

28 April 2021

<p><b>QUARTERLY REPORT FOR THE THREE MONTHS</b></p> <p><b>ENDING 31 MARCH 2021</b></p>
--

## HIGHLIGHTS

- Mining contractor negotiations completed;
- Equipment mobilised to repair the access road to BBM;
- Coal haulage contract nearing completion;
- Fuel and explosives contracts nearing completion.

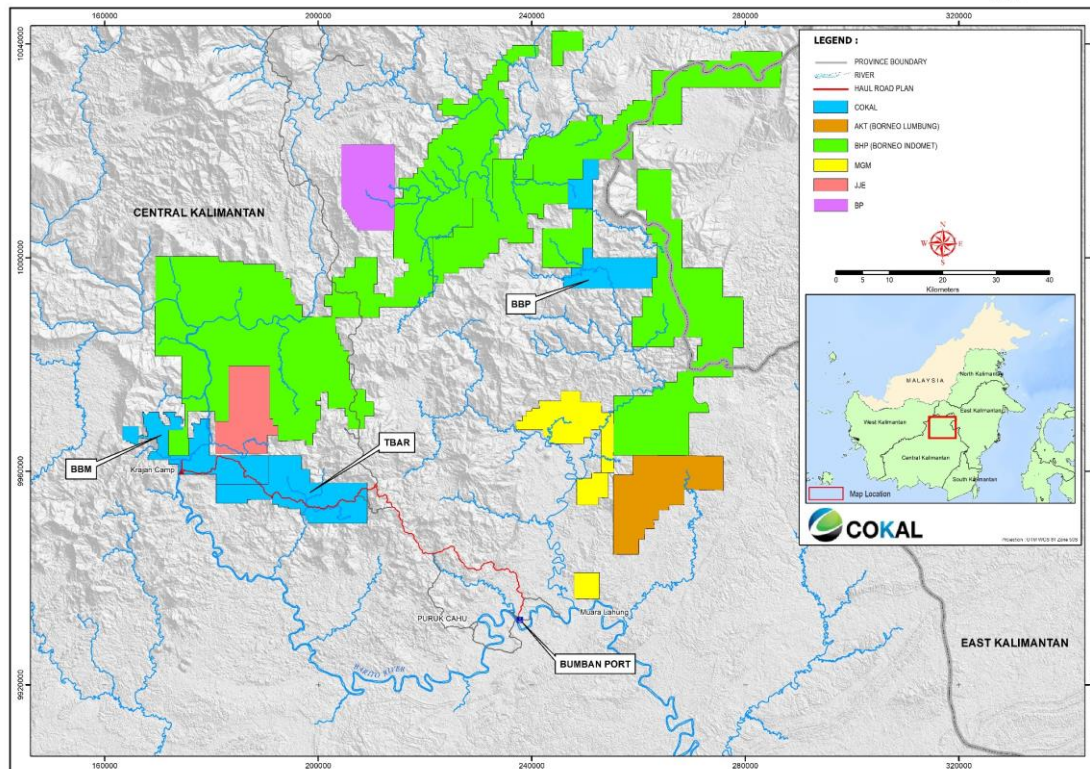
## INDONESIAN COAL ASSETS

Cokal holds shares in the following Indonesian coal assets in Central Kalimantan, each with known resources of metallurgical coal:

- 60% of the Bumi Barito Mineral (BBM) project located in Central Province, Kalimantan, Indonesia. The BBM project area is 14,980ha;
- 75% of PT Tambang Benua Alam Raya (TBAR), which owns an exploration tenement covering an area of approximately 18,850ha in Central Province, Kalimantan, Indonesia. This tenement is located adjacent to and southeast of the BBM project;
- 60% of the Borneo Bara Prima (BBP) project located in Central Province, Kalimantan, Indonesia. The BBP project area is approximately 13,050ha;
- 75% of the Anugerah Alam Katingan (AAK) project. This project is also located in Central Province, Kalimantan, Indonesia and has approximately 5,000ha. AAK is currently on 'on-hold' status by Provincial Police Department (Polda Kalteng). The Police have investigated a dispute over the ownership of AAK, pre-dating Cokal's interest in the Project. Cokal is an aggrieved party and will await the outcome of the Police investigation.

