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Cokal Limited ACN 082 541 437

Annual Financial Report for the year ended 30 June 2023



“Producing world class metallurgical Coal sustainably and respectfully whilst caring for our environment, people, communities and shareholders”

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Corporate Information

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Compliance Statement

This Annual Report contains information relating to a mineral resource and reserve extracted from ASX market announcements dated 29 January 2015, 29 April 2016, 1 August 2017, 29 December 2020, 28 September 2021, 2 September 2022 reported in accordance with the 2012 edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves” (2012 JORC Code) and available for viewing at www.cokal.com. CKA confirms that there is no further update as of June 2023 and it is not aware of any new information or data that materially affects the information included in any original ASX market announcement. The Company is not aware of any new information or data that materially affects the information included in the relevant market announcement and, in the case of estimates of mineral resources, that all material assumptions and technical parameters underpinning the estimate in the relevant market announcement continue to apply and have not materially changed.



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CHAIRMAN'S LETTER TO SHAREHOLDERS

Chairman's Letter to Shareholders

Dear Shareholders,

This has been a milestone year for your Company as we worked towards the start of mining at COKAL BBM, the Company's flagship coking coal project.

We have been fortunate to have engaged with a major partner in Indonesia in Aahana Mineral Resources SDN BHD (AMR) and International Commodity Trade PTE LTD (ICT) who have bought not only funding to this project but also the ability to recruit an experienced team that has the capability to deliver our project to production. Shareholders will be aware that the premium quality of the coal in the BBM project has never been in doubt. The issue has always been developing the logistics chain to evacuate the coal to market. The financing and execution of the logistics infrastructure have been the Company's main challenge. Your Board is pleased to report that these milestones have now been achieved and we will see constant coal production and sales eventuate, transforming the Company into a successful coking coal producer and a key player in the metallurgical coal mining industry in Indonesia and the region.

This will transform the company to a successful coking coal producer and a key player in the metallurgical coal mining industry in Indonesia and the region. The resultant revaluation of the company is accordingly already underway.

It is important at this point that we recognize the contribution made by our founding Chairman Peter Lynch who sadly died in an airplane accident. Peter's vision and drive for this company set in motion the series of events that have now led to the success of the company. I am so pleased to see his family remain shareholders to this day and that they will share in the rewards of that vision that Peter had so long ago.

For all of us shareholders it has been a long journey and your Board would like to take this opportunity to thank those loyal shareholders that have stuck with the company through some very difficult times. This success is yours thanks to your great support.

While initial production and the consequent logistical movements have been conservatively established to begin with, we are confident of the ability to expand and grow production not only from BBM but also from the very prospective TBAR project adjacent to BBM. This will mean the company will have an exciting, growth driven future that will reward shareholders handsomely in the future.

Finally, I would like to thank my fellow Board members, our management team and our operational team on site in Jakarta. They have put in a tremendous effort in the past year to achieve our major milestone.

Domenic Martino
Chairman

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REVIEW OF OPERATIONS

Review of Operations

Cokal Limited (ASX:CKA; **Cokal** or the **Company**) 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, each with known resources of metallurgical coal.

HIGHLIGHTS

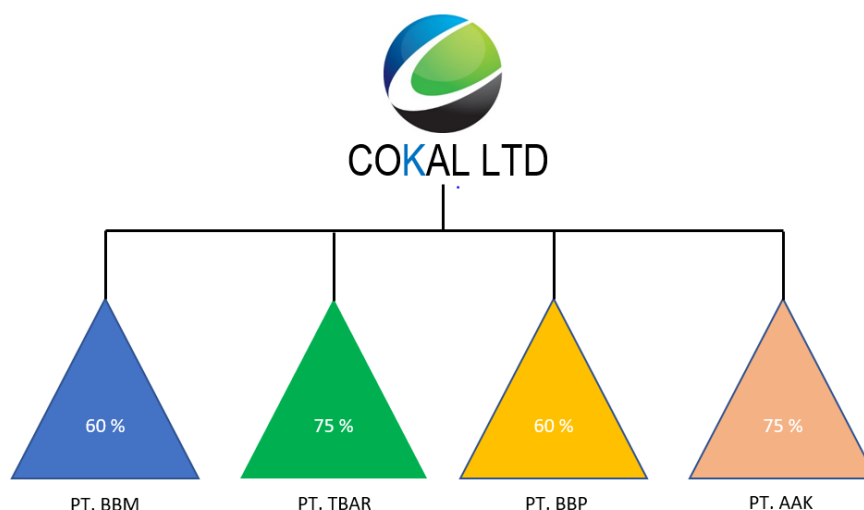
Highlights for the year include:

- First coal production reported in January 2023;
- Completion of initial phase 1 development of hauling road from Pit 3 to Batu Tuhup Jetty;
- Commencement for Jetty development works including fabrication and installation for reclaimer conveyor system;
- Commencement of first coal transport from Krajan Jetty to Batu Tuhup Jetty by barges;
- Commencement of road coal hauling from Pit 3 to Batu Tuhup Jetty by trucks.

INDONESIAN COAL ASSETS

Cokal holds shares in the following Indonesian coal assets in Central Kalimantan, each with known resources of metallurgical coal:

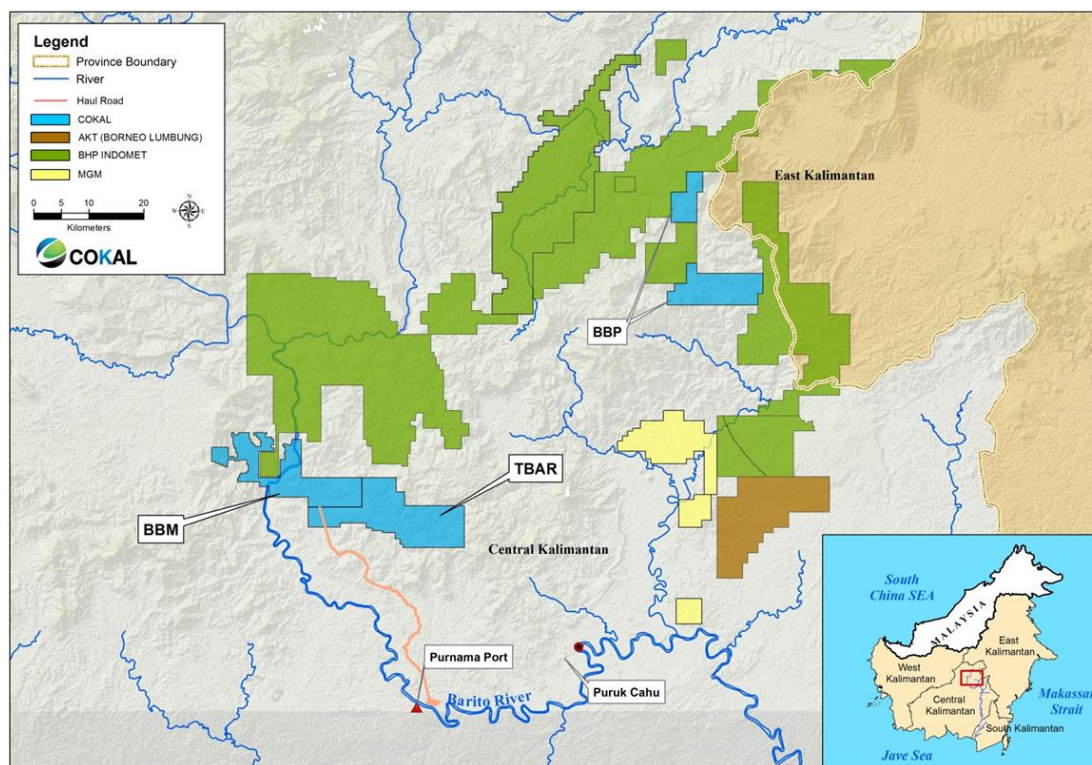
- 60% of the **Bumi Barito Mineral (BBM)** project located in Central Province, Kalimantan, Indonesia. The BBM tenement area is 14,980ha;
- 75% of **PT Tambang Benua Alam Raya (TBAR)** which owns an exploration tenement covering an area of approximately 18,850ha in Central Province, Kalimantan, Indonesia. This tenement is located adjacent to and southeast of the BBM project;
- 60% of the **Borneo Bara Prima (BBP)** project located in Central Province, Kalimantan, Indonesia. The BBP tenement area is approximately 13,050ha;
- 75% of the **Anugerah Alam Katingan (AAK)** project. This project is also located in Central Province, Kalimantan, Indonesia and has an area of approximately 5,000ha. AAK is currently on 'on-hold' status by Provincial Police Department (Polda Kalteng). The Police have investigated a dispute over the ownership of AAK pre-dating Cokal's interest in the Project. Cokal is an aggrieved party and will await the outcome of the Police investigation.



