

Cokal Limited ACN 082 541 437 Supplementary Prospectus

1 Important information

This supplementary prospectus (**Third Supplementary Prospectus**) of Cokal Limited (**Cokal** or the **Company**) is dated 24 April 2019 and was lodged with ASIC on that date under section 719 of the Corporations Act.

This Third Supplementary Prospectus supplements the prospectus dated 25 March 2019 and lodged with ASIC on that date (**Prospectus**), the first supplementary prospectus dated 3 April 2019 and lodged with ASIC on that date (**First Supplementary Prospectus**) and the second supplementary prospectus dated 10 April 2019 (**Second Supplementary Prospectus**), and must be read together with the Prospectus, the First Supplementary Prospectus and the Second Supplementary Prospectus. If there is any inconsistency between the Prospectus, the First Supplementary Prospectus, the Second Supplementary Prospectus and this Third Supplementary Prospectus, this Third Supplementary Prospectus prevails.

Terms used but not defined in this Third Supplementary Prospectus have the meanings given in the Prospectus. ASIC and ASX take no responsibility for the contents of this Third Supplementary Prospectus, the Second Supplementary Prospectus, the First Supplementary Prospectus or the Prospectus.

2 Extension to Closing Date and Quarterly Reports

The Company has today released the announcements attached to this Third Supplementary Prospectus.

3 Consent to lodgement

This Third Supplementary Prospectus is issued by the Company and the issue has been authorised by a resolution of the Directors. In accordance with section 720 of the Corporations Act, each Director of the Company has consented in writing to the lodgement of this Third Supplementary Prospectus with ASIC.

ASX ANNOUNCEMENT / MEDIA RELEASE**24 April 2019****Extension of Cleansing Prospectus Closing Date**

Cokal Limited (Cokal ASX:CKA, "Cokal" or "the Company") advises that it has resolved to extend the closing date of its Cleansing Prospectus dated 25 March 2019 (**Cleansing Prospectus**).

The new closing date for the Cleansing Prospectus is 31 May 2019 (**Closing Date**).

The Closing Date is indicative only and may be subject to change. The Directors reserve the right to vary this date without prior notice, but subject to any applicable requirements of the Corporations Act or the Listing Rules.

ENDS

Further enquiries:

Louisa Youens
Company Secretary
+ 61 2 8319 9299

24 April 2019

**QUARTERLY REPORT FOR THE THREE MONTHS
ENDING 31 MARCH 2019****HIGHLIGHTS**

- **BBM rehabilitation report submitted**
- **BBM work plan (RKAB) submitted and accepted by government**
- **Preparations for BBM mining operations continue**

PROJECT STATUS***BBM Project******(PT Bumi Barito Mineral (BBM) – 60% interest)***

BBM's permit covers an area of 14,980ha with multiple seams of high quality metallurgical coal. BBM has all regulatory approvals in place including:

- Mining Licence – 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

Since all permits for mining are in place, BBM is the first area to be mined by Cokal commencing with PCI coal production from Pit 2, with the addition of coking coal production from Pit 3 as further infrastructure is developed.

BBM is dissected by the Barito River which cuts through the tenement in a northerly-southerly trend. Coal on the west side of the Barito River sampled from over 130 outcrops indicates that it contains premium quality anthracite and PCI coals.

Updated rehabilitation plans were submitted as required by the government.

Work plan for 2019 submitted (RKAB). This was approved by the government in February (Directorate General Minerals and Coal).

No exploration activity, mining production or development was conducted by Cokal during the quarter.

TBAR Project***(PT Tambang Benua Alam Raya (TBAR) – 75% interest)***

TBAR's exploration authority covers an area of 18,850ha immediately adjacent to and south of Cokal's BBM tenement. Over 80% of the lease is available for exploration subject to the issuance of an exploration forestry permit. The application of exploration forestry permit was submitted in 2014 and continues to be processed by the Environment and Forestry Ministry of Indonesia. Following its transfer process from Murung Raya to Provincial

Government, Cokal continues its efforts to acquire regulatory approval for the IUP (exploration license) upgrade process application to a Production and Operation IUP, equivalent to a mining licence.