There was no change in these shareholdings during the quarter.

BBM, TBAR, BBP and AAK are located adjacent to Indomet's extensive coking coal tenements. The Company is focused on the development of the BBM Project.



**Cokal's Coking Coal Tenements**

### Bumi Barito Mineral (BBM) Tenement

BBM's permit covers an area of 14,980ha with multiple seams of high quality metallurgical coal. It is dissected by the Barito River, which cuts through the tenement in a north-south trend. Almost the entire IUP contains coal-bearing sediments with open cut mineable areas controlled by three major fault systems.

Coal analyses from more than 130 outcrops on the west side of the Barito River indicate that it contains premium quality anthracite and PCI coals. This coal does not currently form part of the stated BBM coal resources and therefore provides significant potential for future expansion of BBM resources.

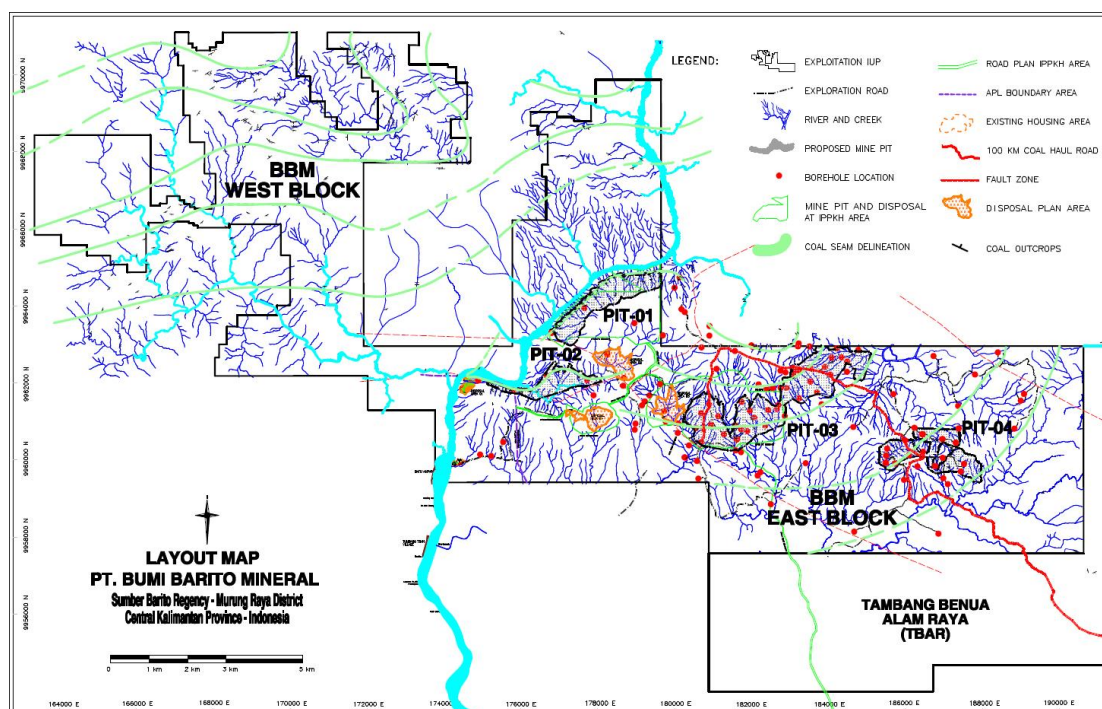
Approval is being sought to extend the mining approved area into the eastern part of Pit 2.

BBM has regulatory approvals in place, including:

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

BBM will be the first area to be mined by Cokal.

No exploration activity was conducted by Cokal at BBM during the quarter, however work started mobilising equipment to repair the access road to the tenement.



### BBM Tenement Areas

#### Tambang Benua Alam Raya (TBAR) Tenement

TBAR's exploration authority covers 18,850ha immediately adjacent to and south of Cokal's BBM tenement. Outcrop mapping of four seams over 17km strike length indicates a substantial resource of high grade coking coal in this deposit. It is believed these seams correlate to the B, C, D and J seams in BBM.

