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29<sup>th</sup> July 2011

**QUARTERLY REPORT FOR THE 3 MONTHS ENDED  
30<sup>th</sup> June 2011**

## **HIGHLIGHTS**

- Premium Quality Metallurgical Coal confirmed in Central Kalimantan
  - Additional drill Rigs to BBM project in Central Kalimantan
  - Agreement signed to acquire an additional 10% of BBM & BBP Projects.
  - Co-Operation Agreement signed with state owned EMEM in Mozambique
  - Employed further senior management employees
  - Private share placement of \$12M to Passport Capital
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## Corporate

### **Non-brokered, Private Placement to Passport Capital\***

As announced on 13<sup>th</sup> April, 2011, Cokal Limited (“Cokal”) completed a non-brokered private placement to Passport Capital LLC and associated entities (“Passport”) raising \$12.0m (16 million ordinary shares at \$0.75 per share).

This placement was at a premium to the market and Cokal has welcomed Passport to the Cokal register as a substantial shareholder, with its record for long term growth orientated stocks.

### **New Senior Staff**

Cokal has employed new senior staff to continue growing the technical capability within the company.

Tri Yoso has been employed as Senior Resource Geologist to provide technical assistance in geological reporting, modelling and developing JORC compliant resources across the company.

Tius Sinyal has confirmed his employment with Cokal commencing in August in Central Kalimantan.

### **Co-Operation Agreement Signed with Mozambique Government Owned EMEM**

Cokal signed a “Co-operation Agreement” with Empresa Moçambicana de Exploração Mineira (EMEM – Mozambique Mining Exploration Company) to, explore tenements in Mozambique for coal mining potential and jointly develop mines and associated facilities.

EMEM is a state owned corporation formed by the Mozambique government in order to participate in mining projects, undertake exploration and mining development as well as promoting value addition to mineral products. The formation of EMEM followed recognition by the Mozambique Government that coal was pivotal to the country’s future economic development in the interest of all Mozambiquans.

Mozambique is developing a major coking coal basin and is poised to become Africa’s major coking coal producer, and a major player in the world coking coal market. Projects in this basin are being developed by international mining companies including Vale (Brazil), Riversdale (Rio Tinto), Revubue (Nippon Steel, Posco et al).

### **Additional 10% of BBM & BBP Projects Procured**

An arrangement has been entered into to acquire a further 10% of both BBM & BBP projects.

The price is broadly in line with the original purchase and the company has sufficient funds to complete the transaction following regulatory approvals and appropriate due diligence.

## Coal Quality Results

### BBM project

Australian Laboratory results have confirmed premium quality metallurgical coal at the BBM project in Central Kalimantan.

Results from 4 cores and one channel sample confirm multiple seams.

Coal quality ranges from premium coking coal to ultra low volatile PCI, all with highly sought qualities (refer Table 1 and Table 2).

**Table 1:** Showing the range of product coal qualities which result from the samples analysed from exploration to date. Some products are raw in-situ while others post float sink testing (@1.6RD) with a laboratory yields ranging from 76.8% to 83.9%

Product	Ash %	Vols. %	Fixed Carbon %	Moisture ad %	Total Sulphur %	Phos %	Calorific Value Kcal/kg	CSN	Vitrinite Content %
Ultra Low Vol PCI	4.7-5.8	6.7-7.2	86.1-86.9	1.4-1.5	0.45	≤0.005	8144-8236	0	95.8-96.9
Low Vol PCI	2.8-8.8	13.3-13.7	77.2-82.7	0.8-2.4	0.32-0.45	≤0.005	7806-8548	0	94.5-96.8
Blend Coking Coal	4.6-5.7	15.4-15.7	78.5-79.4	0.3-0.4	0.33-0.35	≤0.005	8266-8348	4.5-7	94.8-95.2
Premium Coking Coal	3.6-4.2	18.2-19.3	76.5-77.4	0.2-0.3	0.4-0.49	≤0.005	8322-8404	>9	95.2-97.8

**Table 2:** Relative location of exploration results obtained from the BBM project

Hole / Sample	Easting (local Grid)	Northing (local Grid)	Collar RL (m)	angle °	Remark	Depth to 1st Coal (m)	Nett Coal (m)	No seams / plys	Depth to base Coal (m)
BBM001	275,793	9,761,801	109	90	Drillhole	25.90	4.19	4	39.25
BBM002	276,794	9,763,332	91	90	Drillhole	23.70	6.21	5	40.63
BBM003	276,665	9,762,193	198	90	Drillhole	18.10	5.17	5	54.60
BBM004	277,640	9,763,961	227	90	Drillhole	63.80	3.30	3	72.60
Channel Sample	281,566	9,760,555	194	90	Outcrop	5.70	1.30	1	7.0

# Exploration

## Central Kalimantan

Drilling continued in the BBM (Bumi Barito Mineral) project in Central Kalimantan during the June 2011 quarter. Additional drilling rigs have commenced in BBM during this quarter to focus on areas where high quality metallurgical can be defined for early mining potential.

