application Form together with the Application Monies so that they are received at the following address by 5.00 pm (AWST) on the Closing Date of the Shortfall Offer.

By mail to:

Advanced Share Registry

110 Stirling Highway

Nedlands, WA 6009

Surplus Application Amounts will be returned to Applicants as soon as practicable following the close of the Shortfall Offer.

8.9 Treatment of Ineligible Shareholders

Given the small number of Ineligible Shareholders and the cost of complying with applicable regulations in those jurisdictions outside Australia, New Zealand, Malaysia and Hong Kong, the Company has decided that it would be unreasonable to extend the Offer to Ineligible Shareholders. This Prospectus will not be sent to those Shareholders.

This Prospectus does not constitute an offer of securities in any jurisdiction where, or to any person to whom, it would not be lawful to issue the Prospectus or make the Entitlement Offer. No action has been taken to register or qualify the New Shares or the Entitlement Offer or otherwise to permit an offering of the New Shares in any jurisdiction other than Australia, New Zealand, Malaysia or Hong Kong.

This document is not for publication or distribution, directly or indirectly, in or into the United States of America (including its territories and possessions, any state of the United States of America and the District of Columbia). This document is not an offer of securities for sale into the United States of America or to, or for the account or benefit of, US Persons. The securities referred to herein have not been and will not be registered under the US Securities Act, and may not be offered or sold in the United States of America or to, or for the account or benefit of, US Persons. No public offering of securities is being made in the United States of America.

Recipients may not send or otherwise distribute this Prospectus or the Entitlement Offer and Acceptance Form to any person outside Australia, New Zealand, Malaysia or Hong Kong (other than to Eligible Shareholders).

The Entitlement Offer is non-renounceable. As a result, Ineligible Shareholders will not receive any value equivalent to the Entitlement attributable to the Shares held by the Ineligible Shareholder.

8.10 Beneficial holders, nominees, trustees and custodians

Nominees and custodians that hold Shares should note that the Entitlement Offer is available only to Eligible Shareholders. The Company is not required to determine whether or not any registered holder is acting as a nominee or the identity or residence of any beneficial owners of securities. If any nominee or custodian is acting on behalf of a foreign person, that holder, in dealing with its beneficiary, will need to assess whether indirect participation by the beneficiary in the Entitlement Offer is compatible with applicable foreign laws.

8.11 What you may do under the Entitlement Offer

As an Eligible Shareholder, you may:

- (a) subscribe for all or part of your Entitlement (see section 8.12);
- (b) subscribe for all of your Entitlement and apply for additional securities under the Top-Up Facility or the Shortfall Offer or both (see section 8.13);
- (c) allow all or part of your Entitlement to lapse (see section 8.14).

8.12 Subscribe for all or part of your Entitlement

Applicants should read this Prospectus carefully and in its entirety in order to make an informed decision on the prospects of the Company and the rights attaching to the New Shares offered by this Prospectus before deciding to apply for New Shares. If you do not understand this Prospectus you should consult your stockbroker, financial adviser, accountant, lawyer or other professional advisers in order to satisfy yourself as to the contents of this Prospectus.

If you wish to subscribe for all or part of your Entitlement, please complete the Entitlement Offer and Acceptance Form that forms part of, is attached to, or accompanies this Prospectus or a printed copy of the Entitlement Offer and Application Form attached to the electronic version of this Prospectus. The Entitlement Offer and Application Form must be completed in accordance with the instructions set out in the Entitlement Offer and Acceptance Form. Once completed, please lodge your Entitlement Offer and Acceptance Form and Application Amount so that they are received at the following address by 5.00 pm (AWST) on the Closing Date of the Entitlement Offer.

By mail to:

Advanced Share Registry

110 Stirling Highway

Nedlands, WA 6009

8.13 Subscribe for all of your Entitlement and apply for additional Shares under the Top-Up Facility or Shortfall Offer

Eligible Shareholders who take up their Entitlement in full may, in addition to their Entitlement, apply for New Shares under the Top-Up Facility regardless of the size of their present holding by completing the Entitlement Offer and Acceptance Form in accordance with the instructions set out on that form. See section 8.5 for details of the manner in which shares under the Top-Up Facility will be allocated.

If you wish to subscribe for all of your Entitlement and apply for additional Shares under the Top-Up Facility please complete your Entitlement Offer and Acceptance Form and note any additional amount of New Shares you may wish to apply for under the Top-Up Facility and submit your Entitlement Offer and Acceptance Form together with the Application Monies so that they are received at the following address by 5.00 pm (AWST) on the Closing Date of the Entitlement Offer.

By mail to:

Advanced Share Registry

110 Stirling Highway

Nedlands, WA 6009

Eligible Shareholders who take up their Entitlement in full may, in addition to their Entitlement and any New Shares allocated under the Top-Up Facility, apply for New Shares under the Shortfall Offer regardless of the size of their present holding by completing the Shortfall Application Form in accordance with the instructions set out on that form. See section 8.7 for details of the manner in which shares under the Shortfall Offer will be allocated.

If you wish to subscribe for all of your Entitlement and apply for additional Shares under the Shortfall Offer please complete your Shortfall Application Form and note any additional amount of New Shares you may wish to apply for under the Shortfall Offer and submit your Shortfall Application Form together with the Application Monies so that they are received at the following address by 5.00 pm (AWST) on the Closing Date of the Shortfall Offer.

By mail to:

Advanced Share Registry

110 Stirling Highway

Nedlands, WA 6009

Surplus Application Amounts will be returned to Applicants as soon as practicable following the close of the Entitlement Offer or Shortfall Offer, as applicable.

8.14 Allow all or part of your Entitlement to lapse

If you are an Eligible Shareholder and do not wish to accept all or part of your Entitlement, you are not obliged to do anything.

If you take no action, your Entitlement will lapse. You will receive no benefit or New Shares and your Entitlement will become Shortfall Shares.

If you wish to apply for New Shares, you must take action to accept your Entitlement in accordance with the instructions above and on the relevant Application Form.

The number of Existing Shares you hold as at the Entitlement Offer Record Date and the rights attached to those Existing Shares will not be affected if you choose not to accept any of your Entitlement. However, your shareholding will likely be diluted as a result of the issue of New Shares under the Entitlement Offer.

8.15 Offer outside Australia, New Zealand, Malaysia and Hong Kong

Recipients of this Prospectus must not send or otherwise distribute this Prospectus or the Entitlement Offer and Acceptance Form to any person outside Australia, New Zealand, Malaysia or Hong Kong.

8.16 Issue of New Shares and Application Amounts

New Shares will be issued only after ASX has granted permission for the New Shares to be quoted. It is expected that New Shares will be issued:

- (a) in respect of the Entitlement Offer, on Tuesday 16 July 2019 on a deferred settlement basis with normal trading of the New Shares on ASX to commence on Tuesday 23 July 2019;
- (b) in respect of the Shortfall Offer, on Monday 29 July 2019 on a normal settlement basis with normal trading of the New Shares on ASX to commence on Tuesday 30 July 2019

All Application Amounts will be deposited into a separate bank account of the Company and will be held in trust for Applicants until the New Shares are issued or the Application Amounts are returned. Any interest that accrues will be retained by the Company and will not be paid to Applicants.

8.17 Quotation

The Company will apply for quotation of the New Shares offered by this Prospectus under the Entitlement Offer on the date of this Prospectus. If ASX does not grant permission for the quotation of the New Shares offered under this Prospectus within three months after the date of this Prospectus, or such longer period as modified by ASIC, none of the New Shares offered by this Prospectus will be issued. In these circumstances, all Applications will be dealt with in accordance with the Corporations Act including the return of all Application Amounts (without interest).

A decision by ASX to grant official quotation of the New Shares is not to be taken in any way as an indication of ASX's view as to the merits of the Company or of the New Shares.

Quotation, if granted, of the New Shares offered by this Prospectus will commence as soon as practicable after statements of holdings of the New Shares are dispatched.

8.18 Market prices of Existing Shares on ASX

The highest and lowest market sale price of the Existing Shares, which are on the same terms and conditions as the New Shares being offered under this Prospectus,

during the three months immediately preceding the lodgement of this Prospectus with ASIC, and the last market sale price on the date before the lodgement date of this Prospectus, are set out below.

	3 month high	3 month low	Last market sale price
Price	\$0.076	\$0.051	\$0.053
Date	22 March 2019	5, 6 and 17 June 2019	17 June 2019

8.19 **CHESS**

The Company participates in the Clearing House Electronic Subregister System (**CHESS**). CHESS is operated by ASX Settlement Pty Ltd (**ASPL**), a wholly owned subsidiary of ASX.