Extension of the IUP for exploration was received in February 2020. An exploration plan has been prepared to evaluate the tenement's resource and to delineate Resources and Reserves under the JORC code. This will enable submission of an application for a Production and Operation IUP within two years. The Government deadline for this application has been extended by one year while the BBM mine is being started. The Production and Operation IUP will be equivalent to a mining licence.

The haul road from BBM to the jetty at Bumban passes through the TBAR tenement and provides a notional 75km access road to port when the mine is developed.

No exploration activity or mining production was conducted at TBAR by Cokal during the quarter.

#### Borneo Bara Prima (BBP) Tenement

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

No exploration activity or mining production was conducted in BBP during the quarter.

#### Anugerah Alam Katingan (AAK) Tenement

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

No exploration activity or mining production was conducted on AAK during the quarter.

## BBM PROJECT ACTIVITIES

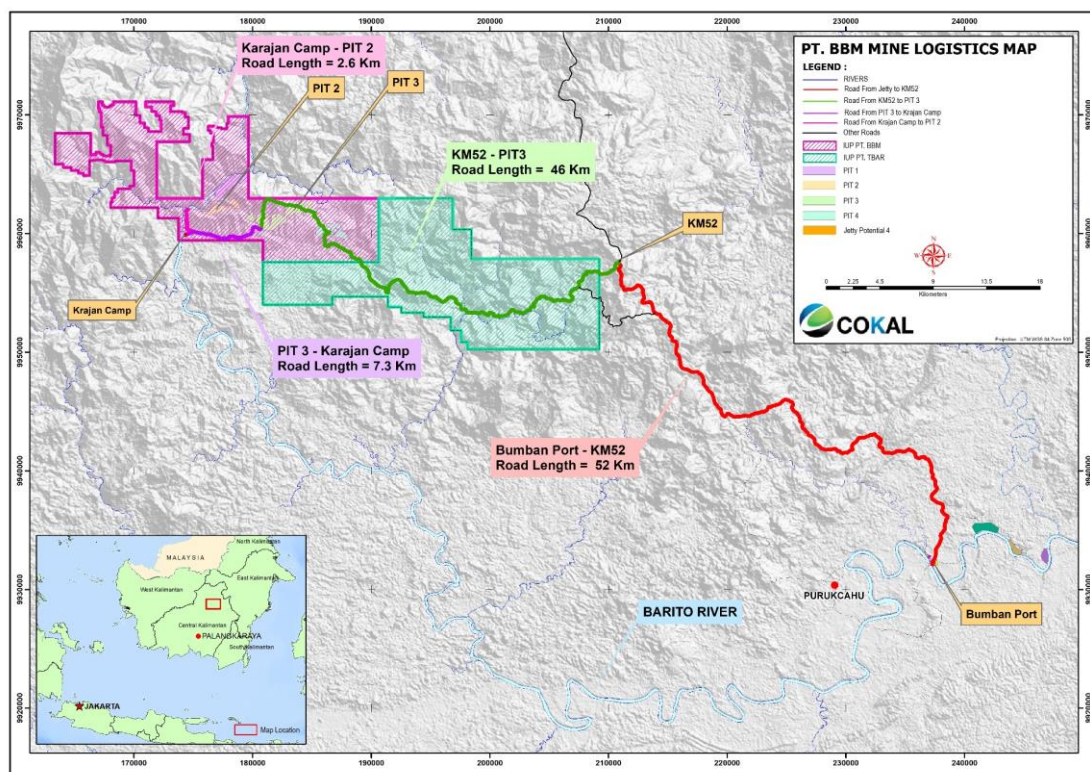
### BBM Contracts

Substantial progress has been made in the suite of contracts required to bring BBM into production:

- Negotiations with the selected mining contractor have concluded and contracts signed for overburden removal, coal mining and equipment hire;
- Negotiations for drill and blast and explosive supply and storage contracts are nearing completion and are being integrated into the mining contract arrangements;
- Fuel supply contracts are nearing completion and include fuel storage facilities at the port and mine;
- A contract has been signed with forestry company KDP to supply logs to the project and use them to construct culverts and bridges as required;
- The long haul coal transportation contract to take coal from the mine 98km to the port at Bumban is in the final stages of negotiation. It will be finalised when the preferred contractor can inspect key parts of the access road now under repair, probably in May.