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Review of Operations

BBM, TBAR, BBP and AAK are located adjacent to Indomet’s extensive coking coal tenements. The Company is currently focussed on the development of the BBM Project and delineation of resources in TBAR.



Indonesian Coal Assets

Bumi Barito Mineral (BBM) Project

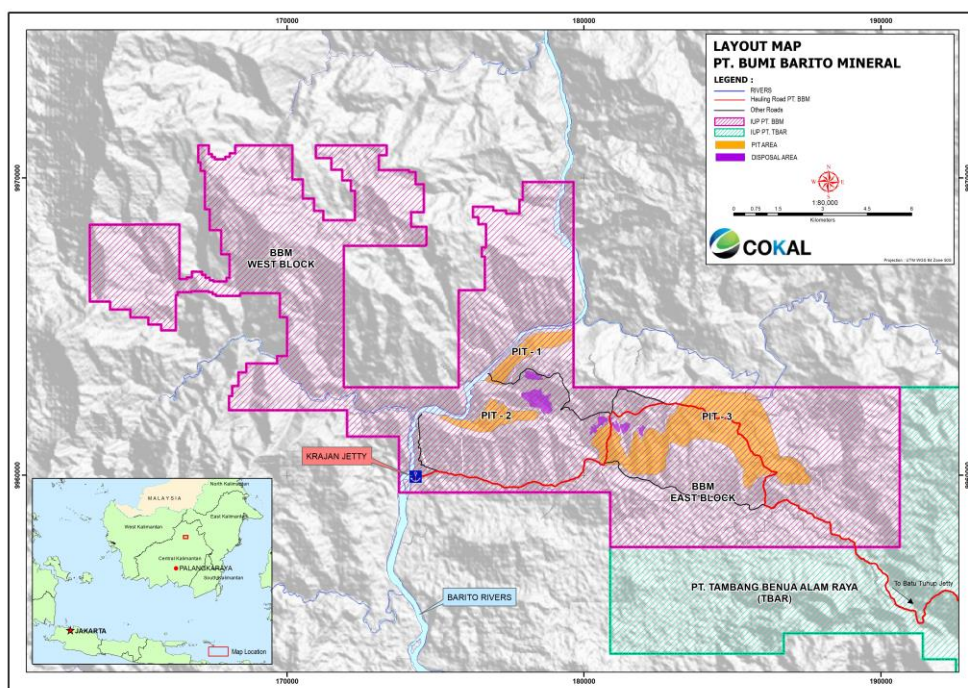
BBM’s permit covers an area of 14,980ha with multiple seams of high-quality metallurgical coal. BBM has regulatory approvals in place including:

- Mining Licence for 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
- RKAB approval of annual plan 2023.

The BBM Permit Area is bisected by the Barito River which cuts through the tenement in a north-south trend. Almost the entire IUP contains coal-bearing sediments with open cut mineable areas controlled by the Barito River and three major fault systems. Only the East side of the river within the BBM permit area (East Block) has been drilled so far and contains 260.2Mt Resources and 23.8Mt Reserves (Revised June 2022¹). Coal analyses from more than 130 mapped outcrops on the west side of the Barito River (West Block) indicate it also contains premium quality anthracite and PCI coals. This coal does not currently form part of stated BBM coal Resources and provides potential for significant future expansion of BBM Resources.