Under CHESS, the Company does not issue certificates to investors. Instead, Shareholders will receive a statement of their holdings in the Company, including New Shares issued under this Prospectus. If an investor is broker-sponsored, ASPL will send a CHESS statement.

The CHESS statement will set out the number of New Shares issued under this Prospectus, provide details of your holder identification number (HIN) and give the participation identification number of the sponsor.

If you are registered on the issuer-sponsored sub register, your statement will be dispatched by the Company's Share Registry and will contain the number of New Shares issued to you under this Prospectus and your security holder reference number (HRN).

A CHESS statement or issuer-sponsored statement will routinely be sent to Shareholders at the end of any calendar month during which the balance of their shareholding changes. Shareholders may request a statement at any other time, however, a charge may be made for additional statements.

8.20 **Taxation and duty implications**

The Directors are legally constrained from providing Shareholders or new investors advice regarding the taxation consequences of:

- (a) the Company conducting the Entitlement Offer; or
- (b) Eligible Shareholders or new investors applying for New Shares under this Prospectus.

The taxation consequences for Shareholders and new investors will differ depending on the individual financial affairs of each Shareholder or new investor.

The Company, its advisers and officers do not accept any responsibility or liability for any taxation consequences to Shareholders or new investors in the Entitlement Offer. Applicants of the Entitlement Offer should therefore consult their tax adviser in connection with the taxation implications of the Entitlement Offer.

No brokerage or stamp duty is payable by Applicants in respect of Applications for New Shares under this Prospectus.

8.21 **Privacy**

The Company collects information about each Applicant provided on an Application Form for the purposes of processing the Application and, if the Application is successful, to administer the Applicant's shareholding in the Company.

By submitting an Application Form, each Applicant agrees that the Company may use the information provided by an Applicant on their respective Application Form for the purposes set out in this privacy disclosure statement and may disclose it for those purposes to the Share Registry, the Company's related body corporates, agents, contractors and third party service providers, including mailing houses and professional advisers, and to ASX and other regulatory authorities.

The Corporations Act and Australian taxation legislation requires the Company to include information about a Shareholder (including name, address and details of the Shares held) in its public register. The information contained in the Company's public register must remain there even if that person ceases to be a Shareholder. Information contained in the Company's register is also used to facilitate corporate communications (including the Company's financial results, annual reports and other information that the Company may wish to communicate to its Shareholders) and compliance by the Company with legal and regulatory requirements.

If you do not provide the information required on the Application Form the Company may not be able to accept or process your Application. An Applicant has the right to gain access to the information that the Company holds about it subject to certain exceptions under law. A fee may be charged for access. Such requests must be made in writing to the Company's registered office.

For more details on how the Company collects, stores, uses and discloses your information, please read the Company's Privacy Policy located on the Company's website. Alternatively, you can contact the Company to request a copy of its Privacy Policy free of charge.

It is recommended that you obtain a copy of the Company's Privacy Policy and read it carefully before making an investment decision.

8.22 Payment methods

If you wish to participate in the Entitlement Offer or Shortfall Offer, you need to do one of the following.

Option 1: Pay the Application Amount by BPAY®

Applicants may pay their Application Amount by BPAY®. Applicants wishing to pay by BPAY® are not required to return the Application Form. There is no need for Applicants wishing to pay by BPAY® to return the Application Form and Applicants are taken to have made the statements and certifications that are set out in the Application Form. However, Applicants are encouraged to return the form to the registry for reconciliation purposes.

You will only be able to make a payment via BPAY® if you are the holder of an account with an Australian financial institution which supports BPAY® transactions.

When completing your BPAY® payment, please use the specific Biller Code and your unique Customer Reference Number (**CRN**) provided on the Application Form. If you do not use the correct CRN your Application will not be recognised as valid.

If you have more than one shareholding and consequently receive more than one Entitlement Offer and Acceptance Form, when taking up your Entitlement in respect of one of those shareholdings only use the CRN specific to that shareholding as set out in the applicable Entitlement Offer and Acceptance Form. Do not use the same CRN for more than one of your shareholdings. This can result in your Application Amounts being applied to your Entitlement in respect of only one of your shareholdings (with the result that any application in respect of your remaining shareholdings will not be recognised as valid).

Option 2: Pay the Application Amount by cheque or bank draft

Cheque or bank drafts must be:

- (a) in Australian currency;
- (b) drawn on an Australian branch of a financial institution;
- (c) crossed “Not Negotiable”; and
- (d) made payable for all Applicants to “COKAL LIMITED – OFFER ACCOUNT”

Applicants should ensure that sufficient funds are held in their account to cover the cheque or bank draft. If the amount of your cheque or bank draft for the Application Amount (or the amount for which your cheque clears in time for the allocation) is insufficient to pay for the amount you have applied for in your Application Form you may be taken to have applied for such lower amount as your cleared Application Amount will pay for (and to have specified that amount in your Application Form may be rejected).

8.23 Entitlement Offer and Acceptance Forms and Shortfall Application Forms are binding

Receipt of a completed and lodged Entitlement Offer and Acceptance Form or Shortfall Application Form together with a cheque for the Application Amount, or by making a payment in respect of an Application by BPAY® or bank draft, constitutes a binding offer to acquire New Shares on the terms and conditions set out in this Prospectus and, once lodged, cannot be withdrawn.

By completing and returning your Entitlement Offer and Acceptance Form or Shortfall Application Form with the requisite Application Amount, or by making a payment in respect of an Application by BPAY®, you will be deemed to have represented that you are either an Eligible Shareholder or New Investor (as applicable).

In addition, by completing and returning your Entitlement Offer and Acceptance Form or Shortfall Application Form, you will be deemed to have represented and warranted on behalf of yourself and/or each person on whose account you are acting that the law in your place of residence and/or where you have been given the Prospectus does not prohibit you from being given the Prospectus and that you:

- (a) agree to be bound by the terms of the Entitlement Offer and/or the Shortfall Offer (as applicable);
- (b) declare that all details and statements in the Entitlement Offer and Acceptance Form or Shortfall Application Form are complete and accurate;
- (c) declare that you are over 18 years of age and have full legal capacity and power to perform all your rights and obligations under the Entitlement Offer and Acceptance Form or Shortfall Application Form;
- (d) authorise the Company and its respective officers or agents to do anything on your behalf necessary for the New Shares to be issued to you, including to act on instructions of the Company’s Share Registry upon using the contact details set out in the Entitlement Offer and Acceptance Form or Shortfall Application Form;
- (e) in respect of the Entitlement, declare that you are the current registered holder of Shares and are an Australian, New Zealand, Malaysian or Hong Kong resident, and you are not in the United States of America or a US Person, or acting for the account or benefit of a US Person;

- (f) in respect of the Shortfall Offer, declare that you are an Australian Resident, and you are not in the United States of America or a US Person, or acting for the account or benefit of a US Person;
- (g) acknowledge that the information contained in, or accompanying, the Prospectus is not investment or financial product advice or a recommendation that New Shares are suitable for you given your investment objectives, financial situation or particular needs;
- (h) acknowledge that the New Shares have not, and will not be, registered under the securities laws in any other jurisdictions outside Australia, New Zealand, Malaysia or Hong Kong and accordingly, the New Shares may not be offered, sold or otherwise transferred except in accordance with an available exemption from, or in a transaction not subject to, the registration requirements of applicable securities laws, in particular the US Securities Act.

The Entitlement Offer and Acceptance Form and Shortfall Application Form do not need to be signed to be a valid Application. An Application will be deemed to have been accepted by the Company upon the issue of the New Shares.

If the Entitlement Offer and Acceptance Form or Shortfall Application Form is not completed correctly, is illegible or if the accompanying payment of the Application Amount is for the wrong amount, it may still be treated as a valid Application for New Shares. The Directors' decision whether to treat an Application as valid and how to construe, amend or complete the Entitlement Offer and Acceptance Form or Shortfall Application Form is final. However, an Applicant will not be treated as having applied for more Shares than is indicated by the Application Amount received by the Company.

8.24 Enquiries

Any queries regarding the Entitlement Offer should be directed to the Company's Share Registry on (+61 8) 9389 8033 between 8:30am to 5:00pm AWST Monday to Friday. If you are uncertain as to whether an investment in the Company is suitable for you, please contact your stockbroker, financial adviser, accountant, lawyer or other professional advisers.

9 Risk factors

All investments are subject to risks which means the value of your investment may rise or fall and you may not be able to sell your investment quickly.

Before making an investment decision, it is important to understand the risks that can affect the value of your investment.

9.1 Key risks

It is recommended that Shareholders familiarise themselves with the possible risks relating to an investment in the Company and seek professional financial advice if they are unsure of any risk aspects, before making an investment in the Company.