### Other

- Local equipment has been mobilised to repair the access road to BBM (see below);
- Labour sourcing for BBM is underway;
- Sites have been surveyed for the Intermediate Coal Stockpile (ISP) further down the river from Bumban, where coal will be transhipped into larger barges;
- The rehab of the first 200ha of the required 1500ha is underway as part of the BBM commitment to BBM development.



BBM Mine Logistics

## BBM Access Road Repair

At the end of the quarter, equipment was mobilised to repair the 46km of access road joining the 52 km of existing road to BBM Pit 3. The majority of this 46km comprises an existing logging track in which culverts and bridges need repair.

Liaison with local leaders and villagers has been undertaken and traditional rituals completed as is usual in this province before construction starts. BBM has committed to employ local labour and contract local equipment whenever practicable.

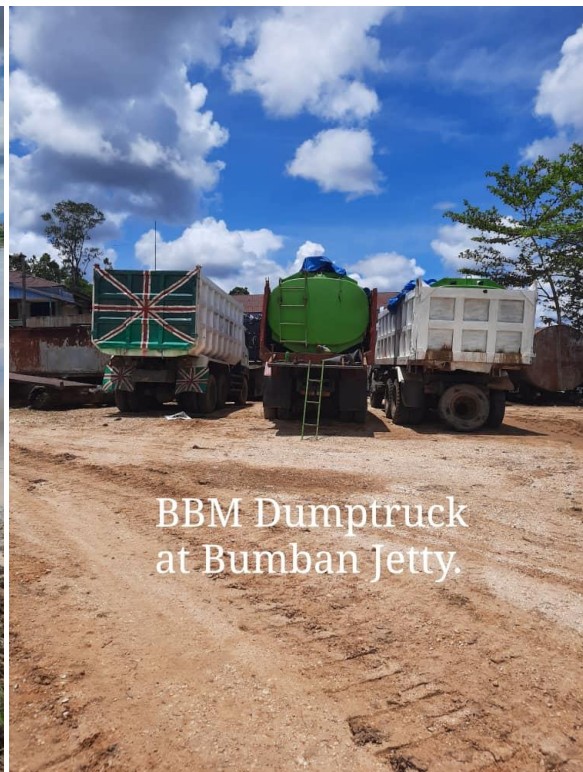


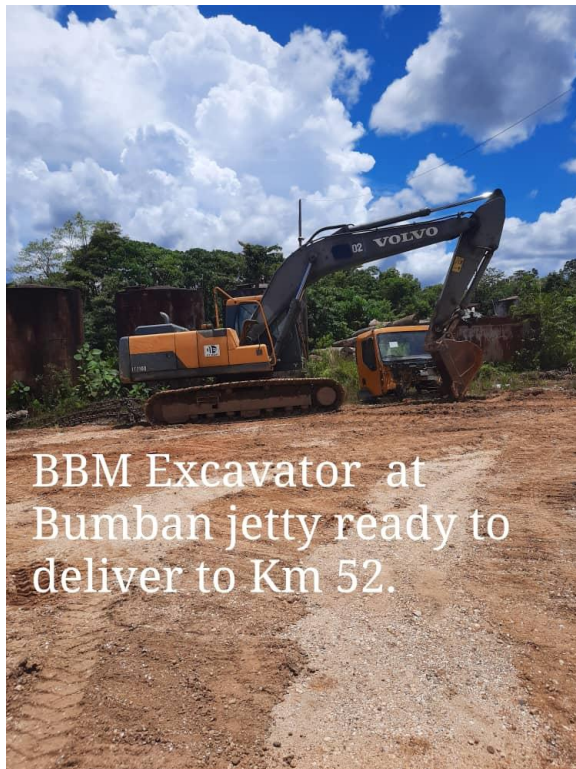
The 46 km road requires a 5km road through forest from km 52 to reach the old logging road.