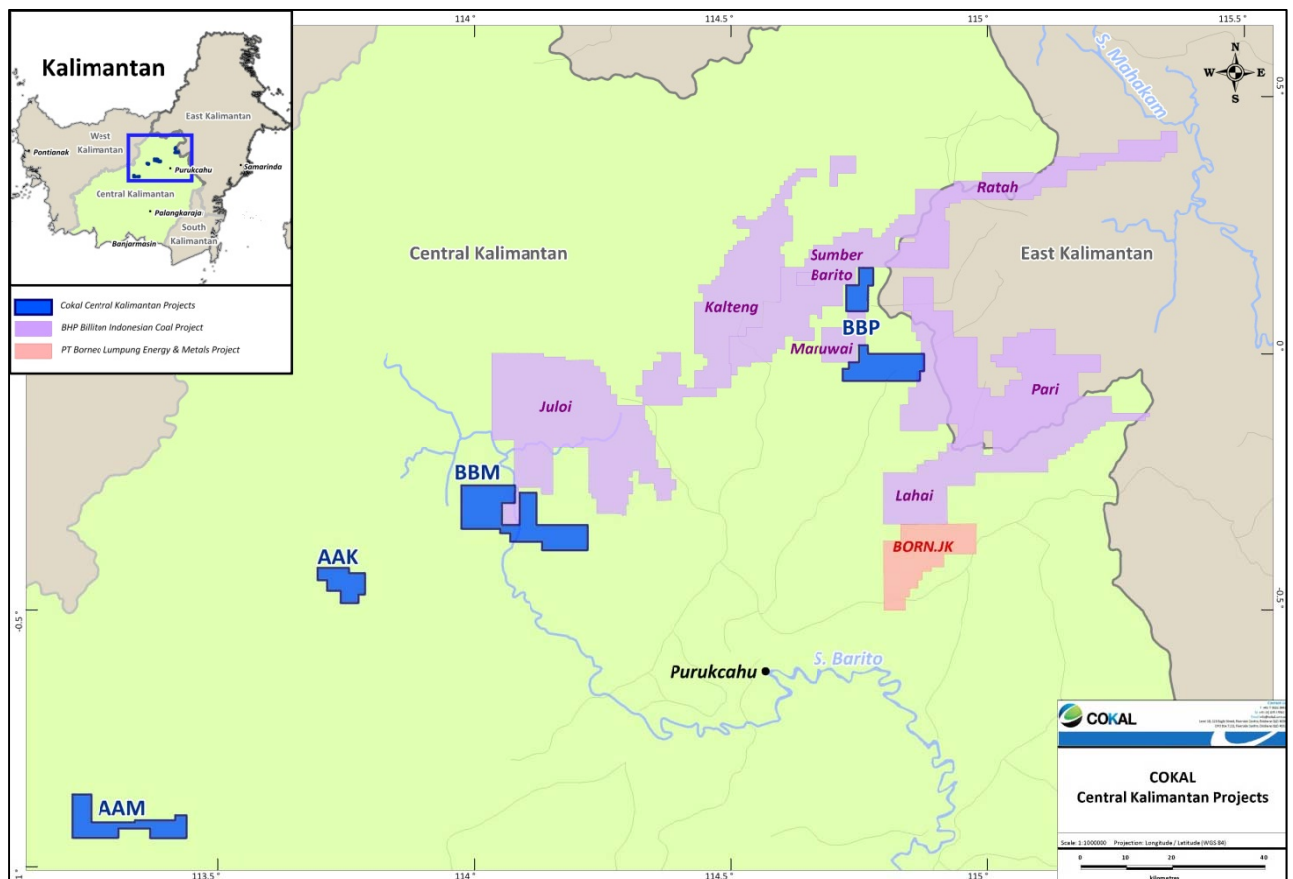
This drilling continues on from the mapping and initial single drill work undertaken previously.

Coal quality results were released during the June 2011 quarter.

BBM is located immediately adjacent to BHPB's Juloi project and is bisected by the Barito River.

## Tanzania

Drilling commenced in Tanzania during the June quarter and initial drilling results are planned for release in the September quarter.



**Figure 1:** Locality plan of the Central Kalimantan Coal Projects on the island of Kalimantan - Coal concession areas are shown in blue.

## About Cokal Limited

Cokal is an ASX listed company which has the objective of becoming a coking coal producer with a global presence. Cokal has interests in four projects in Central Kalimantan, Indonesia considered prospective for coking coal, and a joint venture in Tanzania .

For further information please refer to our website [www.cokal.com.au](http://www.cokal.com.au) or contact:

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### Forward Looking Statements

Statements regarding plans with respect to the Company's exploration properties are forward-looking statements. There can be no assurance that the Company's plans for development of its properties will proceed as currently expected. There can also be no assurance that the Company will be able to confirm the presence of additional deposits, that any mineralisation will prove to be economic or that a mine will successfully be developed on any of the Company's exploration properties.

### Competent persons

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 Ltd.

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 he is undertaking, to qualify as Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves".

Mr Hanna consents to the inclusion in the report of the matters based on the information, in the form and context in which it appears.