While it is impractical to identify every conceivable risk associated with the Company, a listing of key risks specific to the Company's operations and to the operating industry are included below. This listing is not set out in order of importance, is not exhaustive and there may be other risks that have not been identified.

Completion of Project Finance	As announced on ASX on 11 May 2018, the Company has entered into a Term Sheet with Domain International Holdings Limited for the funding of the BBM Coking Coal Project. The proposed terms of the agreement are set out in that
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	<p>announcement. As stated in the announcement, the current proposal is non-binding unless an initial payment of \$1 million is received and it is conditional on formal documentation, shareholder and regulatory approvals, where required. Consequently, there is a risk that this transaction may not complete and the Company will need to access further capital for the development of its BBM operations (see below).</p> <p>As announced on ASX on 1 August 2018 the Company has executed a Term Sheet with Aahana Global Resources & Investment Pte Ltd to fully fund the development of the BBM PCI Project. There is a risk that this transaction may not complete and the Company will need to access further capital for the development of its BBM operations (see below).</p> <p>On 21 September 2018 the Company announced principles surrounding a proposal by BMA Group to fund construction of the BBM PCI Project and BBM Coking Coal Project, subject to a final agreement. There is a risk that this transaction may not complete and the Company will need to access further capital for the development of its BBM operations (see below).</p>
<p>Additional requirements for capital</p>	<p>Whilst the Company has been in the process of securing funding, trade and other payables have increased by almost US\$1,000,000 to 31 December 2018 (refer 31 December 2018 half-year report) since 30 June 2018, unless a financing arrangement is completed in a timely manner, Cokal may need to enter into delayed payment arrangements with its trade creditors and seek finance from new sources to fund its current liabilities and future construction of both BBM Projects.</p> <p>The Company has been in the process of securing funding. Unless a financing arrangement is completed in a timely manner, Cokal may need to enter into delayed payment arrangements with its trade creditors and seek finance from new sources to fund its current liabilities and future construction of both BBM Projects. There is no guarantee that a financing arrangement will complete in a timely manner or at all and there can be no guarantee that the Company will be able to access alternative funding or, more generally, the funds necessary to finance its activities and successfully achieve all the objectives of the Company's overall business strategy on terms acceptable to the Company, or at all. Any equity financing may be dilutive to shareholders and any debt financing, if available, may involve restrictive covenants, which may limit the Company's operations and business strategy.</p> <p>The Company's failure to raise additional capital, if and when needed, could delay or suspend the Company's business strategy and could have a material adverse effect on the Company's activities and its ability to pay its debts as and when they fall due.</p>
<p>General Operating Risk</p>	<p>Cokal's forecast production at the BBM PCI and BBM Coking Coal operations may encounter operation difficulties that may impact the level of coal produced, delay coal deliveries or drive up the cost of mining for varying lengths of time. Operation difficulties may include weather and natural disaster,</p>

	<p>unexpected maintenance or technical problems and failure of key equipment. Variations in mining conditions may cause difficulties such as variations in coal seam thickness and quality, variations in the amount of rock and soil overlaying a coal deposit, variations in rock and other natural materials and variations in geological conditions.</p> <p>These unforeseen geological difficulties could cause a loss of revenue due to lower production than expected, higher operating and maintenance costs and/or ongoing unplanned capital expenditure. Any such geological conditions may adversely affect Cokal's financial performance.</p>
<p>Coal Sales/ Commodity Risk</p>	<p>If the Company's existing projects are developed further to production, its revenue will be derived from the sale of coal. Therefore, its earnings will be closely related to the price and arrangements it entered into for sale of its products. Product prices fluctuate and are affected by factors including the relationship between global supply and demand, forward selling by producers, the cost of production and general economic conditions, such as inflation, interest rates and currency exchange rates.</p> <p>Fluctuations in coal prices will significantly affect the Company's future operations and profitability. Declines in the prices for coal could cause the continued development of, and eventually the commercial production from, the Company's projects to be rendered uneconomic.</p> <p>The Company gives no assurance that fluctuations in commodity prices will not affect the timing and viability of its projects.</p>
<p>Development, mining and processing risks</p>	<p>The future profitability of the Company and the value of its Share are directly related to project development. Until the Company can realise ongoing value from its projects, through continued production and sales, operating costs cannot be covered. There are risks in undertaking development activities including:</p> <ul style="list-style-type: none"> (a) Access to adequate capital for project development; (b) Design and construction of efficient development and production infrastructure within capital expenditure budgets; (c) Securing and maintaining title to tenements; (d) Obtaining regulatory consents and approvals (including environmental) necessary for the Company's development and product activities; (e) Local community actions; (f) Access to competent operation management and prudent financial administration, including the availability and reliability of appropriate skilled and experienced employees, contractors and consultants; and (g) Adverse weather conditions, mechanical difficulties, shortages or delays in delivery.

	<p>Whether or not continual income will result from projects undergoing development programs depends on successful establishment of production facilities and the negotiation of sales agreements on suitable commercial terms with acceptable counterparty(s). Factors including costs, actual mineralisation, consistency and reliability of ore grades and commodity prices affect successful development and mining operations.</p> <p>Industry operating risks include fire, explosions, industrial disputes, unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment, mechanical failure or breakdown, environmental hazards such as accidental spills or leakage of liquids, gas leaks, ruptures, discharges of toxic gases or geological uncertainty. The occurrence of any of these risks could result in legal proceedings against the Company and substantial losses to the Company due to injury or loss of life, damage to or destruction of property, natural resources or equipment, pollution or other environmental damage, clean-up responsibilities, regulator investigation, penalties or suspension of operations. Damage occurring to third parties as a result of such risks may give rise to claims against the Company.</p> <p>These factors affect the Company's ability to establish mining operations, continue with its projects, earn income from its operations and will affect the Share price.</p> <p>Cokal has conducted the exploration and development aspects of its projects to bankable feasibility study using international standards used in Australian Coal Mines. This level of feasibility study is aimed at minimising the risks noted in this document.</p>
<p>Resources and reserve estimates</p>	<p>Resources and reserve estimates (refer to Company's announcement 1 August 2017) are stated to the JORC Code and are expressions of judgement based on knowledge, experience and industry practice. Often these estimates were appropriate when made, but may change significantly when new information becomes available. There are risks associated with such estimates, including that coal mined may be of different quality, tonnage or strip ratio from the estimates. Resource and reserve estimates are necessarily imprecise and depend to some extent on interpretations, which may ultimately prove to be inaccurate and require adjustment. Adjustments to resources and reserves could affect Cokal's development and mining plans.</p>
<p>Country risk</p>	<p>The Company's operations in Indonesia are exposed to various levels of political, economic and other risks and uncertainties associated with operating in a foreign jurisdiction. These risks and uncertainties include, but are not limited to, currency exchange rates, high rates of inflation, labour unrest, social unrest, civil disobedience, renegotiation or nullification of existing concessions, licences, permits and contracts, changes in taxation policies, changing political conditions, war and civil conflict, lack of law enforcement, currency controls and governmental regulations that favour or require the awarding of contracts to local contractors or require foreign contractors to</p>

	<p>employ citizens of, or purchase supplies from, a particular jurisdiction.</p> <p>Changes, if any, in mining or investment policies or shifts in political attitude in Indonesia may adversely affect the Company's operations or profitability. Operations may be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on production, price controls, export controls, currency remittance, income taxes, foreign investment, maintenance of claims, environmental legislation, land use, land claims of local people, water use and mine safety, Failure to comply strictly with applicable laws regulations and local practices relation to mineral right applications and tenure, could result in loss reduction or expropriation of interests.</p>
Tenement rights	<p>As noted above, the Company's operations and mineral permits are located in Indonesia and the Company's exploration permits are subject to the Mining Code and Mining Regulations. Exploration permits and other mining permits are granted for a specific term and their grant, transfer and renewal are subject to Ministerial or Presidential discretion.</p>
Exchange rate risk	<p>The revenues and earnings of the Company will be exposed to exchange rate fluctuations, particularly as international prices of coal are denominated in US\$, whereas a significant portion of its operating expenses will be incurred in US\$, Australian or local currency. Fluctuations in exchange rates between currencies in which the Company invests, reports, incur costs, purchases capital equipment or derives revenue may cause fluctuations in the Company's financial results that are not necessarily related to the Company's underlying operations. For example, a weakening in the value of the US\$ as compared to the Australian dollar would have an effect of reducing the Australian dollar value of US\$ coal sales. Alternatively, a weakening of the Australian dollar as compared to the US\$ would have an effect of increasing the Australian dollar cost of expenses incurred in US\$. This may adversely affect the Company's financial position and operating results.</p>
Transport	<p>It is anticipated that coal from BBM will use the Barito River to barge product as well as haul road to connect the mine area to the barge loading port (refer to Appendix B, 11 December 2017 announcement).</p> <p>A number of factors could disrupt these transport services, including weather related problems, port capacity constraints, key equipment and infrastructure failures.</p>
Reliance on Third Parties	<p>As stated in the Company's ASX announcements, it is assumed the contractors will perform as mining functions for Cokal in respect of the BBM Project. There is no guarantee that an appropriate contractor will be engaged on terms acceptable to Cokal. Cokal will also be reliant on contractors for the success of operations. While the situation is normal for the mining industry, problems caused by third parties may arise which have the potential to impact the performance of Cokal.</p>