The Equipment mobilised initially comprises:

- 2 dozers;
- 2 excavators;
- 5 trucks including a fuel truck and water truck.

Additional equipment will be mobilised as it is required starting with a grader and compactor in May to form the cleared road alignment to shed water in severe rainstorms.





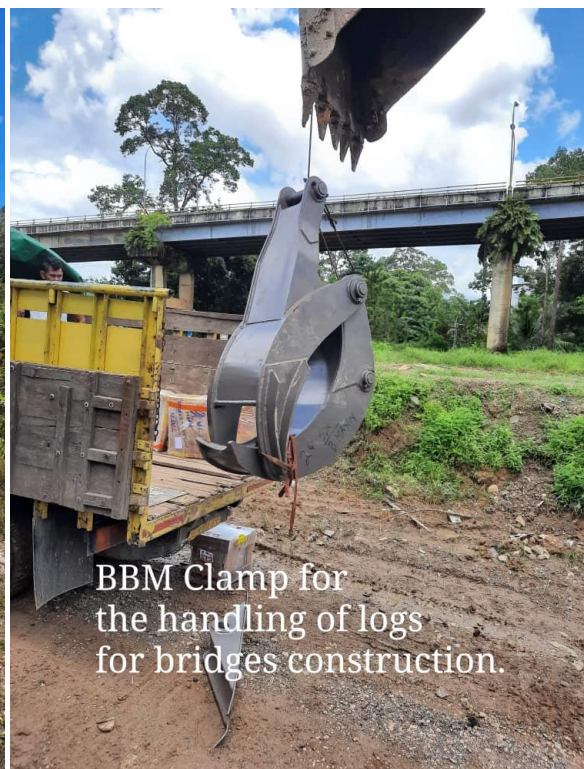
BBM Excavator at Bumban jetty ready to deliver to Km 52.



BMD Dozer at Km 45 ready to deliver to Km 52 BBM Site



BBM Dozer at Kdp Bumban jetty.



BBM Clamp for the handling of logs for bridges construction.

---

## CORPORATE ACTIVITY

### Staff Appointments

Staff have been employed to manage activities in BBM relating to the repair of the access road and in preparation for mining.

This includes:

- Chief Security officer;
- Human Resource officer;
- Equipment operators.

Additional staff being recruited include:

- Paramedic;
- HSE officer
- Accounts clerk.

### BBM Jakarta Office Relocation

It has been decided to relocate the Cokal/BBM Jakarta office to be more suitable for the current situation.

### Corporate Finance

The US\$800,000 loan facility provided by Aahana Minerals Resources SDN BHD (Lender) was executed in September 2020. US\$200,000 was drawn during the quarter ended 31 March 2021 and the remaining balance of US\$100,000 is still available for Cokal to utilize in the quarter ended 30 June 2021.

On 29 December 2020 Cokal Limited entered into an agreement to monetise near-term coal production from BBM production. PT Sumber Global Energy ("SGE") will advance BBM a total of US\$2m as consideration for Cokal appointing SGE as Exclusive Sales Agent for domestic Indonesia coal sales, whereby SGE will undertake the marketing and sales of BBM coal sold into the Indonesian domestic market, for a period of 2 years from the date of first delivery of coal to SGE. US\$250,000 was drawn during the quarter ended 31 March 2021 and a balance of US\$ 1,750,000 is still available for Cokal/PT BBM to utilize so that project development is not delayed or disrupted in any way.

### Update on Binding Funding from China Railway Corporation Limited (CRCC)

The funder of this facility, CRCC subsidiary CR-BFJV, provided Cokal a draft financing agreement for the provision of \$US20 million to fund infrastructure for the development of mining at BBM. This has been reviewed by Cokal. CR-BFJV arranged to travel to Jakarta meet with Cokal to finalise the agreement, however recent Indonesian Government travel restrictions have banned all foreigners from entering the country. This process remains the status quo, although these negotiations are ongoing.

