

ASX ANNOUNCEMENT / MEDIA RELEASE
23 February 2023

A\$16m Placement to Accelerate Metallurgical Coal Production at Flagship BBM Project

Key Highlights

- **A\$16m placement to accelerate metallurgical (Coking/PCI) coal production at Cokal's flagship Bumi Barito Mineral (BBM) project**
- **Placement strongly supported by respected coal industry professional, Matthew Latimore of M Resources (\$A5m), as well as prominent domestic and international institutional investors**
- **Funds raised will be used for value enhancing development of the transport infrastructure required to support BBM's ramp-up of saleable Coking/PCI production capacity to 2.0Mtpa and beyond**

Cokal Limited (**Cokal** or the **Company**) (ASX: **CKA**) is pleased to announce that it has received binding commitments from institutional and sophisticated investors to successfully raise gross proceeds of A\$16.0m by way of a share placement ("Placement").

Strategic Investment from Coal Industry Group

As part of the Placement, the Company welcomes a highly regarded coal industry group, M Resources (and its Chairman & President, Matt Latimore), to the CKA share register through its \$A5m investment in the capital raising. M Resources is a rapidly growing and agile company involved in investment, marketing and trading of metallurgical coal, globally. The addition of M Resources to the Cokal register is a precursor to arrangements being negotiated for M Resources to join ICT in the marketing of Cokal's metallurgical coal products. It provides Cokal with additional deep expertise and contacts in metallurgical coal markets, enhancing the Company's ability to access markets and achieve extract strong pricing for its products.

Cokal's CEO, Karan Bangur, and Chairman, Domenic Martino jointly commented:

"Cokal is delighted with the strong support for the Placement. In addition to M Resources' cornerstone investment, we are pleased to welcome a number of high profile domestic and international institutions as well as new sophisticated investors to the Cokal share register, while also thanking existing investors for their support in the raising. Collectively, we believe that this provides strong endorsement for Cokal's strategy in advancing its now producing metallurgical

coal assets. With production having commenced in October 2022, initial coal sales expected very soon, logistics chains being optimised and production ramping up in a buoyant coal price environment, we believe Cokal is very well positioned to drive considerable shareholder value in both the short and longer term."

Use of Proceeds and Cokal's Growth Strategy

Proceeds from the Placement will be used to fund a number of key initiatives in 2023, including progressing the ramp-up of saleable production to 2.0Mtpa and beyond within two years, building a state-of-the-art fully automated conveyor loading and unloading system at Batu Tuhup Jetty, completing the drilling program and resources definition at the Company's nearby TBAR asset and acquiring additional barges and tugs to increase transport capacity.

Cokal's focus on additionally developing the automated Batu Tuhup Jetty for handling and transport of coal from BBM and TBAR coupled with the continuing upgrade and development of the existing haul road and infrastructure will enable the Company to efficiently handle the ramp up of production volumes.

In the medium-term, the Company will also transition to a Cokal owned Intermediate Stockpile (ISP) at Buntok by acquiring and developing suitable land to achieve an end-to-end logistics support system solution to maximise value creation as a substantial operator in Central Kalimantan.

Cokal's CEO, Karan Bangur, commented;

"We have brought the BBM mine into production within the capacity of our existing finance facilities and transport infrastructure with undrawn finance facilities still available. This current capital raising is in addition to these finance facilities and is to fund additional capacity in Cokal's transport infrastructure, which is an important strategic initiative earlier in the life of the mine to enable a systematic and sustainable ramp up of delivery of coal to our domestic and international customers".

"Finally, and most importantly, Cokal has built one of Indonesia's most experienced coal and logistics teams currently with hundreds of employees and contractors on its various sites. The introduction of M Resources as a shareholder, and the strategic alliance being developed between M Resources and ICT in the marketing of our product, unites Cokal's strategy of both production and marketing best practise to support the rapid growth of the Company."

Placement Details

The Placement will comprise the issue of 100.0 million new fully paid ordinary shares ("New Shares") at an issue price of A\$0.16 per share, which represents a 13.5% discount to the last trade of A\$0.185 per share.

- 16.4% discount to the 15-day volume weighted average price ("VWAP") of A\$0.191 per share; and
- 18.6% discount to the 20-day VWAP of A\$0.197 per share.

New Shares will be issued pursuant to the Company's existing placement capacities (as set-out below) and will not require shareholder approval:

- Shares issued under ASX Listing Rule 7.1A: 94,144,898
- Shares issued under ASX Listing Rule 7.1: 5,855,102

Settlement of the Placement is expected to occur on the 1st of March 2023 and the New Shares will rank equally with the Company's existing shares on issue.

Taylor Collison and Aitken Mount acted as Joint Lead Managers and Joint Bookrunners to the Placement, with PAC Partners also acting as a Joint Lead Manager. A 6% fee will be charged on the funds raised in the Placement.

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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 considered prospective for metallurgical coal.

Compliance Statement

Production Targets

Cokal notes the following in relation to the production targets presented in this Announcement:

- The production targets are underpinned by coal reserves and coal resources
- BBM forecast production is derived from JORC Ore Reserves. As at 2 September 2022, declared Ore Reserves for BBM totalled 23.8Mt¹. Life-of-Mine production from BBM is forecast at 18.8Mt¹ on a run-of-mine basis, which represents ~79% of BBM's declared JORC Ore Reserves;
- All material assumptions are sourced from previous ASX announcements, including the below **ASX Announcements**;
- The coal resources and reserves on which the production targets are based have been prepared by competent persons in accordance with the requirements of JORC Code (2012 Edition of the "Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves") (JORC Code).

¹100% basis. CKA holds 60%

All material assumptions underpinning the production targets continue to apply and have not materially changed.

ASX announcements are as follows (ASX Announcements):

- Cokal Announces Updated JORC Resource Statement for Bumi Barito Mineral (BBM) Project – 29 January 2015
- Updated JORC Resource Statement for Bumi Barito Mineral (BBM) Project – 29 April 2016
- Cokal Announces Reserve Update Bumi Barito Mineral (BBM) Project – 1 August 2017
- Annual Mineral Resources and Ore Reserves Statement – 28 September 2021
- Annual Mineral Resources and Ore Reserves Statement – 2 September 2022

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.