Securities investments and share market conditions	<p>There are risks associated with any securities investment. The prices at which the securities trade may fluctuate in response to a number of factors.</p> <p>Furthermore, the stock market may experience extreme price and volume fluctuations that may be unrelated or disproportionate to the operating performance of the company. These factors may materially adversely affect the market price of the securities of the Company regardless of the Company's operational performance. Neither the Company nor the Directors warrant the future performance of the Company, or any return of an investment in the Company.</p>
Economic Risk	<p>Changes in both Australia and world economic conditions may adversely affect the financial performance of the Company. Factors such as inflation, currency fluctuations, interest rates, industrial disruption and economic growth may impact on future operations and earnings.</p>
Competition	<p>Cokal faces competition from other producers of coal. An increase in production or reduction in the price of competing coals from both Indonesia and internationally may adversely impact Cokal's ability to sell its coal products and the price attained for sales.</p> <p>The development of new steel making technologies or practices may also lead to greater use of lower quality coals or other carbon sources in substitution for the metallurgical coals produced by Cokal. This is likely to lower demand for and the price of metallurgical coal produced by Cokal.</p> <p>Cokal may also encounter competition from other mining companies for the acquisition of new projects to increase coal production. This competition may impact the ability of Cokal to acquire interests in new or existing mines on acceptable terms.</p>

10 Rights and liabilities attaching to New Shares

10.1 Rights and liabilities attaching to New Shares

Immediately after issue and allotment, the New Shares will be fully paid Shares and the New Shares will rank equally with the Shares currently on issue. Detailed provisions relating to the rights attaching to the Shares are set out in the Company's Constitution and the Corporations Act. A copy of the Company's Constitution can be viewed by visiting the registered office of the Company during office hours. Shareholders have the right to obtain a copy of the Company's Constitution.

The detailed provisions relating to the rights attaching to Shares under the Constitution and the Corporations Act are summarised below.

Each New Share will confer on its holder:

- (a) the right to receive notice of and to attend general meetings of the Company and to receive all financial statements, notices and documents required to be sent to them under the Company's Constitution and the Corporations Act;
- (b) the right to vote at a general meeting of Shareholders (whether present in person or by any representative, proxy or attorney) on a show of hands (one vote per Shareholder) and on a poll (one vote per Share on which there is no

- money due and payable) subject to the rights and restrictions on voting which may attach to or be imposed on Shares (at present there are none);
- (c) the right to receive, in kind, the whole or any part of the Company's property on a winding up, subject to priority given to holders of Shares that have not been classified by ASX as "restricted securities" and the rights of a liquidator to distribute surplus assets of the Company with the consent of members by special resolution; and
 - (d) subject to the Corporations Act and the Listing Rules, the Shares are fully transferable.

The rights attaching to Shares may be varied with the approval of Shareholders in a general meeting by special resolution.

11 Additional information

11.1 Continuous disclosure obligations

The Company is a "disclosing entity" (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company's securities. The New Shares which will be issued pursuant to this Prospectus are in the same class of Shares that have been quoted on the official list of ASX during the 12 months prior to the issue of this Prospectus.

This Prospectus is a "transaction specific prospectus" to which the special content rules under section 713 of the Corporations Act apply. That provision allows the issue of a more concise prospectus in relation to an offer of securities in a class which has been continuously quoted by ASX in the three months prior to the date of the prospectus. In general terms "transaction specific prospectuses" are only required to contain information in relation to the effect of the issue of New Shares on the Company and the rights attaching to the New Shares. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the period from lodgement of the Company's annual financial report for the financial year ended 30 June 2018 to the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

The Company's annual report for the financial year ending 30 June 2018 and interim financial statements for the half-year ended 31 December 2018 have been released before the date of this Prospectus.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the applicable Closing Date:
 - (i) the annual financial report of the Company for the financial year ended 30 June 2018 being the last financial report for a financial year, lodged with ASIC before the issue of this Prospectus;
 - (ii) any half-year financial report lodged with ASIC by the Company after the lodgement of that annual report and before the lodgement of this Prospectus; and
 - (iii) any continuous disclosure notices given by the Company after the lodgement of the financial report referred to in paragraph (i) and before the lodgement of this Prospectus with ASIC (details of which are set out below).

The Company has lodged the following announcements with ASX since its 2018 annual financial report:

Date	Description of Announcement
30/05/2019	Appendix 3B
21/05/2019	Supplementary Prospectus – Top 20 Shareholder List
21/05/2019	Top 20 Shareholder List
29/04/2019	Appendix 3B
24/04/2019	Supplementary Prospectus – Closing Date and Quarterly Reports
24/04/2019	Quarterly Cashflow Report
24/04/2019	Quarterly Activities Report
24/04/2019	Extension of Cleansing Prospectus Closing Date
15/04/2019	Appendix 3B
12/04/2019	Clarification – Appointment of Director
10/04/2019	Supplementary Prospectus – Aahana Nominee Appointed and 3X

Date	Description of Announcement
10/04/2019	Initial Director's Interest Notice
10/04/2019	Aahana Nominee Appointed to the Board of Cokal Limited
03/04/2019	Supplementary Prospectus – Update Company and BBM Project
03/04/2019	Update Company and BBM Project
28/03/2019	Change in substantial holding
28/03/2019	Appendix 3B
25/03/2019	Cleansing Prospectus
21/03/2019	Aahana Completes Acquisition of Substantial Position
21/03/2019	Change in substantial holding
15/03/2019	Half Year Accounts
28/02/2019	Becoming a substantial holder
27/02/2019	Change of Director's Interest Notice
20/02/2019	Response to ASX Appendix 5B query
31/01/2019	Quarterly Activities Report
31/01/2019	Quarterly Cashflow Report
21/01/2019	Cokal Signs Agreements to Develop Shallow Draft Barging
16/01/2019	AGRI to Acquire Substantial Interest in Cokal
11/01/2019	Appendix 3B
10/01/2019	Appendix 3B
21/12/2018	Supplementary Prospectus – Extension of Closing Date
20/12/2018	Appendix 3B
19/12/2018	Cleansing Prospectus

Date	Description of Announcement
05/12/2018	Further USD500,000 Tranche of BMA Funding Received
30/11/2018	Results of Annual General Meeting
30/11/2018	AGM – CEO Presentation
29/11/2018	First Milestone Achieved Under Debt Restructure Transaction
28/11/2018	Reinstatement to Official Quotation
28/11/2018	Progress Report – BMA Due Diligence and Funding
28/11/2018	Completion of Investigations and Funding
12/11/2018	Annual Report

Copies of all documents lodged with ASIC in relation to the Company can be obtained free of charge from the Company's registered office during normal office hours.

Publicly available information about the Company is available at www.asx.com.au.

11.2 Directors' interests

Directors' Holdings

At the date of this Prospectus the following shares were held by Directors or their associated entities:

Director	Number of Shares
Domenic Martino	37,120,001
Patrick Hanna	25,800,000
Karan Bangur	148,125,000 ¹

¹These Shares are held by Aahana, and Karan Bangur is a director and shareholder of Aahana.

At the date of this Prospectus the following options were held by Directors or their associated entities:

Director	Number of Options
Gerhardus Kielenstyn	5,000,000
Karan Bangur	37,500,000 ¹

¹These Options are held by Aahana, and Karan Bangur is a director and shareholder of Aahana.

Remuneration of Directors

The Constitution of Cokal Limited and the ASX Listing Rules specify that the non-executive directors are entitled to remuneration as determined by the consolidated entity in a general meeting to be apportioned among them in such manner as the Directors agree and, in default of agreement, equally. The aggregate remuneration currently determined by Cokal Limited is AUD\$500,000 per annum. Additionally, non-executive directors will be entitled to be reimbursed for properly incurred expenses.

If a non-executive director performs extra services, which in the opinion of the directors are outside the scope of the ordinary duties of the director, the consolidated entity may remunerate that director by payment of a fixed sum determined by the directors in addition to or instead of the remuneration referred to above.