---

## General

The Company had US\$27,000 in cash at the end of the quarter. During the quarter, the aggregate amount of payments made to related parties and their associates for director fees, consulting fees, company secretarial fees and Sydney office rental fees totalled US\$75,000.

During the quarter, US\$109,000 was spent on development and production expenditure. Details of the activities carried out during the quarter are set out in this report.

## COVID-19

Both Indonesian and Australian operations have responded to the COVID-19 virus pandemic. Staff and contractors have been minimally impacted and operations continue as planned. There have been some delays with site visits and finalising contracts due to travel restrictions, with analysis of contractor bids for mining operations and finalisation of the infrastructure agreement with China Rail delayed.

The Company has a focus on the well-being of its staff, contractors and the broader community and has implemented measures to ensure their well-being including; health screening and temperature monitoring, spatial distancing protocols, a high level of hygiene, change in flow of staff to and from the local community, and the minimisation of staff in the Jakarta and Sydney administrative offices.

## ENDS

### Further enquiries:

Domenic Martino

Non-Executive Chairman

E: [dmartino@cokal.com.au](mailto:dmartino@cokal.com.au)

*This ASX announcement was authorised for release by the Board of Cokal Limited.*

## About Cokal Limited

Cokal Limited (ASX:CKA) is an Australian listed company with the objective of becoming a metallurgical coal producer with a global presence. Cokal has interests in four projects in Central Kalimantan, Indonesia, which are considered prospective for metallurgical coal.

## Forward Looking Statements

This release includes forward looking statements. Often, but not always, forward looking statements can generally be identified by the use of forward looking words such as “may”, “will”, “expect”, “intend”, “plan”, “estimate”, “anticipate”, “continue”, and “guidance”, or other similar words and may include, without limitation statements regarding plans, strategies and objectives of management, anticipated production or construction commencement dates and expected costs or production outputs.

Forward looking statements inherently involve known and unknown risks, uncertainties and other factors that may cause the company’s actual results, performance and achievements to differ materially from any future results, performance or achievements. Relevant factors may include, but are not limited to, changes in

commodity prices, foreign exchange fluctuations and general economic conditions, increased costs and demand for production inputs, the speculative nature of exploration and project development, including the risks of obtaining necessary licences and permits and diminishing quantities or grades of resources or reserves, political and social risks, changes to the regulatory framework within which the company operates or may in the future operate, environmental conditions including extreme weather conditions, recruitment and retention of personnel, industrial relations issues and litigation.

Forward looking statements are based on the company and its management's good faith assumptions relating to the financial, market, regulatory and other relevant environments that will exist and affect the company's business and operations in the future. The company does not give any assurance that the assumptions on which forward looking statements are based will prove to be correct, or that the company's business or operations will not be affected in any material manner by these or other factors not foreseen or foreseeable by the company or management or beyond the company's control.

Although the company attempts to identify factors that would cause actual actions, events or results to differ materially from those disclosed in forward looking statements, there may be other factors that could cause actual results, performance, achievements or events not to be anticipated, estimated or intended, and many events are beyond the reasonable control of the company. Accordingly, readers are cautioned not to place undue reliance on forward looking statements.

Forward looking statements in this release are given as at the date of issue only. Subject to any continuing obligations under applicable law or any relevant stock exchange listing rules, in providing this information the company does not undertake any obligation to publicly update or revise any of the forward looking statements or to advise of any change in events, conditions or circumstances on which any such statement is based.

## Appendix 5B

### Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Cokal Limited

ABN

55 082 541 437

Quarter ended ("current quarter")

March 2021

Consolidated statement of cash flows		Current quarter US\$'000	Year to date ( 9 months) US\$'000
<b>1.</b>	<b>Cash flows from operating activities</b>		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	-	-
	(b) development	(109)	(175)
	(c) production	(30)	(86)
	(d) staff costs	(250)	(672)
	(e) administration and corporate costs	(193)	(543)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	-
1.5	Interest and other costs of finance paid	(1)	(3)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)	-	-
<b>1.9</b>	<b>Net cash from / (used in) operating activities</b>	<b>(583)</b>	<b>(1,479)</b>

