

ASX ANNOUNCEMENT / MEDIA RELEASE

28 January 2025

Cokal Completes US\$7 Million Coal Presale Funding

Key Highlights

- **Cokal and its subsidiary PT Bumi Barito Mineral (“BBM”) have executed formal documentation with Cratus Group (“Cratus”) for a US\$7.0m (A\$11.3m) Coal Prepayment and Offtake Facility (the “Facility”), Cokal will receive an initial payment of US\$3.0m (A\$4.8m) representing the first of three tranches under the Facility.**
- **Cokal and Cratus previously announced the formation of a strategic partnership across coal marketing, transport infrastructure and financing, which will materially transform Cokal’s ability to maximise the value of their portfolio of coal production and development stage assets, located in Central Kalimantan, Indonesia (refer ASX Announcement 19/11/2024).**
- **The Facility is a significant milestone in the strategic partnership with Cratus, formally uniting Cokal and Cratus. Cokal eagerly anticipates implementing the next steps in the strategic partnership.**

Cokal Limited (**Cokal**) (ASX: **CKA**) is delighted to announce the execution of formal documentation for a US\$7.0m (A\$11.3m) Coal Prepayment and Offtake Facility with Cratus Group, a leading bulk commodities and investments house (further details on Cratus are provided below). This is an important milestone in the creation of the Strategic Partnership with Cratus, which is transformative for Cokal and provides the resources necessary for Cokal to achieve its operational and financial objectives, thereby maximising the value of its Indonesian coal assets, in an expedited timeframe, for the benefit of our shareholders. Cokal will receive an initial payment of US\$3.0m (A\$4.8m) from Cratus, representing the first of three tranches under the Facility.

The Strategic Partnership with Cratus provides a number of attractive immediate and longer-term benefits for Cokal

- Cratus will utilise its extensive relationships, expertise, and market access to undertake coal sales and marketing for Cokal, which is expected to create significant value.
- Cratus will contribute the capital, equipment, and operational expertise required to capture the multitude of value creation opportunities available across Cokal’s asset base.

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- Cokal and Cratus will form an Infrastructure Joint Venture to considerably enhance and maximise the coal transport infrastructure capacity and efficiency available for Cokal’s assets, now and in the future.
- A total investment of approximately US\$20.0 million will be made by Cratus, with US\$7.0 million provided directly to Cokal under this Facility, and US\$13.0 million invested into the Infrastructure Joint Venture.
- Cratus is eager to work with Cokal to capture material ongoing and mutually beneficial value creation opportunities. This potentially includes supporting Cokal’s procurement of equipment and infrastructure, technical advice, financial support, and opening access to relationships and/or markets.

Coal Prepayment and Offtake Facility

BBM and Cratus have entered into a Coal Prepayment and Offtake Facility to which BBM will supply coal production from the BBM mine to Cratus. Cratus has agreed to advance US\$7.0m (split over three tranches) as an Advanced Payment for coal offtake, which will be repaid from the delivery of coal over the term of the Facility. BBM will provide Cratus with security over its coal inventory and Cokal has guaranteed BBM’s performance under the Facility.

Please note this facility replaces the previously announced coal prepay facility.

The terms and conditions included in the Facility are shown in the table, below.

Borrower / Seller	PT Bumi Barito Mineral
Guarantor	Cokal Ltd
Lender / Buyer	Cratus Resources Ltd
Facility Amount	US\$7.0m, split over Tranches
Advance Payment	Tranche one: US\$3.0m January 2025 Tranche two: US\$2.0m 30 days after Tranche 1 Tranche three: US\$2.0m 60 days after Tranche 1
Term	30 months

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Offtake: Quarterly Contract Quantity

BBM and Cokal must use its reasonable endeavours to sell and deliver to Cratus the following volumes of saleable coal:

Delivery Period	Quantity (tonnes)
Q1 2025	15,000
Q2 2025	75,000
Q3 2025	75,000
Q4 2025	75,000
Q1 2026	135,000
Q2 2026	150,000
Q3 2026	175,000
Q4 2026	300,000

Repayment

US\$7.0 per tonne of the Quarterly Contract Quantity (whether delivered or not) shall be paid to Cratus as repayment of the Facility.

Facility fees

A charge of 10% per annum is payable on the outstanding balance of Advance Payments, accruing daily and compounding monthly.

A fee of 4.5% of the value of the Quarterly Contract Quantity (whether delivered or not) will be paid to Cratus for the first 12 months after each Advanced Payment; and thereafter 3% for the remainder of the Term.

Security and Guarantee

BBM will provide Cratus with security over its coal inventory (ROM and product coal stockpiles)

Cokal has agreed to guarantee BBM's performance under the Facility.

Force Majeure

In the occurrence of a force majeure event, obligations under the Facility are suspended. The definition of force majeure is standard for a facility of this nature.

Events of Default

Market standard for a facility of this nature, including non-payment, insolvency, cessation of business, and misrepresentation amongst others.

Termination

Not able to be terminated but for a serious breach

Governing Law

Queensland, Australia

Cratus Group: Cratus has the capabilities, experience and expertise to add significant value to Cokal

The Cratus Group (<https://www.cratus.com.au/>) is a China-based bulk commodities and investments house with a proven track record, spanning over two decades, of supplying some of the world's leading corporations with vital resources. With offices in Singapore, Jakarta, Chongqing and Brisbane. Cratus specialises in the trading of thermal and coking coal. Leveraging its extensive network and strong relationships with energy producers and steel mills across China, Cratus sources commodities from various international markets to meet the growing demands of these dynamic industries.

In addition to its procurement expertise, Cratus specialise in logistics and offer their own debt and equity funding solutions to mines and producers.

This strategic alignment of interests allows Cratus to cultivate mutually beneficial relationships with their suppliers while effectively addressing market demands.

The Cokal Chairman, Mr Domenic Martino, comments:

“Cokal continues to make substantial progress towards increasing production and putting in place the funding, expertise, infrastructure and equipment to efficiently and cost effectively deliver its product to market.

The strategic partnerships that Cokal has been advancing are now delivering value and the conclusion of this initial facility with Cratus is a major milestone, enabling Cokal to achieve its production and sales targets this year.”

The Cokal CEO, Mr Karan Bangur, comments:

“These significant developments on funding and infrastructure will not only enable Cokal to expand its production targets substantially but will also enhance the infrastructure chain for delivery of the product to market.

A key advantage of the infrastructure upgrades will be a substantial reduction of costs per tonne for delivery of coal to market. This coupled with expanded coal production will push Cokal to a cash flow positive position, even in a tight market.”

ENDS

Further enquiries:

Domenic Martino
Non-Executive Chairman
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 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.