However, no payment can be made if the effect would be to exceed the maximum aggregate amount payable to non-executive directors. A non-executive director is entitled to be paid travel and other expenses properly incurred by them in attending directors' or general meetings of Cokal Limited or otherwise in connection with the business of the consolidated entity.

The following table shows the annual remuneration accrued to both Executive and Non-Executive Directors for the financial year ended 30 June 2018 and half-year to 31 December 2018.

Director or Director Associated Entity	Financial Year to 30 June 2018 Fees (US\$)	Six months to 31 December 2018 Fees (US\$)
Domenic Martino ¹	88,692	46,014
Patrick Hanna ¹	88,692	46,014
Gerhardus Kielenstyn	437,995	165,998

¹These fees have not been paid, but treated as a loan from directors.

Except as disclosed in this Prospectus, no Director (whether individually or in consequence of a Director's association with any company or firm or in any material contract entered into by the Company) has now, or has had, in the two-year period ending on the date of this Prospectus, any interest in:

- (a) the formation or promotion of the Company; or
- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer; or
- (c) the Offer.

Except as disclosed in this Prospectus, no amounts of any kind (whether in cash, Shares, Options or otherwise) have been paid or agreed to be paid to any Director or to any company or firm with which a Director is associated to induce him/her to become, or to qualify as, a Director, or otherwise for services rendered by him/her or his/her company or firm with which the Director is associated in connection with the formation or promotion of the Company or the Offer.

Related Party Contracts

- The Company has entered into an Underwriting Agreement with Aahana where Aahana has agreed to underwrite subscriptions for New Securities in accordance with the terms of the Entitlement Offer. Karan Bangur is a director and shareholder of Aahana. The Company has agreed to pay the Underwriter an underwriting fee of 5% of the total underwritten amount on the terms of the Underwriting Agreement as set out under section 8.5.
- The Company has signed a Deed of Access and Indemnity with each of its Directors. The Deeds require the Company to maintain a Director's & Officers Insurance Policy for the Director during the Term. Under the Deeds of Access and Indemnity the Company indemnifies, to the extent permitted by law, the Director for any loss which the Director may incur, or be liable for arising from, or in connection with, the Director's position as an officer of a Group Company.
- During the year ended 30 June 2018, the Company had a consulting agreement with Hanna Consulting Services Pty Ltd (of which Pat Hanna is a director) for the provision to the Group of geological consulting services for various exploration projects in Indonesia including site management, geological staff recruitment, preparation of field base camp and geological mapping surveys. For the 6 months to 31 December 2018, Hanna Consulting Services Pty Ltd received US\$ Nil (2018 financial year: US\$ Nil) for these services during the year. The services were based on arm's length commercial terms and conditions.
- Cokal Limited has an employment agreement with Gerhardus Kielenstyn for the position of Indonesian Country Manager, which commenced on 1 May 2013. Mr Kielenstyn receives an annual base salary up to US\$480,000, inclusive of benefits. Mr Kielenstyn is eligible for an annual performance bonus at the discretion of the CEO, as the Group is an early stage entity. The employment agreement may be terminated at any time by the Company for cause, being serious misconduct or the happening of various events in respect of Mr Kielenstyn's conduct. Mr Kielenstyn was appointed to the role of Chief Operating Officer (COO) effective 24th of June 2016 and Executive Director on 27 January 2017.
- The Company has entered into an agreement with Karan Bangur, a director and shareholder of the Underwriter, Aahana, for the appointment of Mr Bangur as Non-Executive Director of the Company which commenced on 10 April 2019. In his role as Non-Executive Director, Mr Bangur receives an annual fee of \$44,000 (as at the date of this Prospectus), which may be adjusted at any time by the Board on arm's length commercial terms and conditions. Mr Bangur is also entitled to be reimbursed for reasonable expenses incurred in performing his duties as Non-Executive Director.
- The Company has entered into an agreement with Indian Ocean Corporate Pty Ltd, a company related to Mr Domenic Martino, for the provision of corporate advisory services in respect of the Entitlement Offer on arm's length commercial terms and conditions. In respect of this work, the Company will pay approximately \$20,000 (see section 11.3).
- The Company has entered into an agreement with Indian Ocean Corporate Pty Ltd, a company related to Mr Domenic Martino, for the provision of company secretarial services at AUD\$4,000, plus GST per month on arm's length commercial terms and conditions.
- The Company has entered into an agreement with Indian Ocean Corporate Pty Ltd, a company related to Mr Domenic Martino, for the provision of advisory and financial services on arm's length commercial terms and conditions. For the half

year to 31 December 2018, Indian Ocean Corporate Pty Ltd invoiced US\$ Nil (2018 financial year: US\$218,483) for advisory and financial services, and US\$44,654 (2018 financial year: US\$26,422) for assistance with preparation of reports.

- As at 31 December 2018 and 30 June 2018, loans payable were outstanding to directors. The loans were provided for working capital purposes, were repayable on demand and did not accrue interest. The amounts outstanding as at 31 December 2018 totalled \$ Nil (30 June 2018: \$60,000), \$108,500 (30 June 2018: \$108,500) and IDR and US\$ Nil (30 June 2018: IDR 500,000,000 and US\$90,000) payable to Mr Domenic Martino, Mr Pat Hanna and Mr Gerhardus Kielienstyn respectively.

11.3 Interests of promoters and named persons

Except as disclosed in this Prospectus, no expert, promoter nor any other person named in this Prospectus as performing a function in a professional advisory or other capacity in connection with the preparation or distribution of the Prospectus, nor any firm in which any of those persons is or was a partner nor any company in which any of those persons is or was associated with, has now, or has had, in the two-year period ending on the date of this Prospectus, any interest in:

- (a) the formation or promotion of the Company; or
- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Entitlement Offer; or
- (c) the Entitlement Offer.

Aahana is the Underwriter to the Entitlement Offer and pursuant to the Underwriting Agreement as set out under section 8.5, the Company will pay an underwriting fee of 5% of the total underwritten amount. Further costs may be incurred in respect of the Underwriter in accordance with the terms of the Underwriting Agreement.

Indian Ocean has acted as the Company's corporate advisors in connection with the Entitlement Offer. In respect of this work, the Company will pay approximately US\$14,000 exclusive of any applicable taxes.

Indian Ocean will also receive from the Company management fees of 1.0% exclusive of GST of all the proceeds of the Entitlement Offer and Shortfall Offer.

Hall Chadwick has acted as the Company's investigating accountant in connection with the Entitlement Offer. In respect of this work, the Company will pay approximately \$8,000 exclusive of GST.

Mills Oakley has acted as Australian solicitors to the Entitlement Offer. In respect of this work, the Company will pay approximately \$70,000 exclusive of GST. Subsequently, fees will be paid in accordance with normal hourly rates. This amount includes fees payable of approximately \$1,200 exclusive of GST to Quigg Partners who have provided New Zealand legal advice in respect of the Entitlement Offer.

Further costs may be incurred in respect of Indian Ocean, Hall Chadwick, Mills Oakley and Quigg Partners in accordance with the terms of their engagement.

In respect of the Shortfall Offer, the Company intends to pay any stockbroking firm (or similar) broker fees of up to 5.0% exclusive of GST of the proceeds of the Shortfall Offer raised by the relevant broker.

11.4 Consents

Each of the persons referred to in this section:

- (a) has given and has not, before the date of lodgement of this Prospectus with ASIC, withdrawn their written consent:
- (i) to be named in the Prospectus in the form and context in which it is named; and
 - (ii) where applicable, to the inclusion in this Prospectus of the statements and/or reports (if any) by that person in the form and context in which it appears in this Prospectus;
- (b) has not caused or authorised the issue of this Prospectus;
- (c) has not made any statement in this Prospectus or any statement on which a statement in this Prospectus is based, other than specified below; and
- (d) to the maximum extent permitted by law, expressly disclaims all liability in respect of, makes no representation regarding, and takes no responsibility for, any part of this Prospectus, other than the references to their name and the statements and/or reports (if any) made in connection with their role as specified below and included in this Prospectus with the consent of that person.

Name	Role
Mills Oakley	Australian Solicitors
Quigg Partners	New Zealand Solicitors
Indian Ocean	Corporate Advisors
Ernst & Young	Auditor
Hall Chadwick	Investigating Accountant
Advanced Share Registry Services	Share Registry
Aahana	Underwriter

11.5 Expenses of the Offer

Assuming Full Subscription, the total estimated expenses of the Entitlement Offer are as set out below:

Cost ¹	(approximately)
Fundraising expenses	\$306,316
Legal fees	\$70,000
Corporate advisor fee	\$20,000
Investigating Accountant fees	\$8,000
ASX and ASIC fees	\$24,431
Printing, postage and other expenses	\$30,000
Total	\$458,747

The Company will pay all of the costs incurred in raising capital under the Entitlement Offer. If the Entitlement Offer does not proceed and the Company does not allot and issue ordinary shares pursuant to the Entitlement Offer, the Company, will pay all costs incurred in preparing the Entitlement Offer.

