

29 July 2016

**QUARTERLY REPORT FOR THE THREE MONTHS
ENDED 30 JUNE 2016****HIGHLIGHTS**

- **Cokal Announces Updated JORC Resource Statement For Bumi Barito Mineral (BBM) Project**
- **Group Reorganisation to Jakarta Continues**
- **Resignation of Director (Agus Widjojo) Following Significant Appointment**
- **Borneo Orangutan Survival Foundation On Going Assistance**
- **Approval to Issue Additional Options to Platinum Partners**
- **Subsequent Events: Debt Restructure and Capital Raising**

EXPLORATION**INDONESIA*****BBM Project***

BBM's Production IUP covers an area of 14,980 hectares (ha), immediately adjacent to BHP Billiton's Juloi tenement, straddling the Barito River and has multiple seams of high quality metallurgical coal.

GEOLOGICAL ACTIVITY

On 24th of April, Cokal announced and Updated JORC resource Statement for the BUMI BARITO MINERAL (BBM) PROJECT

HIGHLIGHTS

- **Total Coal Resource estimate remains at 266.6Mt for BBM comprising 90% Coking Coal and 10% PCI.**
- **Comprised of 19.5Mt Measured and 23.1Mt Indicated Resources.**
- **Re-confirmation of in-ground quality B, C and D Seams suitable for Direct-to-Ship.**
- **B, C and D coking and PCI products have premium qualities consisting low ash, low sulphur, low moisture and ultra-low phosphorus.**
- **Low Volatile PCI and medium to low Volatile Coking Coal suited to nearby Asian markets.**
- **Large portion of BBM Resource is amenable to underground mining due to very favourable ground conditions.**

As part of coal resources evaluation, a 2016 updated report of the BBM Underground Mining Project Central Kalimantan Indonesia Scoping Study in the BBM East Block is also substantially completed. This Scoping Study report outlines the concept and rationalization of a proposed underground mine plan for the East Block of BBM. The remainder Inferred Coal Resources in East BBM for Seams D and J are considered amenable to modern underground mining extraction methods. The coal seams are generally thicker than 1m and the roof predominantly consists of very hard sandstone (up to 95Megapascals (MPa)) while the immediate 1m to 2m of roof consists generally of a competent siltstone. This combination is ideal for extraction of the deeper Coal Resources using underground methods such as thin-seam long-wall mining. The Scoping Study has identified the potential for four (4) large underground mining blocks utilising the longwall method of extraction of both the 'D' and 'J' seams. Since the January 2015 Coal Resource Report, no further exploration activity was conducted in the field. The total Resource estimate (266.6Mt) remains unchanged comprising of 19.5 Million tonnes (Mt) Measured, 23.1 Mt Indicated and 224 Mt Inferred Coal Resources in accordance with the 2012 JORC Code (see Tables 1 and 2). The Coal Resource has been confirmed as a metallurgical coal from analyses conducted in an Australian laboratory, and is comprised of 90% coking coal and 10% PCI coal.

This updated report demonstrates that after further review of the analytical results for Seams B, C and D outcrop samples, both coking coal and PCI are suitable for Direct-to-Ship extraction due to very low ash content of the three seams.

Due to the reliable representative sampling from the outcrop channel samples, the B, C and D Seams have displayed consistent low ash contents of between 2% and 7% with the average around 4%. This result is in contrast to the higher ash contents recorded in the nearby borehole samples which are now considered to be most likely highly contaminated by the use of drill muds and non-coal material which collapsed in the borehole from above the seams. It is believed that this contamination resulted in the anomalously high ash results for the core samples.

It can be demonstrated that BBM can produce premium quality PCI and coking coals (see Tables 3 and 4). The PCI product have low Ash (generally between 3% and 7%) as well as low Volatiles (generally below 10%). The high Calorific Value (7,500 to 8,200Kcal/Kg), together with the low Sulphur (0.4%) and ultra-low Phosphorus (0.005%), make this PCI coal a very attractive premium product in the Asian PCI markets, particularly Vietnam.