<b>2.</b>	<b>Cash flows from investing activities</b>		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	(197)
	(c) property, plant and equipment	(4)	(38)
	(d) exploration & evaluation	-	-
	(e) investments	-	-
	(f) other non-current assets	-	-

<b>Consolidated statement of cash flows</b>		<b>Current quarter US\$'000</b>	<b>Year to date ( 9 months) US\$'000</b>
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(4)</b>	<b>(235)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	459	960
3.6	Repayment of borrowings	(7)	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	(6)	(20)
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>446</b>	<b>940</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	170	779
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(583)	(1,479)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(4)	(235)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	446	940

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter US\$'000	Year to date ( 9 months) US\$'000
4.5	Effect of movement in exchange rates on cash held	(2)	22
4.6	<b>Cash and cash equivalents at end of period</b>	<b>27</b>	<b>27</b>

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter US\$'000	Previous quarter US\$'000
5.1	Bank balances	27	170
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>27</b>	<b>170</b>

6.	Payments to related parties of the entity and their associates	Current quarter US\$'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	75
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

*Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.*

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7.	<b>Financing facilities</b>	<b>Total facility amount at quarter end US\$'000</b>	<b>Amount drawn at quarter end US\$'000</b>
	<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1	Loan facilities	800	700
7.2	Credit standby arrangements		
7.3	Other (Prepayment)	2,000	250
7.4	<b>Total financing facilities</b>	2,800	950
7.5	<b>Unused financing facilities available at quarter end</b>		1,850
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
	<p>7.1 A The US\$800,000 loan facility provided by Aahana Minerals Resources SDN BHD (Lender) was executed in September 2020. The facility interest rate is 12% per annum, compounded monthly and payable on the funds drawn down. US\$200,000 was drawn during the quarter ended 31 March 2021. The loan is repayable within 30 days of receipt of a written demand for repayment by the Lender. Cokal Limited has provided a corporate guarantee for payment the Loan.</p> <p>7.3 On 29 December 2020 Cokal Limited entered into an agreement to monetise near-term coal production from BBM production. PT Sumber Global Energy ("SGE") will advance BBM a total of US\$2.0m as consideration for Cokal appointing SGE as Exclusive Sales Agent for domestic Indonesia coal sales, whereby SGE will undertake the marketing and sales of BBM coal, sold into the Indonesian domestic market, for a period of 2 years from the date of first delivery of coal to SGE.</p> <p>BBM has agreed to allocate SGE ~0.6Mt of saleable production of Coking and PCI coals to SGE over the 2-year period.</p> <p>BBM will repay the US\$2.0m to SGE through a reduction in the coal sales price over the term of the Agreement. The repayment schedule to SGE will be calculated by apportioning the US\$2.0m consideration over the total tonnage of coal allocated to SGE over the term of the Agreement, which will be deducted from the sales price (e.g. If BBM allocates 0.6Mt of coal to SGE, then the US\$2.0m in consideration will result in a US\$3.33/t reduction in coal sales price.) The reduction in coal sales price shall be adjusted in the final period of the Agreement to ensure full repayment of the US\$2.0m consideration. US\$250,000 was drawn during the quarter ended 31 March 2021</p>		

8.	<b>Estimated cash available for future operating activities</b>	<b>US\$'000</b>
8.1	Net cash from / (used in) operating activities (item 1.9)	(583)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(583)
8.4	Cash and cash equivalents at quarter end (item 4.6)	27
8.5	Unused finance facilities available at quarter end (item 7.5)	1,850
8.6	Total available funding (item 8.4 + item 8.5)	1,877

8.7	<b>Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>	3.1 quarters
<p><i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i></p>		
8.8	If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
	<p>8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?</p>	
	<p>Answer:</p>	
	<p>8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?</p>	
	<p>Answer:</p>	
	<p>8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?</p>	
	<p>Answer:</p>	
<p><i>Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.</i></p>		

## Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 28 April 2021

Authorised by: The Board  
(Name of body or officer authorising release – see note 4)

## Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.