¹ Further costs may be incurred in respect of the legal fees and investigating accounting fees in accordance with the terms of engagement.

11.6 Litigation

As at the date of this Prospectus, the Company is not involved in any legal proceedings of a material nature and the Directors are not aware of any legal proceedings pending or threatened against the Company.

12 Directors' responsibility and consent

Each Director has consented to the lodgement of this Prospectus with ASIC and has not withdrawn that consent.

Dated: 18 June 2019

.....

Signed for and on behalf of

Cokal Limited by

Patrick Hanna

13 Definitions

Where the following terms are used in this Prospectus they have the following meanings:

\$, AUD or Dollars	Australian dollars unless otherwise stated.
Aahana	Aahana Mineral Resources Sdn Bhd.
AWST	Australian Western Standard Time.
Applicant	a person who submits a valid Application Form pursuant to this Prospectus.
Application	a valid application made on an Application Form to subscribe for New Shares pursuant to this Prospectus.
Application Amount	the amount specified in the Entitlement Offer and Acceptance Form being the consideration for New Shares under the Entitlement Offer, Top-Up Facility or Shortfall Offer (as applicable).
Application Form	an Entitlement Offer and Acceptance Form or a Shortfall Application Form (as applicable).
ASIC	the Australian Securities & Investments Commission.
ASX	ASX Limited ACN 008 624 691 and where the context permits the Australian Securities Exchange operated by ASX Limited.
BBM	PT Bumi Barito Mineral.
Benchmark	S&P/ASX 300 Accumulation Index.
Board	the board of Directors of the Company.
Business Day	a day, other than a Saturday, Sunday or public holiday on which Australian banks are open for business in Sydney, Australia.
Closing Date	the date that the Entitlement Offer closes, which is Monday 15 July 2019 and the date that the Shortfall Offer closes, which is Monday 22 July 2019 (as applicable).
Cokal or Company	Cokal Limited ACN 082 541 437.
Constitution	the constitution of the Company.
Corporations Act	the <i>Corporations Act 2001</i> (Cth).
Director	a director of the Company.
Eligible Shareholders	a Shareholder as at the Entitlement Offer Record Date with a registered address in Australia, New Zealand, Malaysia or Hong Kong.
Entitlement Offer	the non-renounceable pro rata offer to Eligible Shareholders of 1 New Share for every 8 Existing Shares at an issue price of \$0.05 per New Share to raise up to approximately \$5.1 million under this Prospectus.
Entitlement Offer and Acceptance Form	the Entitlement Offer and Acceptance Form accompanying this Prospectus.
Entitlement Offer Record Date	7.00pm (AWST) Monday 24 June 2019.

Entitlement	a Shareholder's entitlement to subscribe for New Shares offered by this Prospectus.
Existing Share	a Share issued as at 7:00pm (AWST) on the Entitlement Offer Record Date.
Existing Options	all existing options to subscribe for Shares currently on issue as at the date of this Prospectus.
Full Subscription	approximately \$5.1 million.
FY	Financial year ended 30 June.
Ineligible Shareholder	a Shareholder as at the Entitlement Offer Record Date who is not an Eligible Shareholder.
Listing Rules	the official Listing Rules of ASX as amended or waived from time to time.
NTA	Net Tangible Assets.
New Investors	an investor who is not a Shareholder as at the Entitlement Offer Record Date, with a registered address in Australia.
New Shares	Shares offered under this Prospectus.
Offer	the offer made under this Prospectus to subscribe for New Shares.
Option	an option to subscribe for Shares.
Prospectus	this Prospectus and includes the electronic prospectus.
Share	a fully paid ordinary share in the Company.
Share Registry	Advanced Share Registry Services
Shareholder	the registered holder of Shares in the Company.
Shortfall Application Form	the Shortfall Application Form accompanying this Prospectus.
Shortfall Offer	a facility where the remaining New Shares not taken up by Eligible Shareholders under the Entitlement Offer or Top-Up Facility are offered to investors, at the discretion of the Company.
Shortfall Shares	those New Shares for which valid Applications have not been received by the Closing Date under the Entitlement Offer.
Top-Up Facility	the facility under which certain Eligible Shareholders may apply for New Shares in excess of their Entitlement.
US Person	has the meaning given to that term in Regulation S under the US Securities Act.
US Securities Act	the <i>United States Securities Act of 1933</i> , as amended.
Underwriter	Aahana Mineral Resources Sdn Bhd.

14 Consolidated Statement of Financial Position

14.1 Introduction

This section should be read in conjunction with the Investigating Accountant's Report contained in Schedule 1. It contains a summary of the financial information of the Company which includes:

- (a) the historical Statement of Financial Position as at 31 December 2018, as extracted from the interim financial statements of the Company for the half-year ended 31 December 2018 and lodged with ASX on 15 March 2019 (see section 14.2);
- (b) the interim financial statements for the half-year ended 31 December 2018 were reviewed by Ernst & Young, who has issued a qualified opinion for the comparative information disclosed in those financial statements on the basis that during the financial year ended 30 June 2018, audit procedures identified accounting irregularities and fraudulent activity in respect of the Group's contracting with its supplier of barging services in Indonesia. The Group's own investigation subsequently confirmed fraudulent activity by the Group's Indonesian based Chief Financial Officer and other Indonesian based employees (collectively "the implicated employees"). During the half-year ended 31 December 2018, the Group finalised its investigation of the fraudulent activity resulting in the termination of the implicated employees.
- (c) pro forma adjustments applied to the historical Statement of Financial Position as at 31 December 2018 as a result of the Entitlement Offer;
- (d) the Pro Forma Statement of Financial Position incorporating the effect of the Entitlement Offer and the Directors material assumptions as at 31 December 2018;
- (e) Directors' material assumptions used in the preparation of the Pro Forma Statement of Financial Position (see section 14.3); and
- (f) significant accounting policies of the Company (see section 14.2).

The Pro Forma Statement of Financial Position (**Pro Forma Financial Information**) has, except as otherwise noted, been prepared in accordance with the recognition and measurement principles prescribed in the Australian Accounting Standards Board (**AASBs**), which are consistent with International Financial Reporting Standards (**IFRS**) and interpretations issued by the International Accounting Standards Board. Although it is presented in an abbreviated form insofar as it does not include all the disclosures, statements and comparative information required by AASBs applicable to Interim Financial report prepared in accordance with the Corporations Act. All amounts disclosed in this section are presented in United States dollars and, unless otherwise noted, are rounded to the nearest \$100,000. Any discrepancies between totals and sums of components in tables or figures contained in this section are due to rounding.

The Directors are responsible for the preparation and presentation of the Pro Forma Financial Information.

The 30 June 2018 Annual Report and 31 December 2018 Interim Financial Statements lodged with ASX can be found at the Company's website.

The Pro Forma Statement of Financial Position has been reviewed by Hall Chadwick in their role as Investigating Accountant.

The information in this section should also be read in conjunction with the Risk Factors set out in section 9 and other information contained in this Prospectus.

14.2 Pro Forma Financial Information

The Pro Forma Financial Information set out below has been derived from the statutory Historical Statement of Financial Position as at 31 December 2018, with pro forma adjustments made to reflect the capital structure of the Company that will be in place following the completion of the Entitlement Offer, as if they had occurred at 31 December 2018.

The Pro Forma Financial information is intended to be illustrative only and is not represented as being necessarily indicative of the Company's actual position and balances as at the date of this Prospectus or at the completion of the Entitlement Offer.

The Pro Forma Financial Information has been prepared in accordance with the principles and significant accounting policies set out in sections 14.1, 14.3 and 14.4 respectively.