Similarly, the majority (95%) of the coking coals in BBM have premium qualities including low Ash, low Sulphur and ultra-low Phosphorus. In the case of Seams B, C and D, the raw ash of the coal in situ ranges from 3% to 7% with a coke swelling index (CSN) of 9. The Volatiles are generally low (18% to 20%) which is ideal for most Asian steel producers, particularly in China.

Table 1: BBM Coal Resources by Category and Seam

Seam Name	Seam Thickness (m)	Measured Resources (Mt)	Indicated Resources (Mt)	Inferred Resources (Mt)	Total Resources (Mt)
J	1.33	10.50	13.5	31	55.00
D	1.34	3.53	3.5	70	77.03
C	1.23	2.62	3.1	66	71.72
B	1.10	2.85	3.0	57	62.85
Total		19.50	23.1	224	266.6

Table 2: BBM Coal Resources by Category and Depth of Cover

Depth Range (m)	Measured Resources (Mt)	Indicated Resources (Mt)	Inferred Resources (Mt)	Total Resources (Mt)
0-50	10.33	3.0	1	14.33
0-100	17.17	11.3	9	37.47
0-150	19.31	19.7	25	64.01
0-200	19.50	22.5	42	84.00
0-250	19.50	23.0	67	109.52
0-300	19.50	23.1	100	142.60
>300m	19.50	23.1	224	266.60

Table 3: Seams B, C and D Coal Quality by Type (% adb)

Product	Seam	Inherent Moisture %	Ash %	Volatile Matter %	Fixed Carbon %	Total Sulphur %	Calorific Value (Kcal/kg)	Relative Density (g/cc)	Phosphorus %
COKING	D	2 – 4.5	2	15 – 19	75 – 80	0.36	7450 – 8200	1.32	0.005
PCI		2	3	9	85	0.48	8150	1.36	0.001
COKING	C	1.5 – 6	3	15 – 20	70 – 80	0.35	7050 – 8050	1.33	0.004
PCI		1.5	3.5	9	85	0.44	8250	1.36	0.002
COKING	B	1.5 – 5	3	15 – 19	75 – 80	0.34	7350 – 8150	1.33	0.004
PCI		1.5	7	9	80	0.47	7750	1.38	0.005

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Table 4: Coal Quality of J Seam

Product	Yield	Inherent Moisture	Ash	Volatile Matter	Fixed Carbon	Total Sulphur	Calorific Value Kcal/kg	CSN	Relative Density	Phosphorus
Raw Coal	100	1.0	13.2	17.6	68.2	0.38	7,412	9	1.39	0.007
Washed Coal	81	0.7	5.3	18.1	76.0	0.42	8,300	9	1.32	N/A

The BBM Coal Resource includes Resources which have the potential to be economically extracted using both open pit and underground mining methods.

The coal seams are generally thicker than 1m and the roof predominantly consists of very hard sandstone (up to 95Megapascals (MPa)) while the immediate 1m to 2m of roof consists generally of a competent siltstone. This combination is ideal for extraction of the deeper Coal Resources using underground methods such as thin-seam longwall mining.

The Coal Resources for BBM have been estimated in accordance with the 2012 version of the JORC Code. The area covered by the current Coal Resource estimate is 30% of the total area of the BBM Production IUP tenement license.

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MINING ACTIVITY

No mining activities were carried out during this Quarter. A review of the Definitive Feasibility Study (DFS) was conducted with regard to current fuel and steel prices in order to maintain relevance.

An analysis for small scale mining operation is under consideration as metallurgical coal pricing continues to increase.

ENVIRONMENTAL ACTIVITY

In order to maintain minimum expenditure while waiting construction and mining to commence in BBM, revegetation of almost 100% of areas affected by exploration activity is now complete. Over 15,000 seedlings have been planted along access roads and on drill sites, comprising of some 5,000 trees and some 10,000 ground cover. Approximately 2,000 trees have been distributed to local schools during this period to coincide with Earth Day Tree Planting programmes on 20 April 2016.

Storage of waste material on site is at a very low level and complies with the maximum statutory holding period on site at all times.