¹ Refer ASX announcement “Annual Mineral Resource and Ore Reserve Statement” dated 2 September 2022.

Review of Operations



BBM Project Area

BBM will be the first deposit developed by Cokal. In the East Block mine planning for Pits 1, 2, and 3 (previous Pit 4 has joined up with Pit 3 to form larger Pit 3 area) has been completed as the basis for a five year mining contract. During survey of mining areas in Pit 3 a disused logging road was identified. This runs 98km to Batu Tuhup to bypass 190km of the most difficult parts of the Upper Barito River.

Pre Strip and Overburden removal activities commenced in end of 3rd quarter 2022 followed by first coal production. We have also conducted a Infill Drilling Exercise in Pit 3 in Q1 2023 and it is currently ongoing as of June 2023.

Tambang Benua Alam Raya (TBAR) Tenement

TBAR's exploration authority covers an area of 18,850ha immediately adjacent to and south of Cokal's BBM tenement. Outcrop mapping of four seams over 17km strike length indicates a substantial resource of high grade coking coal in this deposit. It is believed these seams correlate to the B, C, D and J seams in BBM.

Extension of the IUP for exploration was received in February 2020. At Cokal's request the commitment by Cokal to assess and develop TBAR was deferred by a year while BBM is being developed.

Over 80% of the TBAR tenement area is available for exploration and mine development, with 20% protected forest. An exploration plan has been prepared to delineate TBAR Resources and Reserves under the JORC code. This will enable submission of an application for a Production and Operation IUP within two years, now planned for late 2022. The Production and Operation IUP will be equivalent to a mining licence.

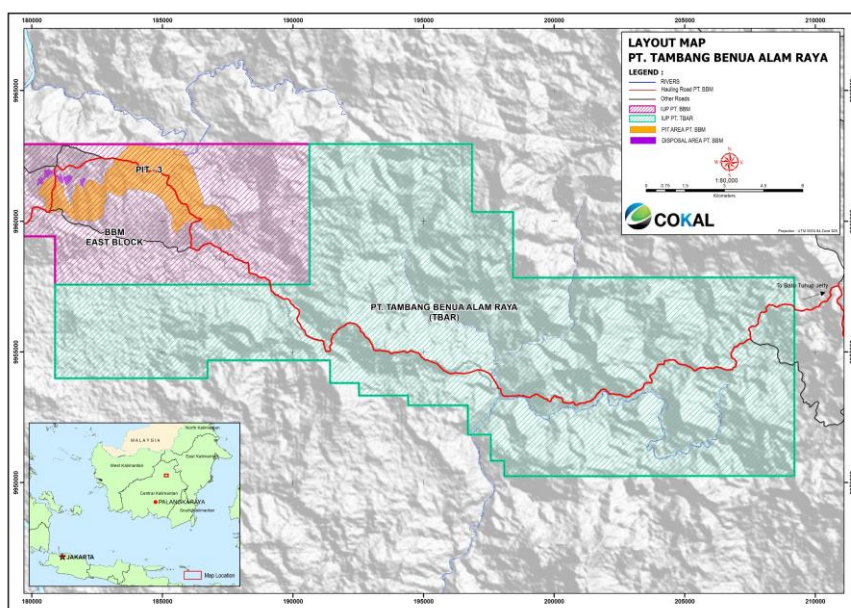
No exploration activity or mining production was conducted at TBAR by Cokal during the year. TBAR Drilling Budget has been finalised and regulatory approvals are currently under process and this has encountered some delays due to administrative reasons within relevant government departments which has led to delay in commencement of exploration activities which are now targeted to begin in Q1 2024.

The road being repaired for BBM will be used by TBAR for access during delineation drilling and to haul coal after the mine is developed.