Table 1: Pro Forma Statement of Financial Position as at 31 December 2018	Audit Reviewed Statement of Financial Position as at 31 December 2018	Pro Forma Adjustments	Pro Forma Statement of Financial Position as at 31 December 2018
	US\$'000	US\$'000	US\$'000
Current Assets			
Cash and cash equivalents	92	4,635	4,727
Short term receivables	139	-	139
Other current assets	65	-	65
Total Current Assets	296	4,635	4,931
Non-Current Assets			
Property, plant and equipment	1,373	-	1,373
Exploration and evaluation assets	25,067	-	25,067
Other non-current assets	36	-	36
Total Current Assets	26,476	-	26,476
TOTAL ASSETS	26,772	-	31,407
Current Liabilities			
Accounts payable and others	6,482	(115)	6,367
Interest bearing loans	15,892	(4,631)	11,261
Total Current Liabilities	22,374	(4,746)	17,628
Non Current Liabilities			
Royalty payable	-	2,500	2,500
Total Non Current Liabilities	-	2,500	2,500
TOTAL LIABILITIES	22,374	(2,246)	20,128
NET ASSETS	4,398	6,881	11,279

Table 1 (cont'd): Pro Forma Statement of Financial Position as at 31 December 2018	Audit Reviewed Statement of Financial Position as at 31 December 2018	Pro Forma Adjustments	Pro Forma Statement of Financial Position as at 31 December 2018
	US\$'000	US\$'000	US\$'000
Equity			
Contributed Equity	90,164	4,751	94,915
Reserves	5,061	808	5,869
Retained Earnings	(90,827)	1,322	(89,505)
Total Equity	4,398	6,881	11,279

14.3 Directors' Material Assumptions in Preparation of the Pro Forma Financial Information

The Pro Forma Financial Information has been prepared on the basis of the following assumptions by the Directors of the Company:

- (a) Application of the significant accounting policies set out in section 14.4;
- (b) As announced on 29 November 2018, the Company met the first milestone under the debt restructure transaction with the issue of options in January 2019, triggering the conversion of a third of the interest bearing debt owing to Platinum Partners and Blumont Group on the balance sheet as at 31 December 2018 to a royalty payable. The above Pro-Forma Statement of Financial Position records the issue of the options against reserves and the reduction in a third of the interest bearing debt, with an estimate of a third of the fair value of the royalty payable recorded as a non-current liability.
- (c) Post 31 December 2018, the Company issued 85,640,000 shares, 37,500,000 on conversion of options and 48,140,000 by way of placement.
- (d) As the Offer is underwritten, the Pro Forma Statement of Financial Position has been prepared on the basis that 100% of the Entitlements have been taken up;
- (e) The Pro Forma Statement of Financial Position has been prepared on the basis that the Entitlement Offer issue price is \$0.05. This results in 102,105,270 shares issued, above the shares on issue as at 31 December 2018 and those issued on conversion of options and placement. A total of 918,947,429 shares will be on issue post completion of the Offer; and
- (f) All expenses of the Offer are paid by the Company.

14.4 Significant Accounting Policies

The Pro Forma Financial Information has been prepared on the basis of the same accounting policies as disclosed in the Company's latest annual report which can be found at the Company's website.

Schedule 1 Investigating Accountant's Report

INVESTIGATING ACCOUNTANT'S REPORT

18 June 2019

The Directors
Cokal Limited
Level 12, 225 George Street
SYDNEY NSW 2000

Dear Sirs,

Independent Limited Assurance Report on Pro-forma Financial Information

We have prepared this Independent Limited Assurance Report (report) at the request of the Directors of Cokal Limited (the "Company"), for inclusion in a Prospectus relating to a non-renounceable pro-rata offer to Eligible Shareholders on the basis of 1 New Share for every 8 Existing Shares at an issue price of \$0.05 per New Share to raise approximately \$5.1 million before Offer Costs.

Expressions and terms defined in the Prospectus have the same meaning in this report.

Hall Chadwick Corporate (NSW) Limited holds an Australian Financial Services License (No. 227902) issued by the Australian Securities and Investments Commission for use in providing financial product advice, including an Investigating Accountant's report.

Scope

You have requested Hall Chadwick Corporate (NSW) Limited to review the following financial information of the Company (the responsible party) included in the Prospectus:

Pro-forma Historical Financial Information

The pro-forma historical consolidated Statement of Financial Position as at 31 December 2018 assuming completion of the Offer and material subsequent events as described in Section 14 of the Prospectus (the "Pro-forma Consolidated Statement of Financial Position").

The Pro forma Historical Financial Information has been prepared in accordance with the stated basis of preparation, being the recognition and measurement principles contained in Australian Accounting Standards and the Company's adopted accounting policies.

The Pro forma Historical Financial Information has been derived from the interim financial statements for the half-year ended 31 December 2018 which were reviewed by Ernst & Young, who issued a qualified opinion for

**HALL CHADWICK CORPORATE
(NSW) LIMITED****ACN 080 462 488****SYDNEY**Level 40, 2 Park Street Sydney
NSW 2000 AustraliaGPO Box 3555 Sydney NSW
2001

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Fx: (612) 9263 2800

E: hcsyinfo@hallchadwick.com.au

com.au

www.hallchadwick.com.au

the comparative information disclosed in those financial statements on the basis that during the financial year ended 30 June 2018, audit procedures identified accounting irregularities and fraudulent activity in respect of the Group's contracting with its supplier of barging services in Indonesia. The Group's own investigation subsequently confirmed fraudulent activity by the Group's Indonesian based Chief Financial Officer and other Indonesian based employees (collectively "the implicated employees"). During the half-year ended 31 December 2018, the Group finalised its investigation of the fraudulent activity resulting in the termination of the implicated employees.

The Pro-forma Historical Financial Information is presented in the Prospectus in an abbreviated form, insofar as it does not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act 2001.

The stated basis of preparation is the recognition and measurement principles contained in Australian Accounting Standards applied to the historical financial information and the events or transactions to which the pro-forma adjustments relate, as if those events or transactions had occurred as at the date of the historical financial information. Due to its nature, the Pro-forma Historical Financial Information does not represent the Company's actual or prospective financial position.

Directors' Responsibilities

The Directors of the Company are responsible for the preparation of the Pro-forma Historical Financial Information, including the selection and determination of pro-forma adjustments. This includes responsibility for such internal controls as the Directors determine are necessary to enable the preparation of the Pro-forma Historical Financial Information.

Our Responsibility

Our responsibility is to express a limited assurance conclusion on the Pro-forma Historical Financial Information, based on the procedures performed and the evidence we have obtained. We have conducted our engagement in accordance with the Standard on Assurance Engagement ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*.

A review consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Our engagement did not involve updating or re-issuing any previously issued audit or review report on any financial information used as a source of the Financial Information.

Conclusions

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the Pro-forma Historical Financial Information, as described in Section 14 of the Prospectus, is not presented fairly, in all material respects, in accordance with the stated basis of preparation.

Independence

Hall Chadwick Corporate (NSW) Limited does not have any interest in the outcome of this issue other than in its capacity as Investigating Accountant for which normal professional fees will be received. Hall Chadwick Corporate (NSW) Limited does not hold nor have any interest in the ordinary shares of the Company.

Restriction on Use

Without modifying our conclusions, we draw attention to fact that the purpose of the financial information is for inclusion in the Prospectus. As a result, the financial information may not be suitable for use for another purpose. We disclaim any assumption of responsibility for any reliance on this report or on the financial information to which it relates, for any purpose other than that for which it was prepared.

Hall Chadwick Corporate (NSW) Limited was not involved in the preparation of any part of the Prospectus, and accordingly, makes no representations or warranties as to the completeness and accuracy of any information contained in any other part of the Prospectus.

Consent

Hall Chadwick Corporate (NSW) Limited consents to the inclusion of this report in the Prospectus in the form and content in which it is included. At the date of this report, this consent has not been withdrawn.

Yours faithfully



Drew Townsend
Director

HALL CHADWICK CORPORATE (NSW) LIMITED

FINANCIAL SERVICES GUIDE

Dated 18 June 2019

What is a Financial Services Guide (FSG)?

This FSG is designed to help you to decide whether to use any of the general financial product advice provided by Hall Chadwick Corporate (NSW) Limited ABN 28 080 462 488, Australian Financial Services Licence Number 227902 (**HCC**).

This FSG includes information about:

- HCC and how they can be contacted;
- the services HCC is authorised to provide;
- how HCC are paid;
- any relevant associations or relationships of HCC;
- how complaints are dealt with as well as information about internal and external dispute resolution systems and how you can access them; and
- the compensation arrangements that HCC has in place.

This FSG forms part of an Investigating Accountant's Report (**Report**) which has been prepared for inclusion in a disclosure document. The purpose of the disclosure document is to help you make an informed decision in relation to a financial product. The contents of the disclosure document, as relevant, will include details such as the risks, benefits and costs of acquiring the particular financial product.

Financial services that HCC is authorised to provide

HCC holds an Australian Financial Services Licence, which authorises it to provide, amongst other services, financial product advice for securities and interests in managed investment schemes, including investor directed portfolio services, to retail clients. We provide financial product advice when engaged to prepare a report in relation to a transaction relating to one of these types of finance products.

HCC's responsibility to you

HCC has been engaged by the Directors of Cokal Limited to prepare an investigating accountant's report (**Report**) for inclusion in a Prospectus in relation to the issue of shares in Cokal Limited (**Offer**).

