

**ASX ANNOUNCEMENT / MEDIA RELEASE**  
**2 August 2022**

## **Cokal Appoints Additional Mining Contractor for the BBM Mine. Mining Equipment is Arriving at the BBM Mine Site for First Coal Production in September 2022**

### **Key Highlights**

- **Cokal has appointed CBQ, as an additional mining contractor, to provide mining services at the BBM Mine**
- **Reduced costs, increased annual production potential, and Cokal undertaking its own coal mining operations, are all facilitated by the appointment of CBQ**
- **Mining equipment, mobilised by CBQ, is already arriving at the BBM Mine Site**
- **The existing mining services contract with HPU remains in-place**

Cokal Limited (**Cokal**) (ASX: **CKA**) is pleased to provide the following update on the Bumi Barito Mineral (**BBM**) coking coal mine (Cokal 60%). Development continues to advance rapidly, and initial saleable coal production remains on-track for September 2022.

### **CBQ Appointed as Additional Mining Contractor**

Cokal has appointed PT. Citarum Borneo Quantum (**CBQ**) as an additional mining contractor to provide mining services at the BBM Mine site. CBQ will perform Open Pit Overburden Mining Services and has already commenced the mobilisation of mining equipment to the BBM Mine site.

CBQ is an overburden mining contractor, established in 2011. CBQ has operated in various overburden removal projects in Java and East Kalimantan.

Cokal will realise numerous benefits from the appointment of CBQ:

- Ensures that the BBM mine is able to be developed on time and that initial saleable production is able to be delivered by the September 2022 forecast;

- Provides a lower-cost alternative to PT. Harmoni Panca Utama (**HPU**), Cokal's other mining services provider
- Cokal will undertake its own coal mining activities (given that the contract with CBQ is limited to overburden removal); and
- Creates the potential for increased annual production capacity from utilisation of both of BBM's mining contractors (CBQ and HPU)

The appointment has been made via a "Letter of Award" on agreed terms. The Letter of Award will form the basis for a detailed Mining Services Contract, which is currently being prepared.

### Key Terms of the Letter of Award

CBQ has been appointed for an initial period of 1-year, with the option for a 1-year extension, on the following terms:

Overburden Removal Costing (excluding fuel)				
Item	Unit	Rate 1 Fleet (1 <sup>st</sup> Month)	Rate 2 <sup>nd</sup> Fleet & more (from 2 <sup>nd</sup> month)	
1	Excavate, Load and Haul Overburden to Designated areas, includes for an actual haul distance from the loading points to the dumping points one thousand (1000) meters	USD/Bcm	2.26	1.54
2	Excavate, Load and Haul OB material from pit/disposal area to disposal areas over an actual distance of one thousand (1000) meters Designated Mud Handling over one thousand (1000) meters in one hundred (100) meter increments prorate	USD/m		0.03
3	Excavate, Load and Haul Mud material from pit/disposal area to disposal areas over an actual distance of one thousand (1000) meter Designated areas, includes for an actual haul distance from the loading points to the dumping points one thousand (1000) meter	USD/Bcm		2.20
4	Excavate, Load and Haul Mud material from pit/disposal area to disposal areas over an actual distance of one thousand (1000) meters Designated Mud Handling over one thousand (1000) meters in one hundred (100) increments prorate	USD/m		0.04
5	Ripping if free digging is not applicable for some reason	USD/Bcm		0.35
6	Construction of facility if any	USD		At cost
7	Mobilization and demobilization of the equipment	USD		At cost
8	Exchange rate (USD to Rp)			14,500

Cokal's payment obligations under the Letter of Award will be funded from existing committed debt facilities and anticipated earnings from commencement of coal production.

### **Mining Contract with HPU Still Effective**

Cokal notes that the existing mining services contract with HPU remains in-place (please refer to Cokal's ASX Announcements of 2 February 2021 and 19 March 2021 for details of the HPU contract). Cokal's intention is to utilise HPU as a mining services provider subsequent to the initial commencement of production at BBM. At this time, HPU would supplement the ongoing contract mining services provided by CBQ.

### **ENDS**

#### **Further enquiries:**

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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.

### **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.