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Review of Operations

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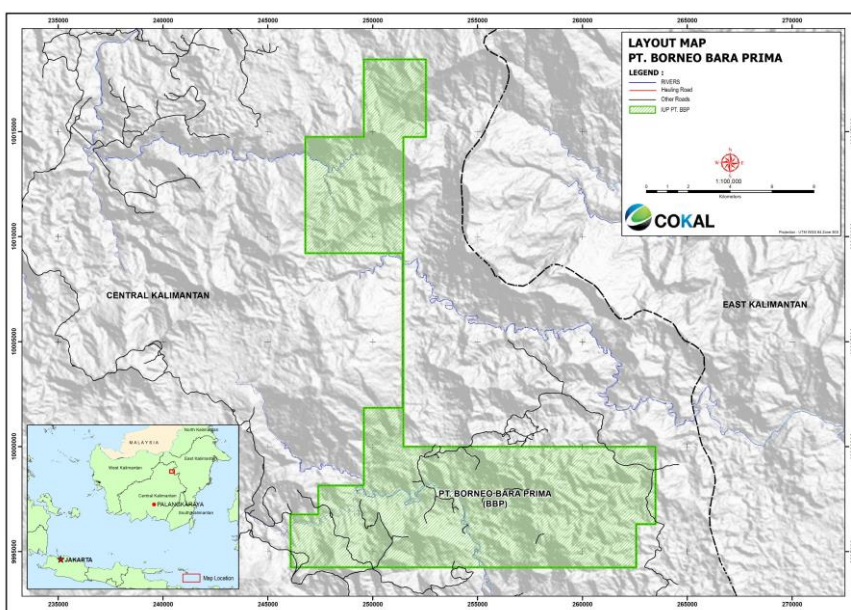
TBAR Project Area

Borneo Bara Prima (BBP) Tenement

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).

A business licence decree for operation foreign mining production (IUP OP PMA) from the Capital Investment Coordination Board Centre (BKPM) was received in Q1 2019. Work plans and the budget (RKAB) 2019 have been submitted to the government (Directorate General Minerals and Coal).

No exploration activity was conducted in BBP during the year.



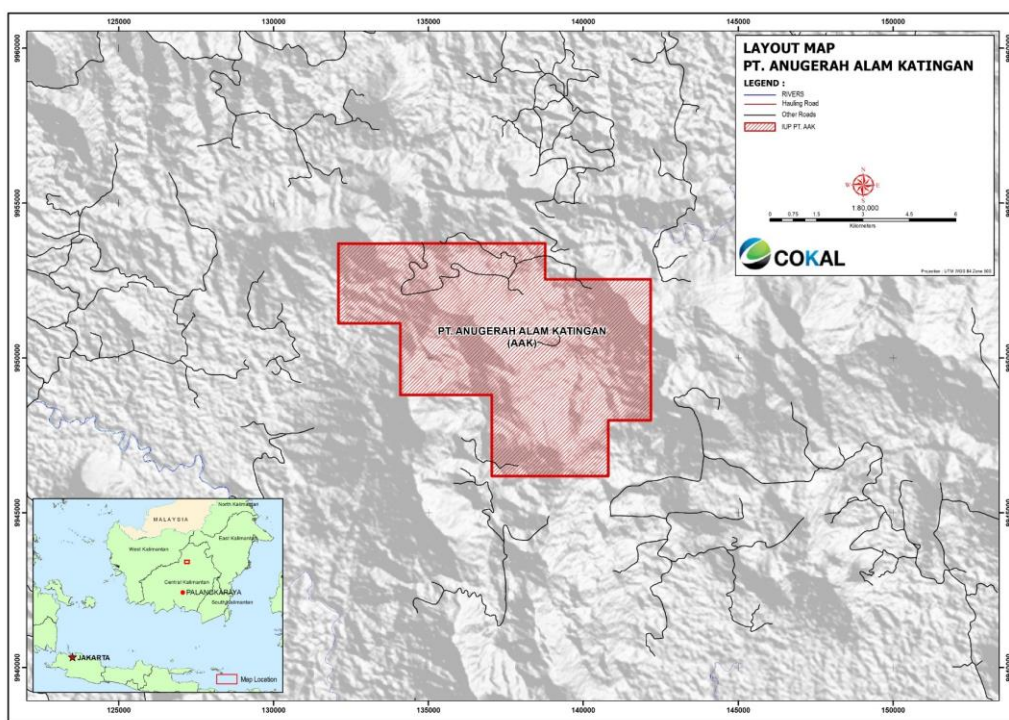
BBP Project Area

Review of Operations

Anugerah Alam Katingan (AAK) Tenement

Cokal's AAK project covers 5,000ha 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 in AAK during the year.