BBP Project

No exploration activity was conducted on BBP during this period.

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AAM and AAK Projects

AAM Project

Cokal complete the sale of its 75% interest in of PT Anugerah Alam Manuhing (the" AMM") for US\$150,000 to PT. Jinantra Karya Raya, an Indonesian company which owns the tenements adjacent to AMM. Cokal considered AMM a non-core tenement located a considerable distance west of BBM and in different geological formation.

While it is believed PT AAM contains high Calorific Value (CV) thermal coal, there is less confidence of any discovery of a premium quality metallurgical coal, the core focus for Cokal. It was therefore considered appropriate in the current climate to realize the value of AAM, reduce ongoing liabilities and to use the funds for working capital while the Board pursue the funding options previously announced for BBM.

Cokal is considered by many as having extensive experience, built up over past five years, in working within the Indonesian mining regulatory process. This is evident as Cokal's Bumi Barito Mineral Coal Project ("BBM") is one of the few mining project to be issued a new Production Forestry Borrow and Use Permit (IPPKH) approval since the new process was announced by the Indonesian Government on the 26th of January 2015. Consequently, PT. Jinantra Karya Raya has employed Cokal to provide non-exclusive consulting services on a retainer basis. The retainer is for US\$400,000 and expired on 12 June 2016.

AAK Project

Cokal has a 75% share of Anugerah Alam Katingan (AAK) projects also located in Central, Kalimantan, Indonesia. The AAK project area comprises of 5,000ha.

Applications for the Exploration Forestry Permit (IPPKH) and Clean and Clear Certificates continue to be processed.

Following official handover letter (dated 12 January 2016), AAK IUP is currently on 'on-hold' status by Provincial Police Department (Polda Kalteng). It is being decided by police following their investigations re 'AAK ownership dispute' issues. Cokal is an aggrieved party and will await the outcome of the Police investigation into a period predating Cokal's interest in the Project.

SNR and KNR Project

Applications for the Exploration Forestry Permit (IPPKH) and Clean and Clear Certificate continue to be processed.

