



All Registry communications to:
C/- Advanced Share Registry Limited
110 Stirling Highway
Nedlands, WA 6009
Telephone: (+61 8) 9389 8033
ASX Code: CKL
Website: www.cokal.com.au

Tuesday 18 June 2019

Dear Option holders,

Notice to Option holders – Entitlement Offer and Shortfall Offer

I am writing to you as an option holder in Cokal Limited (**Company**) (ASX: CKA) as at today's date.

As announced on 18 June 2019, the Company is undertaking:

- a non-renounceable pro rata offer to eligible shareholders on the basis of 1 new fully paid ordinary share (**New Share**) for every 8 fully paid ordinary existing shares in the Company (**Existing Shares**) at an issue price of \$0.05 per New Share to raise approximately \$5.1 million (**Entitlement Offer**); and
- an offer to Eligible Shareholders and New Investors to subscribe for the shortfall to the Entitlement Offer at an issue price of \$0.05 per New Share (**Shortfall Offer**).

Aahana Global Resources & Investment Pte Ltd (**Aahana**), the major shareholder of the Company, has committed to fully underwrite the Offer. If the Offer is not fully subscribed the shortfall will be taken by Aahana.

The purpose of this letter is to advise you of the upcoming Offer and to advise you that as an option holder you cannot participate in the Entitlement Offer without first exercising some or all of your options prior to the record date, being 24 June 2019 (**Record Date**). If you do not wish to participate in the Entitlement Offer (in respect of your Company options) you do not need to take any action.

The Entitlement Offer and Shortfall Offer (collectively referred to as the **Offer**) will be made by way of a prospectus pursuant to section 713 of the Corporations Act 2001 (Cth) (**Prospectus**). 102,105,270 New Shares will be issued under the Offer, on the basis that no further options are exercised prior to the Record Date.

New Shares issued under the Offer will have the same terms as, and rank equally with, all Company Shares.

The issue price of \$0.05 per New Share represents a discount of approximately 5.66% to the closing share price on 17 June 2019 of \$0.053.

The proceeds from the Offer will be used to commence the initial infrastructure development at the Company's premier metalliferous coal mine, BBM. Specifically, the proceeds of the Offer will be utilised to upgrade the Krajan mining camp, construct haul roads, drains, and barge-loading jetty in preparation to commence mining in Pit 2.

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The Entitlement Offer is only available to shareholders whose registered address is in Australia, New Zealand, Malaysia or Hong Kong as recorded with the Company's share registry as at 7.00pm (AWST) on the Record Date (**Eligible Shareholders**). The Entitlement Offer will not be made to any other shareholder (**Ineligible Shareholders**). Ineligible Shareholders will not be entitled to participate in the Offer.

To be eligible to participate in the Entitlement Offer in respect of the Company shares to be issued on exercise of the Company options you hold, you must exercise the Company options you hold and be registered as the holder of the underlying Company shares before the Record Date, and have a registered address in Australia, New Zealand, Malaysia or Hong Kong.

To exercise some or all of your Company options you will need to:

- give notice, in writing, to the Company in accordance with the terms and conditions of the options; and
- pay to the Company the exercise price for each Company option exercised.

If you do not exercise your options, an adjustment may be made to the exercise price of your options after the closing date of the Rights Issue in accordance with the formula set out in the terms and conditions of your options.

As the Offer is non-renounceable, rights are not tradeable on the ASX or otherwise transferable. New Shares will rank equally with Existing Shares.

Shortfall Offer

Eligible Shareholders and new investors that have a registered address in Australia (**New Investors**), may apply for the shortfall to the Entitlement Offer. Applications under the Shortfall Offer will only be satisfied to the extent that there is a shortfall under the Entitlement Offer and will be subject to the terms and conditions outlined in the Prospectus. The Board reserves the right to allot and issue New Shares under the Shortfall Offer in its absolute discretion.

Indicative Timetable

The indicative timetable for the Offer is as follows:

Event	Date
Entitlement Offer announced	Tuesday 18 June 2019
Prospectus lodged with ASIC & ASX <i>Lodged after close of market</i>	Tuesday 18 June 2019
Lodgement of Appendix 3B with ASX <i>Lodged after close of market</i>	Tuesday 18 June 2019
Ex-Date for the Entitlement Offer	Friday 21 June 2019
Entitlement Offer Record Date <i>The date for determining Entitlements of Eligible Shareholders to participate in the Entitlement Offer</i>	7:00pm (AWST) Monday 24 June 2019

Opening date for Entitlement Offer and Shortfall Offer <i>Announcement that Prospectus and Entitlement Offer and Acceptance Form sent to Eligible Shareholders</i>	Wednesday 26 June 2019
Last day to extend the Offer Closing Date	Wednesday 10 July 2019
Closing Date for Entitlement Offer to Eligible Shareholders (Entitlement Offer & Top-Up Facility)	5:00pm (AWST) Monday 15 July 2019
Entitlement Offer New Shares commence trading on ASX on deferred settlement basis	Tuesday 16 July 2019
ASX notified of Shortfall Shares (if any) <i>Company to deliver Shortfall Notice</i>	Tuesday 16 July 2019
Settlement of the Entitlement Offer	Friday 19 July 2019
Issue date of New Shares under the Entitlement Offer	Monday 22 July 2019
Closing Date for Shortfall Offer	5:00pm (AWST) Monday 22 July 2019
Entitlement Offer New Shares trade on ASX on a normal settlement basis	Tuesday 23 July 2019
Settlement of the Shortfall Offer	Friday 26 July 2019
Issue date of Shortfall Shares	Monday 29 July 2019
Shortfall Shares trade on ASX on a normal settlement basis	Tuesday 30 July 2019

This timetable is indicative only. The Company reserves the right to amend this indicative timetable at any time, subject to the *Corporations Act 2001* (Cth) and the Listing Rules.

In particular, subject to the Listing Rules, the Directors reserve the right to extend the closing dates for the Offer at their discretion. Should this occur, any extension will have a consequential effect on the anticipated date of issue for the New Shares.

Prospectus

The Company lodged the Prospectus with ASIC and ASX on 18 June 2019, and will dispatch the Prospectus to shareholders of the Company on or around 26 June 2019. The Prospectus is available on the ASX website at www.asx.com.au and also on the Company's website at www.cokal.com.au. The Prospectus contains further details of the Offer. You are encouraged to read the Prospectus before exercising any of your Company options.

If you have any queries in relation to the Offer, please do not hesitate to contact Advanced Share Registry on (+61 8) 9389 8033 (8.30am – 5.00pm, (AWST) Monday to Friday).

Yours sincerely

Louisa Martino
Company Secretary

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