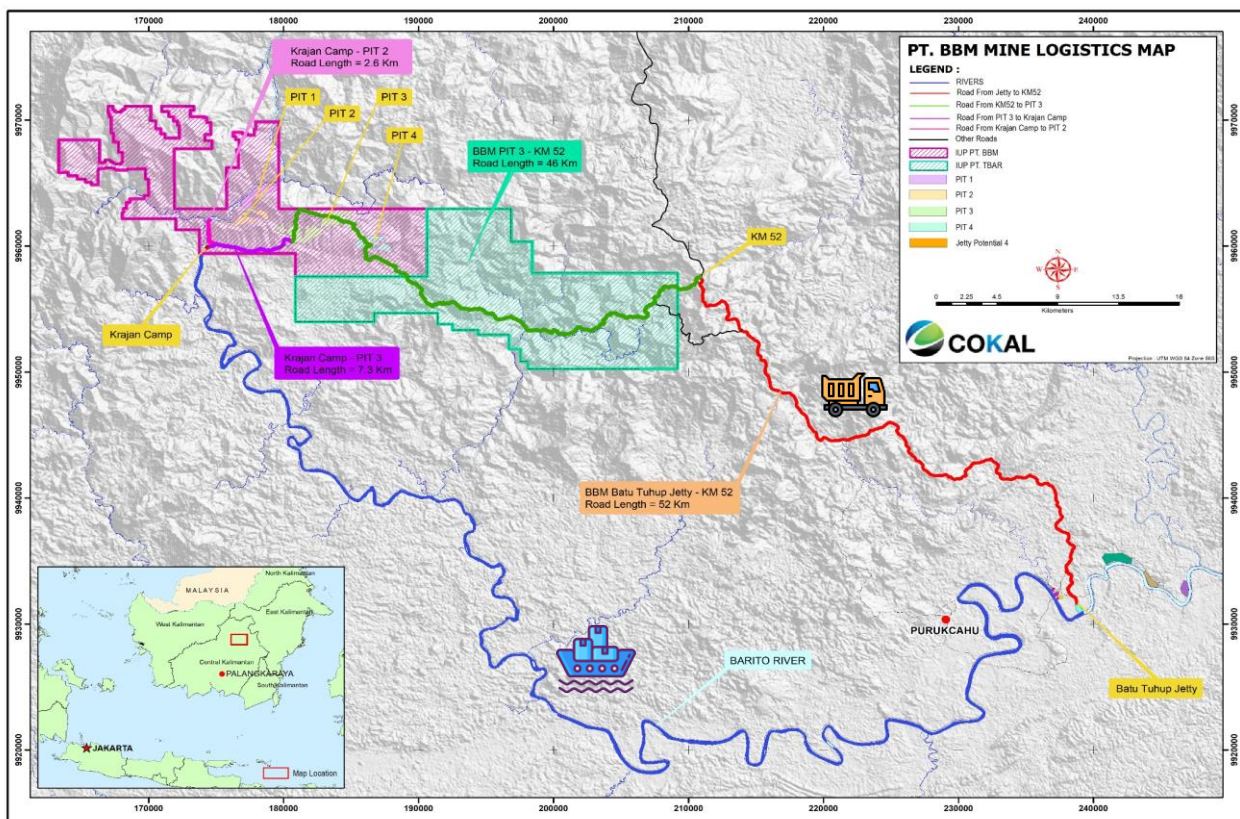
AAK Project Area

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Review of Operations

BBM DEVELOPMENT

BBM Mine Updated Logistics Plan



BBM Mine Logistics

It was considered a risk to rely on a consistent water depth in the Upper Barito River as it may delay barging operations of coal in the dry season. To minimize this operational risk it was decided to haul coal via a 98km initial road development from BBM Pit 3 to BBM's Permanent Jetty at Batu Tuhup where 2.5m water depth is available all year round. Usage of this proposed logistic route allows BBM to bypass the most difficult 190km of the Upper Barito River.