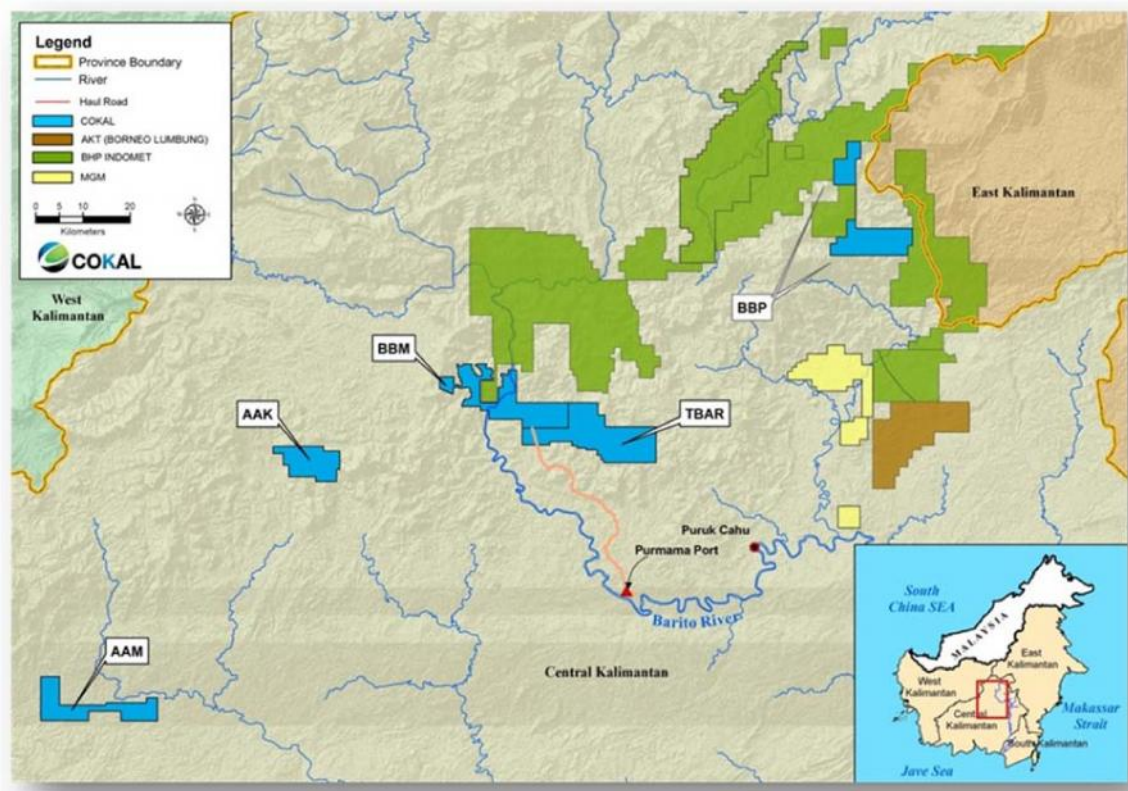


Figure 1: Locality Plan of the Central Kalimantan Coal Projects on the Island of Kalimantan
- Cokal's Coal concession areas are shown in blue

DISCLOSURES REQUIRED UNDER ASX LISTING RULE 5.3.3

Mining tenements held at the end of the quarter and their location

Tenement Name	Location	% Ownership
PT Anugerah Alam Katingan (AAK)	Central Kalimantan, Indonesia	75%
PT Anugerah Alam Manuhing (AAM)	Central Kalimantan, Indonesia	75%#
PT Bumi Barito Mineral (BBM)	Central Kalimantan, Indonesia	60%
PT Borneo Bara Prima (BBP)	Central Kalimantan, Indonesia	60%
PT Silangkop Nusa Raya (SNR)	West Kalimantan, Indonesia	75.2%^
PT Ketungau Nusa Raya (KNR)	West Kalimantan, Indonesia	75.2%^
PT Tambang Benua Alam Raya*	Central Kalimantan, Indonesia	75%

#Divestment Sale was completed in April 2016

*In the process of acquiring

^Divestment Sale in progress to be completed early Q3 2016

Mining tenements acquired and disposed of during the quarter and their location

The Provincial Police Department, Kalimantan Tengah is continuing their investigation into the AAK IUP which is currently on an 'on-hold' status following their investigations into AAK ownership dispute issues. Cokal is an aggrieved party and will await the outcome of the Police investigation into a period predating Cokal's interest in the Project.

Beneficial percentage interests held in farm-in or farm-out agreements at end of the quarter and beneficial percentage interests in farm-in or farm-out agreements acquired or disposed of during the quarter.

The Company is not party to any farm-in or farm-out agreements.

PROJECT DEVELOPMENT

MANNING

Further reduction in staff and employee numbers have been made to limit expenditure. All redundancy and reduction requirements have been conducted in accordance with Indonesian labour regulations and Cokal has been assisted in this process with substantial help from both local and provincial labour departments in order to ensure total compliance.

ENVIRONMENTAL REHABILITATION

Cokal continued last quarter to undertake environmental monitoring on site as part of ongoing baseline studies. Rehabilitation activities have been substantially completed throughout the previously disturbed exploration areas. Areas of ground cover and trees that were previously described as becoming "distressed" due to the extended dry season are flourishing and highly viable due to a normal high rainfall wet season experienced from late 2015 to the present. We are expecting a dry season but with no significant effect to our previous planting as all trees and ground cover is well established.

BBM is in conjunction with the Regency is becoming involved in the continuing education of local stakeholders regarding extensive forest burning for crop planting.

Preparations are being made however for the supply of dust masks for "at – risk" portion of the community.

Effort is now being expended into increasing nursery stocks both for the school planting programme and mine infrastructure replanting in the future.

There have been a small number of environmental damage by both illegal loggers and miners. These activities have been documented and officially reported to Provincial Mine Inspector who is currently carrying out investigations. BBM has also carried out a number of community counselling session describing the damage and future impacts in lay man's terms which have been well received.