Outcrop mapping of four seams over 17km indicates a substantial resource of high grade coking coal in this deposit. These seams correlate to the B, C, D and J seams in the adjacent BBM deposit.

No exploration activity was conducted by Cokal during the quarter.

BBP Project

(PT Borneo Bara Prima (BBP) – 60% interest)

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).

Received business license decree for operation foreign mining production (IUP OP PMA) from capital investment coordination board centre (BKPM) on 22 February 2019.

Submitted work plans and the budget (RKAB) 2019 to the government (Directorate General Minerals and Coal).

No exploration activity was conducted on BBP during this period.

AAK Project

(PT Anugerah Alam Katingan (AAK) – 75% interest)

Cokal's AAK project covers 5,000ha also 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 was conducted on AAK during this period.

PREPARATION FOR MINING OPERATIONS IN BBM

Cokal's CEO, Jim Coleman, and his team continue to develop a plan for the start and ramping up of production at BBM. Reconsideration of mine development strategy may require the revision of the Definitive Feasibility Study (DFS) to:

- Provide for barging from the mine to reduce transport costs
- Consider the incorporation of highwall mining to increase recoverable reserves
- Consider the development of a small fluidised bed power station fuelled by washery reject and carbonaceous shale in Pit 2 overburden.

The future DFS referred to above will not delay currently proposed mine implementation.

The plan is working towards the commencement of production of PCI coal in Q2/Q3 of 2019. It is proposed to progressively increase production over the following 18 months to a rate of 2Mt/a¹ and to include both PCI coal and coking coal in the production mix.

¹ Refer ASX Announcements 2nd November 2016 and 1st August 2017– the Company is not aware of any new information or data that materially affects the information contained in these announcements

The proposal includes the construction of all-weather haul roads to Pit 2 (PCI coal) and Pit 3 (coking coal) and a newly located barge loading port facility comprising a truck dump hopper, crusher, coal beneficiation plant, stacker, blending stockpile, reclaim hopper and associated conveyors.

Stage 1 – Develop Pit 2: Q2/Q3

- Construct 800m road to existing (temporary) port
- Mine PCI coal in Strip 1 Pit 2, free dig
- Strip 2 Pit 2 not free dig but can rip and load overburden at least in a narrow strip
- Strip 2 design details dependent on geotechnical analysis after drilling
- Reclamation on the first mined out area (0.7 Ha) will continue with a stable batter slope to the riverside
- This slope has already been planted from the Cokal nursery established for this purpose.
- This will continue as the pit develops.