You have not engaged HCC directly but have received a copy of the Report because you have been provided with a copy of the Prospectus. HCC nor the employees of HCC are acting for any person other than Cokal Limited. HCC is responsible and accountable to you for ensuring that there is a reasonable basis for the conclusions in the Report.

General advice

As HCC has been engaged by Cokal Limited, the Report only contains general advice as it has been prepared without taking into account your personal objectives, financial situation or needs. You should consider the appropriateness of the general advice in the Report having regard to your circumstances before you act on the general advice contained in the Report.

You should also consider the other parts of the Prospectus before making any decision in relation to the Offer.

Fees HCC may receive

HCC charges fees for preparing reports. These fees will usually be agreed with, and paid by, the Cokal Limited. Fees are agreed on either a fixed fee or a time cost basis. In this instance, Cokal Limited has agreed to pay HCC \$8,000 (excluding GST and out of pocket expenses) for preparing the Report. HCC and its officers, representatives, related entities and associates will not receive any other fee or benefit in connection with the provision of this Report.

HCC officers and representatives receive a salary, dividend or a partnership distribution from Hall Chadwick Sydney professional advisory and accounting practice (the Hall Chadwick Sydney Partnership). Remuneration and benefits are not provided directly in connection with any engagement for the provision of general financial product advice in the Report. Further details may be provided on request.

Referrals

HCC does not pay commissions or provide any other benefits to any person for referring customers to them in connection with a Report.

Associations and relationships

Through a variety of corporate and trust structures HCC is controlled by and operates as part of the Hall Chadwick Sydney Partnership. HCC's directors may be partners in the Hall Chadwick Sydney Partnership. Mr Drew Townsend, director of HCC and partner in the Hall Chadwick Sydney Partnership, has prepared this Report. The financial product advice in the Report is provided by HCC and not by the Hall Chadwick Sydney Partnership.

From time to time HCC, the Hall Chadwick Sydney Partnership and related entities (**HC Entities**) may provide professional services, including audit, tax and financial advisory services, to companies and issuers of financial products in the ordinary course of their businesses. HC Entities have not previously provided advisory services to the Client.

No individual involved in the preparation of this Report holds a substantial interest in, or is a substantial creditor of, Cokal Limited or has other material financial interests in the Offer.

Complaints resolution

If you have a complaint, please let HCC know. Formal complaints should be sent in writing to:

The Complaints Officer
Hall Chadwick Corporate (NSW) Limited
GPO Box 3555
Sydney NSW 2001

If you have difficulty in putting your complaint in writing, please telephone the Complaints Officer on (02) 9263 2600 and they will assist you in documenting your complaint.

Written complaints are recorded, acknowledged within 5 days and investigated. As soon as practical, and not more than 45 days after receiving the written complaint, the response to your complaint will be advised in writing.

External complaints resolution process

If HCC cannot resolve your complaint to your satisfaction within 45 days, you can refer the matter to the Financial Ombudsman Service (FOS). FOS is an independent company that has been

established to provide free advice and assistance to consumers to help in resolving complaints relating to the financial services industry.

Further details about FOS are available at the FOS website www.fos.org.au or by contacting them directly at:

Financial Ombudsman Service Limited

GPO Box 3, Melbourne Victoria 3001

Telephone: 1300 78 08 06

Facsimile (03) 9613 6399

Email: info@fos.org.au

The Australian Securities and Investments Commission also has a free call infoline on 1300 300 630 which you may use to obtain information about your rights.

Compensation arrangements

HCC has professional indemnity insurance cover as required by the Corporations Act 2001(Cth).

Contact details

You may contact HCC at:

Hall Chadwick Corporate (NSW) Limited

GPO Box 3555

Sydney NSW 2001

Telephone: (02) 9263 2600

Facsimile: (02) 9263 2800

Annexure A Shortfall Application Form

INSTRUCTIONS TO APPLICANTS

Please post or deliver the completed Shortfall Application Form together with a cheque to the Company. If an Applicant has any questions on how to complete this Shortfall Application Form, please telephone the Company's registry on + 61 8 9389 8033 or your professional adviser. The Form must be received by the Company no later than 5:00pm (AWST) Monday 22 July 2019.

A. Name of Applicant / Joint Applicants or Account Designation

Write the Applicant's FULL NAME. This must be either an individual's name or the name of a company. Please refer to the bottom of this page for the correct form of registrable title. Applications using the incorrect form of registrable title may be rejected. If JOINT APPLICANTS are applying, up to three joint Applicants may register. If applicable, please provide details of the Account Designation in brackets. Please refer to the bottom of this page for instructions on the correct form of registrable title.

B. Address

Enter the Applicant's postal address for all correspondence. If the postal address is not within Australia, please specify Country after City/Town.

C. Contact Details

Please provide a contact name and daytime telephone number so that the Company can contact the Applicant if there is an irregularity regarding the Shortfall Application Form.

D. TAX FILE NUMBERS

The collection of tax file number ("TFN") information is authorised and the tax laws and the Privacy Act strictly regulate its use and disclosure. Please note that it is not against the law not to provide your TFN or claim an exemption, however, if you do not provide your TFN or claim an exemption, you should be aware that tax will be taken out of any unfranked dividend distribution at the maximum tax rate.

If you are completing the application with one or more joint applicants, and you do not wish to disclose your TFN or claim an exemption, a separate form may be obtained from the Australian Taxation Office to be used by you to provide this information to the Company. Certain persons are exempt from providing a TFN. For further information, please contact your taxation adviser or any Taxation Office.

E. CHESSE HIN or existing SRN Details

The Company participates in CHESSE. If the Applicant is already a participant in this system, the Applicant may complete this section with their existing CHESSE HIN and the name and address as recorded in the CHESSE system. If the applicant is an existing shareholder with an Issuer Sponsored account, the SRN for this existing account may be used. Otherwise leave the section blank and the Applicant will receive a new Issuer Sponsored account and statement.

F. Cheque Details

Make cheques payable to '**Cokal Limited – OFFER ACCOUNT**' in Australian currency and cross them "**Not Negotiable**". Cheques must be drawn on an Australian Bank. The amount of the cheque should agree with the amount shown on the Shortfall Application Form.

If a Shortfall Application Form is not completed correctly, or if the accompanying payment is for the wrong amount, it may still be accepted. Any decision of the Directors as to whether to accept a Shortfall Application Form, and how to construe, amend or complete it, shall be final. A Shortfall Application Form will not however, be treated as having offered to subscribe for more Shares than is indicated by the amount of the accompanying cheque.

Forward your completed application together with the application money to:

By Mail

Cokal Limited
C/- Advanced Share Registry Ltd
PO Box 1156, Nedlands
Western Australia 6909

By Delivery

Advanced Share Registry Ltd
110 Stirling Hwy
Nedlands
Western Australia 6009

CORRECT FORMS OF REGISTRABLE TITLE

Note that ONLY legal entities are allowed to hold securities. Shortfall Application Forms must be in the name(s) of a natural person(s), companies or other legal entities acceptable to the Company. At least one full given name and the surname is required for each natural person. Shortfall Application Forms cannot be completed by persons under 18 years of age. Examples of the correct form of registrable title are set out below.

Type of Investor	Correct Form of Registration	Incorrect Form of Registration
Individual Use given names in full, not initials	Mr John Alfred Smith	J A Smith
Company Use the company's full title, not abbreviations	ABC Pty Ltd	ABC P/L or ABC Co
Joint Holdings Use full and complete names	Mr Peter Robert Williams & Ms Louise Susan Williams	Peter Robert & Louise S Williams
Trusts Use the trustee(s) personal name(s).	Mrs Susan Jane Smith <Sue Smith Family A/C>	Sue Smith Family Trust
Deceased Estates Use the executor(s) personal name(s).	Ms Jane Mary Smith & Mr Frank William Smith <Est John Smith A/C>	Estate of late John Smith or John Smith Deceased
Minor (a person under the age of 18) Use the name of a responsible adult with an appropriate designation.	Mr John Alfred Smith <Peter Smith A/C>	Master Peter Smith
Partnerships Use the partners personal names.	Mr John Robert Smith & Mr Michael John Smith <John Smith and Son A/C>	John Smith and Son
Long Names.	Mr John William Alexander Robertson-Smith	Mr John W A Robertson-Smith
Clubs/Unincorporated Bodies/Business Names Use office bearer(s) personal name(s).	Mr Michael Peter Smith <ABC Tennis Association A/C>	ABC Tennis Association
Superannuation Funds Use the name of the trustee of the fund.	Jane Smith Pty Ltd <Super Fund A/C>	Jane Smith Pty Ltd Superannuation Fund