APPROVAL AND EXTERNAL RELATION

BBM PRODUCTION APPROVAL ADVANCES – UPDATE

Following the issue of the “Ijin Pinjam Pakai Kawasan Hutan – Operasi Produksi” or “Borrow To Use Forestry Permit – Operation Production” which allows BBM to start construction and mining BBM has commenced activities associated with the compulsory rehabilitation of an area of damaged forest near the BBM minesite. These activities include community review and discussion with regard to rehabilitation and formulation of a rehabilitation budget and programme. This activity is a pre-requirement for the issue of the “Borrow to Use Permit”. The other main obligation for BBM IPPKH – OP is the assessment of the non taxable payment for actual use of forest area.

BBM WEST BLOCK EXPLORATION IPPKH EXTENSION

Since the issue of the Borrow to Use Permit – Exploitation (IPPKH-OP) Cokal has proceeded with the application for a Borrow to Use Permit – Exploration for the Western Block of BBM and this application is currently with Planology Dept. at the Ministry of Environment and Forestry. Further follow up on status will be made during Q3.

BBP PRODUCTION APPROVAL ADVANCES – UPDATE

The IUP production / operation (Mining Lease) licence has been signed by the Murung Raya Bupati and forwarded to the Provincial Mines Department for issue. This is part of the process whereby IUP's throughout Indonesia are being centralised to the Provincial Mines Departments. We are expecting the issue of the IUP Operation in Q3 2016. There is a slight delay due to the relinquishment of authority and responsibility from Regency level to Provincial level. This process is expected to be totally completed by Q4 2016.

Cokal has submitted its application for the Clean and Clear Certificate Exploration from the Director General of the National Mines & Energy Department formalising the previous award of Clean and Clear status.

TBAR EXPLORATION FORESTRY PERMIT

Cokal continued during the last quarter to progress the Exploration Forestry Permit for TBAR with the Central Kalimantan Provincial Government.

CORPORATE SOCIAL RESPONSIBILITY

Cokal has continued with the implementation of its Community Development programs. Cokal has undertaken the following programs, which covered health, education, environmental awareness, and community empowerment aspects.

Regarding the health aspect, Cokal has continued to provide medical support to local villages around BBM through providing access to onsite medical staff.

Cokal has also continued its scholarship program with the selection of the new cohort of scholarship holders; Cokal has awarded scholarships to 15 local students from Murung Raya Regency to continue their next level of education at University of Palangkaraya at various faculties.

As well, in association with the Mining Faculty of the University of Palangkaraya, Cokal has continued its support and contribution that covered regular lecture programs, donation of mining magazines, and other support needed to improve the quality and enthusiasm of mining students. During the next Quarter we will be providing a series of safety refresher lectures for not only mining students but also students involved in construction, architecture and related course.

During this period, Cokal has made significant support and contribution to Borneo Orangutan Survival Foundation (BOSF) for its "Orangutan Release Program". A "staging point" for the accommodation which has been jointly constructed previously by Cokal and BOS personnel at BBM site has been used for this programme conducted on 11 – 25 April 2015. There are 12 orangutans (divided into 3 groups) which have used these facilities prior to their release at the nearest favourable area for orangutan habitation at Bukit Betikap Protection Forest, approximately 150 kilometres northwest of the BBM site. It should be noted that the orangutans were not found within the BBM tenement area, and that Cokal is conducting this work as part of their commitment to community service and support.

Coordination is also being continued with BOS Foundation following their requests on other possible supports needed, incl. supervision for HSE procedures and trainings. Approx. 40 participants (BOSF field personnels) will be targeted for its 1st batch, scheduled on August 2016. The training will be focused on Emergency Response and First Aid, incl. plans for supporting First Aid kits, mainly for BOSF monitoring station at Betikap. COKAL also committed to support BOSF on setting up their Safety Management System as required. A response letter re COKAL commitments to this HSE support was sent to BOSF on 16 May 2016.