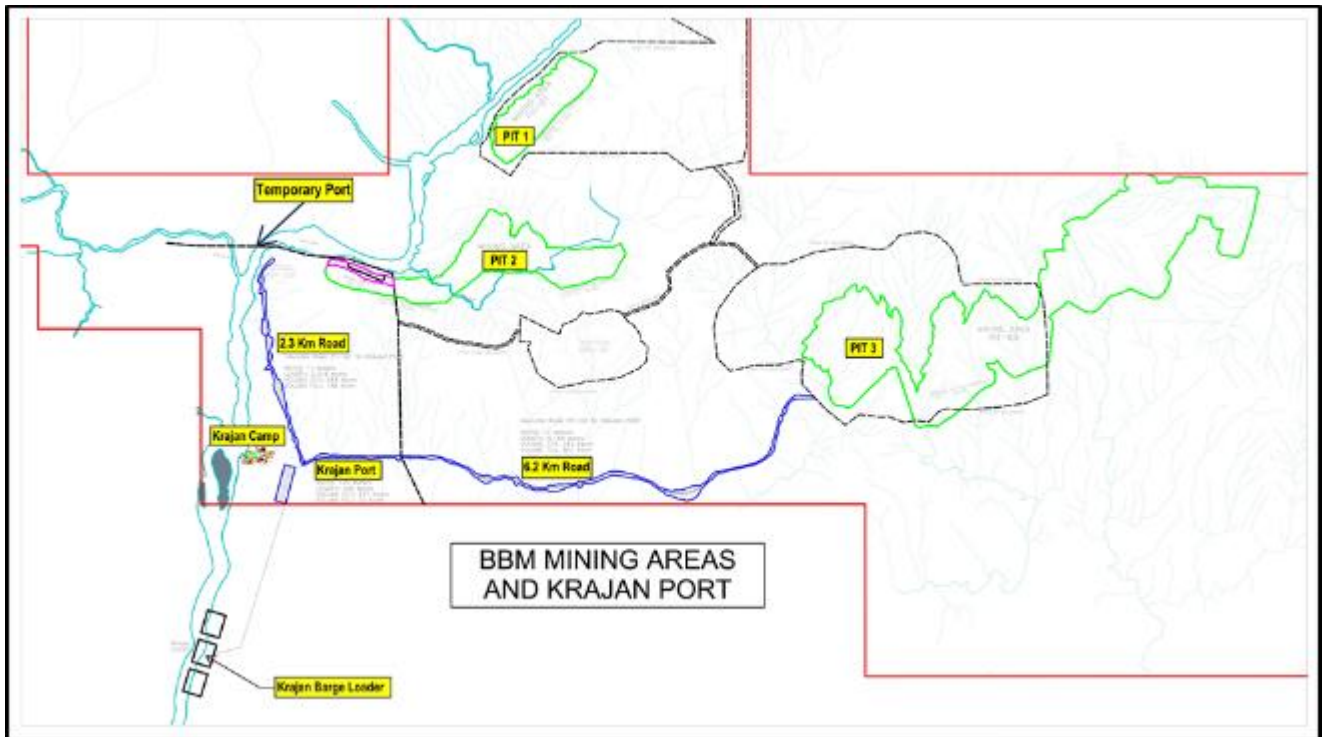
Stage 2 - Develop Krajan temporary Port, start Pit 3, maintain PCI coal mining from Pit 2:

- Upgrade the 6.2km exploration road Krajan to Pit 3
- One bridge on this road has already been repaired for light traffic
- Develop 2.3km road from Pit 2 to Krajan
- Construct truck dump hopper, feeder breaker and stacker at Krajan
- Simple coal beneficiation plant required for coking coal from Pit 3
- Develop blending stockpile 2 x 80,000t at Krajan
- 1,200m long 1,000 t/h conveyor to barge loader
- Construct 1,000 t/h barge loader for shallow draft barges
- Obtain blasting permit
- Obtain forestry permit for Eastern Part Pit 2
- Commission Krajan temporary barge loader Q4 2019
- Commence mining coking coal from Pit 3.

Stage 3 – Develop permanent port at Krajan, Expand Pit 2 and Pit 3

- Complete permanent facilities at Krajan port
- Pit 2 extended into the eastern area
- Pit 3 expanded by end 2020
- Evaluate carbonaceous zone above Seam D as potential power station fuel
- Evaluate highwall mining

- Total BBM saleable production 2 Mt/a by Q4 2020 ²



BBM Pits 1, 2 and 3, Roads to Krajan Port, Barge Loader



Carbonaceous Zone Above D Seam

² Refer ASX Announcements 2nd November 2016 and 1st August 2017– the Company is not aware of any new information or data that materially affects the information contained in these announcements

SHALLOW DRAFT BARGING

Cokal is preparing a detailed budget to improve 28 sites along the upper Barito River for channel improvement to increase the number of annual operating days the river is suitable for barging. This is intended to develop a 75m wide channel to be used by barges and push boat capable of operating in water only 2m deep.



The Upper Barito River is Abundantly Wide for Barging

Negotiations with a Vietnamese shipbuilding company have agreed on the design of barges capable of carrying 1,750 tonnes coal in 3m water and 1,000 tonnes when the water is 2m deep. The design of the appropriate push boat has also progressed and agreement is close.

It is expected commercial negotiations will commence in Q2.



Shallow Draft Push Boat



Four Shallow Draft Barges – 1,750 tonne Capacity each.

It is intended that the proposed cooperation with the Vietnamese barge company will include Meratus Advance Maritime (MDM) with whom Cokal has had a long standing relationship.



Joining Four Barges

PARTNERS AND CUSTOMERS

PT Bara Mineral Asri (BMA)

The Due Diligence (DD) by PT Bara Mineral Asri (BMA) continues. BMA is working towards a proposal to partner with Cokal for the funding and development of the BBM Mine.