Following obligations of BBM Forestry Permit (IPPKH-OP) obtained in August 2015, replanting programs were continued by Cokal, in relation with 'critical land rehabilitation project' at an appointed area in Barito Riverbanks Area, nearest the BBM project. These programs will be conducted with community involvement, planting 'productive trees' suggested by locals, and will be supervised and monitored by the relevant Forestry Offices from regency, provincial, and central government levels. Cokal has committed to fulfill both of IPPKH obligations and also sharing benefits from these programs with its local neighbors.

CORPORATE RELATED MATTERS

UPWARD MOVEMENT IN COKING COAL PRICES PROVIDE FURTHER ENCOURAGEMENT

Spot prices for Premium Hard Coking Coal (PHCC) bottomed to around US\$74 in December 2015, well below the June quarterly contract price of US\$92/t. Since that time Spot PHCC prices have risen steadily to **US\$98.24/t** on 26th July 2016.

At the same time, the cost of producing coking coal from the world's largest supply source, Central Queensland, Australia, is becoming more expensive in US\$ terms as the Australian dollar has strengthened from around US\$0.70 to US\$0.745.



Daily Coking Coal Prices US\$/t FOB Dalrymple Bay Coal Terminal (DBCT) Central Queensland. 24th June 2016

Source : Steel First Coking Coal Index – Daily Market Report, see www.steelfirst.com

While the price keeps rising indicating that supply has tightened as more coal mines have chosen to keep using this period to undertake major maintenance activities on key items of production machinery. Meanwhile demand from buyers such as China has firmed on the back of the government's desire to provide further stimulus while at the same time reducing loss making domestic coal production to reduce the growing debt required to support uncompetitive mines.

It has become apparent in recent weeks that this shift in the Coking Coal market has created stronger interest from not only the parties Cokal is already engaged with, but also from new enquiries. The Board remains open to other proposals and will actively evaluate and assess them as they arise including a combination of the above funding strategies to provide the best result for shareholders.

Issue of Options to Platinum Partners

On the 7th of April, Cokal Limited announced that it will grant to a fund managed by Platinum Partners, 50 million options with an exercise price of A\$0.05 and an exercise period of 4 years from the date of grant for its past forbearance in not calling a bridging loan extended on 30 January 2015 which was due for repayment on 6 August 2015. The grant of the options is subject to shareholder approval on or before the next annual general meeting.

The options will be exercisable at any time before expiry. The options will not be listed but will be transferrable. Payment of the exercise price may be satisfied by the holder paying the exercise price in cash or causing the provider of the bridge loan or project finance to reduce the principal owing by the amount of the exercise price. Shares issued on exercise of an option rank equally with all other ordinary shares then on issue. If after grant trading in Cokal shares has been suspended for more than 10 days during the 12 months before or if Cokal is delisted or its substantial assets privatised, the option expiry date will be extended to 8 years after the date of grant. Customary provisions apply in relation to the adjustment of the option terms in the event of capital reconstruction, rights issues or bonus share issues.

These options have been cancelled after the end of the quarter as part of a debt restructuring detailed below in subsequent events.

Resignation of director (Agus Widjojo) following Significant Appointment

On the 10th of May, Cokal Limited, announced that Non-Executive Director, Agus Widjojo, was appointed to the position of Governor of the National Resilience Institute, or Lemhamnas (Lembaga Ketahanan Nasional), by Indonesia's President Joko Widodo. On Friday, April 15th 2016 the President appointed Agus Widjojo to the position.

Unfortunately, a requirement of the position has meant that Agus has had to resign as a director of Cokal.

Lieutenant General (Retired) Agus Widjojo served in the Indonesian Armed Forces for 33 years and is regarded as the leading intellectual in the Indonesian military. Agus is a 1970 graduate of the Military Academy and he obtained a master's degree in public administration in 1994. The three-star general was a lecturer at the Indonesian Army Command and General Staff College (Seskoad) between 1986 and 1988.

Agus – the son of Maj. Gen. Sutoyo Siswomiharjo, one of six generals assassinated by the Sept. 30 Movement, in 1965 – was appointed as an assistant to the commander of the Army in 1998 before he became commander of the Command and General Staff College of the Indonesian Military (TNI) in 1999.

The President expects that the institute, under Agus, will play a greater role in helping the government implement its policies.

The appointment as Governor of Defence under Presidential Decree No. 43 / tpa / 2016, Agus was granted ministerial-level finance and administration according to the rules and regulations. As a requirement of the position he must resign from any other position which is associated with a foreign interest. But he will be welcome to return to the Cokal Board on completion of his tenure.

"I am very proud to have been part of Cokal team, a company which has established a reputation of integrity and technical skill which has been applied to an area of Indonesia containing assets which will deliver high value high quality metallurgical coal" Agus commented.

Peter Lynch said, "Agus is a well-respected man amongst Indonesia's leaders and is considered a key contributor in the development of Indonesia's international ties on various levels and is regarded as one of the TNI's leading intellectuals. Cokal feels honoured having Agus as part of the big family of Cokal and are thankful for his guidance and advice during his time with Cokal".

Agus will assist Cokal in looking for a suitable replacement.

Group Re-organisation to Jakarta Continues

Cokal Limited announced that as part of the refocusing of the group on the core Indonesian assets, the transfer of the management and administration functions to Indonesia is nearing completion. This will deliver increased efficiencies to the group while at the same time lowering the group's overall cost structure. In line with this re-organisation, Cokal announced the following organizational changes:

Chief Operating Officer

Mr. Garry Kielenstyn has been appointed Chief Operating Officer (COO) effective 24th June, 2016.

Mr. Kielenstyn has been a member of the senior management team in the capacity of the Indonesian Country Manager / President Director PT Cokal (PT Cokal is a 100% owned subsidiary of Cokal) since May 2013. Garry is an expatriate based in Indonesia since 1974, he is a veteran of the Indonesian mining and civil industries.

Cokal is pleased to have someone of Garry's caliber to fill this critical role in the organisation.

Chief Financial Officer

Mr. Teuku Juliansyah has been appointed as Chief Financial Officer, effective 24th of June, 2016.

Mr. Juliansyah is currently Finance Manager – Indonesia for Cokal. He is a Registered Accountant with the Indonesian Ministry of Finance and has a Bachelor's Degree in Economics majoring in Accounting. Prior to joining Cokal, Mr. Juliansyah was a manager with PricewaterhouseCoopers.

Mr. Juliansyah has continually taken on additional responsibilities as functions were transferred to Indonesia from Australia. In September 2015 Mr. Teuku Juliansyah was appointed as Joint-Company Secretary of the Cokal. This current appointment as CFO completes the transfer of the management of the group's financial process to Indonesia.

Mr. Moosa Fense, the Company's current CFO, has stepped down from the role to focus on other interests in Australia. We take this opportunity to thank him for his efforts and wish him well in the pursuit of his new interests.

Mr. Duncan Cornish will continue as Joint Company Secretary.

Board and Management

These appointments complete the re-organisation of the Board and Management. Since March 2016 all Directors and the CEO, while continuing to work both in full-time and part-time basis, have done so without remuneration.

Garry's elevation to COO, focusing on the day-to-day running of the group, meant that Mr. Peter Lynch relinquished the CEO role. Mr. Lynch will remain as Non-Executive Chairman focusing more on the strategic direction of the Company and its development, and the ongoing discussions on project financing.

For the time being, the Directors and Chairman will continue to devote whatever time is required for the financing alternatives and to fulfill their roles, without receiving any remuneration. These changes will deliver increased efficiencies to the group while at the same time lowering the group's overall cost structure.