BMA has to date contributed \$US2 million to Cokal in the quarter to be repaid from the sale of coal when mining commences. This will be paid at \$10/t for coal sales at \$100/t or greater and 10%/t for coal sold at less than \$100/t. Funds were used in Company administration including staff wages.

BMA indicated they will submit a revised proposal for cooperation but so far this has not been received.

Aahana Global Resources and Investment Pte Ltd (AGRI)

During the quarter Aahana Mineral Resources SDN BHD (AMR), an associate company of Aahana Global Resources & Investment Pte Ltd (AGRI), completed the acquisition of a substantial shareholding in Cokal Limited. AMR is now the largest single shareholder in Cokal.

In addition, during the quarter AGRI nominated its first director to be appointed to the Cokal Limited board as Mr. Karan Bangur. Mr. Karan Bangur is the CEO of Aahana Global Resources & Investment Pte Ltd and has over 10 years' experience in the South East Asian region in mining and resources companies.

AGRI is proceeding with discussions with the Company to arrange a suitable financing package for the development of the BBM Coking Coal project.

Krakatau National Resources (Krakatau)

No further contact with Krakatau. Once a firm date for Pit 2 mining has been established we will again meet with them.

RECRUITMENT OF NEW STAFF

As a result of the Company's actions in November last year in response to irregular activities, Cokal will be adding a new team of mining engineers and geologists under the CEO's existing team to complement a strong restart to mining operations.

ENDS

Further enquiries:

Domenic Martino

Non-Executive Chairman

E: dmartino@cokal.com.au

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 such statement is based.

Compliance Statement

The Company confirms that it is not aware of any new information or data that materially affects the information included in the announcements made on 1st August 2017 and 29th April 2016 and that all material assumptions and technical parameters underpinning the estimates in the announcements made on 1st August 2017 and 29th April 2016 continue to apply and have not materially changed.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

Cokal Limited

ABN

55 082 541 437

Quarter ended ("current quarter")

31 March 2019

Consolidated statement of cash flows	Current quarter US\$'000	Year to date (9 months) US\$'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	159
1.2 Payments for		
(a) exploration & evaluation	-	-
(b) development	-	-
(c) production	(153)	(500)
(d) staff costs	(61)	(791)
(e) administration and corporate costs	(524)	(1,036)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(738)	(2,168)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter US\$'000	Year to date (9 months) US\$'000
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) 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)	-	-
2.6	Net cash from / (used in) investing activities	-	-

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	1,217	1,403
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	-
3.5	Proceeds from borrowings	-	2,000
3.6	Repayment of borrowings	-	(554)
3.7	Transaction costs related to loans and borrowings	-	(115)
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	1,217	2,734

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	99	16
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(738)	(2,168)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,217	2,734
4.5	Effect of movement in exchange rates on cash held	1	(3)
4.6	Cash and cash equivalents at end of period	579	579

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	579	99
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	579	99

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

**Current quarter
US\$'000**

50

-

7. Payments to related entities of the entity and their associates

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

**Current quarter
US\$'000**

43

-

Mining exploration entity and oil and gas exploration entity quarterly report

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end US\$'000	Amount drawn at quarter end US\$'000
8.1 Loan facilities	9,261	9,261
8.2 Credit standby arrangements		
8.3 Other (please specify)		
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

The Loan facility is outstanding with Blumont Group/ Wintercrest Advisors LLC and various entities of Platinum Partners (Northrock Loan). As an agreement has been reached for the conversion of the debt to a royalty, no interest has been recorded for the 2017 and 2018 financial years. During the quarter, one third of the loan was released (refer announcement dated 29 November 2018)

9. Estimated cash outflows for next quarter	US\$'000
9.1 Exploration and evaluation	-
9.2 Development	-
9.3 Production	-
9.4 Staff costs	250
9.5 Administration and corporate costs	300
9.6 Other (provide details if material)	-
9.7 Total estimated cash outflows	550

10. Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced				
10.2 Interests in mining tenements and petroleum tenements acquired or increased				

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.

By Order of the Board



Louisa Martino

24 April 2019

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly 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 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.