SUBSEQUENT EVENTS

Debt Restructuring – Conversion of Loan to Platinum Partners to a Royalty Arrangement

Cokal Limited announced that it had reached agreement with Platinum Partners Value Arbitrage Fund, LP (“Platinum”) on 22nd July 2016, to convert approximately USD 15 million of loans owing by Cokal to various funds managed by Platinum or its affiliates (the “Platinum Group”). Those loans include the Blumont loan, which was acquired by the Platinum Group. The agreed conversion terms and conditions are as follows:

- In consideration for the restructuring of the debt, Platinum will be entitled to a royalty on coal sold from Cokal's share of production from the Bumi Barito Mineral (BBM) project and Tambang Benua Alam Raya (TBAR) project
- The royalty will be 1% of the realised selling price (FOB) (i.e. selling price per tonne x tonnes sold x 1%) up to maximum royalty amount of USD 40 million
- Cokal or its related parties will have the right to buy out the royalty at any time for the amount of USD 40 million less amount paid on the royalty at that time
- Cokal will do what is legally possible to attach the royalty directly to the tenement asset (IUP not the IUP holding company) or other legal instrument, so that Platinum is protected against any forced sale
- The existing security will remain in place to secure the royalty until replaced by a specific royalty security. Platinum and Cokal will work together to replace the existing security with a direct royalty security over the IUP licenses to specifically secure the royalty subject to appropriate legal advise
- All shares controlled by Platinum will be escrowed for 24 months from the date of conversion unless Cokal finds an alternative buyer or Platinum finds buyer acceptable to Cokal
- All Platinum's existing Cokal options will not be exercised or otherwise will be cancelled

- Cokal will issue 75 million new options to Platinum with a 5 year term and strike price of AUD 1.6 cents (A\$ 0.016)
- The transaction is subject to any necessary regulatory approvals or shareholders approvals required under the Listing Rules

All formal agreements and documents are currently being prepared to give effect to the above. On completion, the loan owing to Platinum Group will be fully discharged and Cokal will be loan free.

Capital Raising for Working Capital

On 22nd July 2016, in a separate transaction and unrelated to Platinum, Cokal has made a private placement to Ramonie Capital Ltd and its associates. The Company will issue 75 million fully paid ordinary shares in Cokal Ltd at price of AUD 0.016 per share, raising AUD 1,200,000. There is no fees payable by Cokal in relation to the placement. On issue, the placement shares will rank equally with all other ordinary shares then on issue. The funds raised will provide working capital for the Company to continue to develop funding opportunities for its Indonesian projects.

For further details on the subsequent events, please refer to ASX announcement 22 July 2016: Debt Restructure and Capital Raising.

With the outstanding debt to Platinum Partners and associates converted to a royalty, the Company is now well placed to re-engage with parties which were interested in funding transactions to take the BBM project into production. As well as the ability of any new investment to be applied totally to taking BBM into production recent increases in coking coal prices gives the directors greater confidence on achieving an outcome which will allow the generation of cashflow in the medium term future.

ENDS

Further enquiries:

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Non- Executive Chairman

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About Cokal Limited

Cokal Limited (ASX:CKA) is an Australian listed company with the objective of becoming a metallurgical coal producer with a global presence. Cokal has interests in four projects in Central Kalimantan and one project (which holds three exploration licences) in West Kalimantan, Indonesia 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 in this release include, but are not limited to, the capital and operating cost estimates and economic analyses from the Study.

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.

Competent Person Statement

The Total Coal Resource estimate was announced on 29 January 2015, titled “Cokal announces updated JORC Resource Statement for Bumi Barito Mineral (BBM) Project”. The information in the report relating to Mineral Resources is based on information compiled by Yoga Suryanegara who is a Member of the Australasian Institute of Mining and Metallurgy and a full time employee of Cokal Limited. Mr Suryanegara is a qualified geologist and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking, to qualify as a Competent Person as defined in the 2012 Edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves”.

The Company confirms that it is not aware of any new information or data that materially affects the information included in the announcement made on 29 January 2015 and that all material assumptions and technical parameters underpinning the estimates in the announcement made on 29 January 2015 continue to apply and have not materially changed.

The information in this report relating to exploration results is based on information compiled by Patrick Hanna who is a fellow of the Australasian Institute of Mining and Metallurgy and is a consultant (through Hanna Consulting Services) to Cokal Limited. Mr Hanna is a qualified geologist and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking, to qualify as Competent Persons as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves".

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