The current initially accessible haul road is a former logging road with 52km of the 98km still in regular use as haul road and 46km needing to be repaired and upgraded. The main repair task completed at the initial development stage was to replace bridges and culverts and cut & fill works to widen critical sections. Cokal has established its right to use these roads with exclusive use of the first 46km of the road which is currently in use. This has been adopted as the main logistics route to bring BBM and TBAR coal to market via its permanent jetty at Batu Tuhup. Road repair commenced in early 2021 and is now trafficable.

The haul road initial development was completed in March 2023 and hauling operations commenced in 9th April 2023 using trucks from in house Logistics arm BSN, while the coal hauling operations are ongoing, due to the current condition of the road we have encountered several delays due to heavy rains and high gradient in steep sections which require further upgrading and development which is currently being done as part of running repair and maintenance (RRM) to make the road usage optimal.

Current year has been challenging since the initial logistics chain being developed is being put to use which has encountered several delays and stoppage due to constant weather related challenges.

Reconstruction of this section of the road will be in two stages: first to gain road access to Pit 3 which is achieved as of March 2023 and then to upgrade the road to be suitable for coal haulage in 30t trucks as part of continuous infrastructure development plan.

The updated logistics plan will allow BBM to transport Coal from both Krajan Jetty (refer to Blue Line on Logistics map) and Mohing Haul Road (refer to Red Line on Logistics Map) to ensure sustainability in supplies to its clients and also maximize support for the ongoing operations with the uninterrupted supply of logistics.

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Review of Operations

BBM Coal Delivery from Pit 3 to Batu Tuhup



Logistic Chain Development

- Cokal's wholly owned subsidiary logistics arm PT BSN acquired a fleet of 13 brand new dump truck to facilitate the commence of hauling operations in April 2023 with an additional order for 15 Units has been placed for near term.
- BSN has been operating 3 sets of barges to transport coal from Krajan Jetty to Batu Tuhup Jetty.
- Operations in barging and road haulage have been affected due to adverse weather from time to time which had led to delays and has affected our schedules.



Haul Trucks Commissioning Pad at Batu Tuhup Jetty

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Coal transportation from Krajan to Batu Tuhup Jetty using BSN Barges

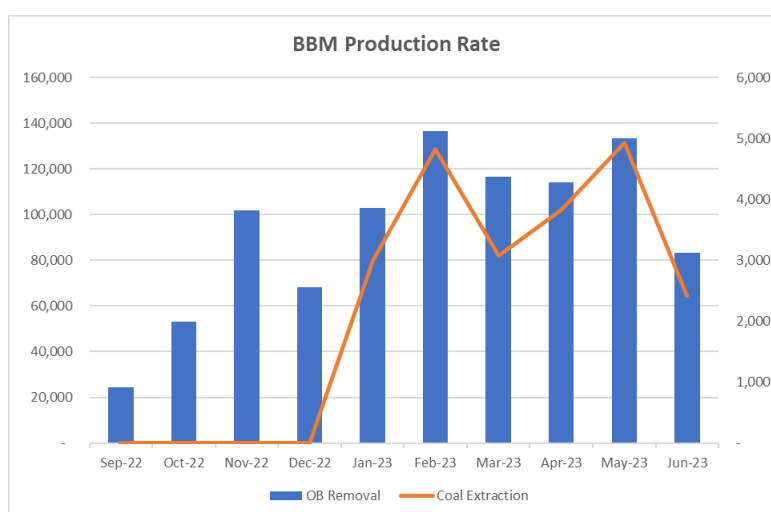


Coal loading onto barges at the Batu Tuhup Jetty

Review of Operations

BBM Mining Operation

- BBM has started its mining operation in 12th September 2022 where CBQ is the main overburden removal contractor aiming Pit 3 as a coking coal pit;
- CBQ has operated 2 fleets of 40t excavator and planned to add more in order to match up with the given production target in stages. However due to the limited availability of their unit, CBQ has failed to improve the production rate;
- Coal getting is being handled inhouse by BBM and the first coal getting was commenced in January 2023;
- Production rate for Overburden (surveyed) and coal (truck count based) as shown below:



BBM Mine Active Area in Pit 3



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Review of Operations

BBM Coal Production Activity (coal cleaning)



BBM Coal Production Activity (coal collecting)



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Batu Tuhup Jetty Development and Construction Progress



Review of Operations

Batu Tuhup ISP and Jetty

BBM completed the full land acquisition for 40 hectares for developing its permanent jetty at Batu Tuhup and has since progressed with development works at its location.

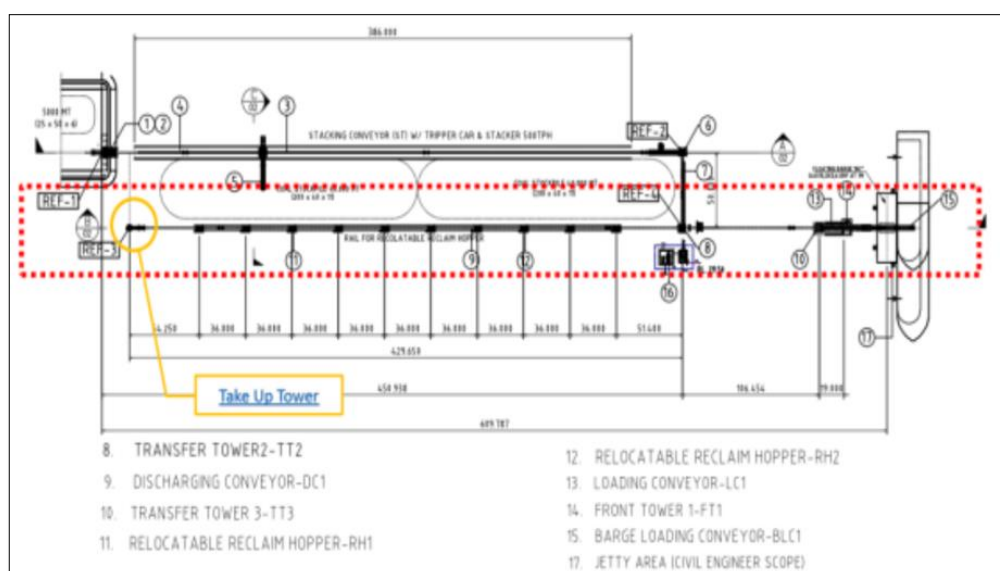
The jetty site at Batu Tuhup has more than 300m river frontage. Land Clearance works have been completed 100% and cut and fill works have been completed as of early February 2023.

JETTY Development Progress as of June 2023

The permanent jetty facility is designed to store additional fuel, mobilise and store equipment and shall also house a transit magazine warehouse for storing the AN.

Total coal storage capacity at the jetty is designed for 100,000MT including coking coal and PCI product and final development will involve directly barge loader with conveyor capacity of 1000MT / hour. The current draft will allow the Company to use conventional barges from sizes 180ft up to 230ft to transport coal to its ISP at Buntok.

Jetty Batu Tuhup Phase 1 Layout



Construction progress:

- Conveyor system development works have progressed as per schedule into week no.12.
- Contractor's workforce already stationed at location.
- Procurement of the initial civil scope material including steel pipes, square piles, steel plates, and anchor system raw material is complete and the shipments have arrived at Batu Tuhup Jetty.
- Work progress achieved as of end of June 2023 is 38%.
- Joint lidar and topography survey complete.
- Construction of on-site camp facilities, truck workshop and infrastructure continue
- Development of piling work, foundations, rebar, and formwork has commenced
- Off-site fabrication works are being conducted at the contractor's facility (Lamongan, East Java)
- Expansion of coal stockpile continue to provide sufficient temporary coal stock to accommodate the manual barge loading prior the completion of the reclaim conveyor system which planned to do trial on January 2024.

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Review of Operations

Jetty Construction Activities



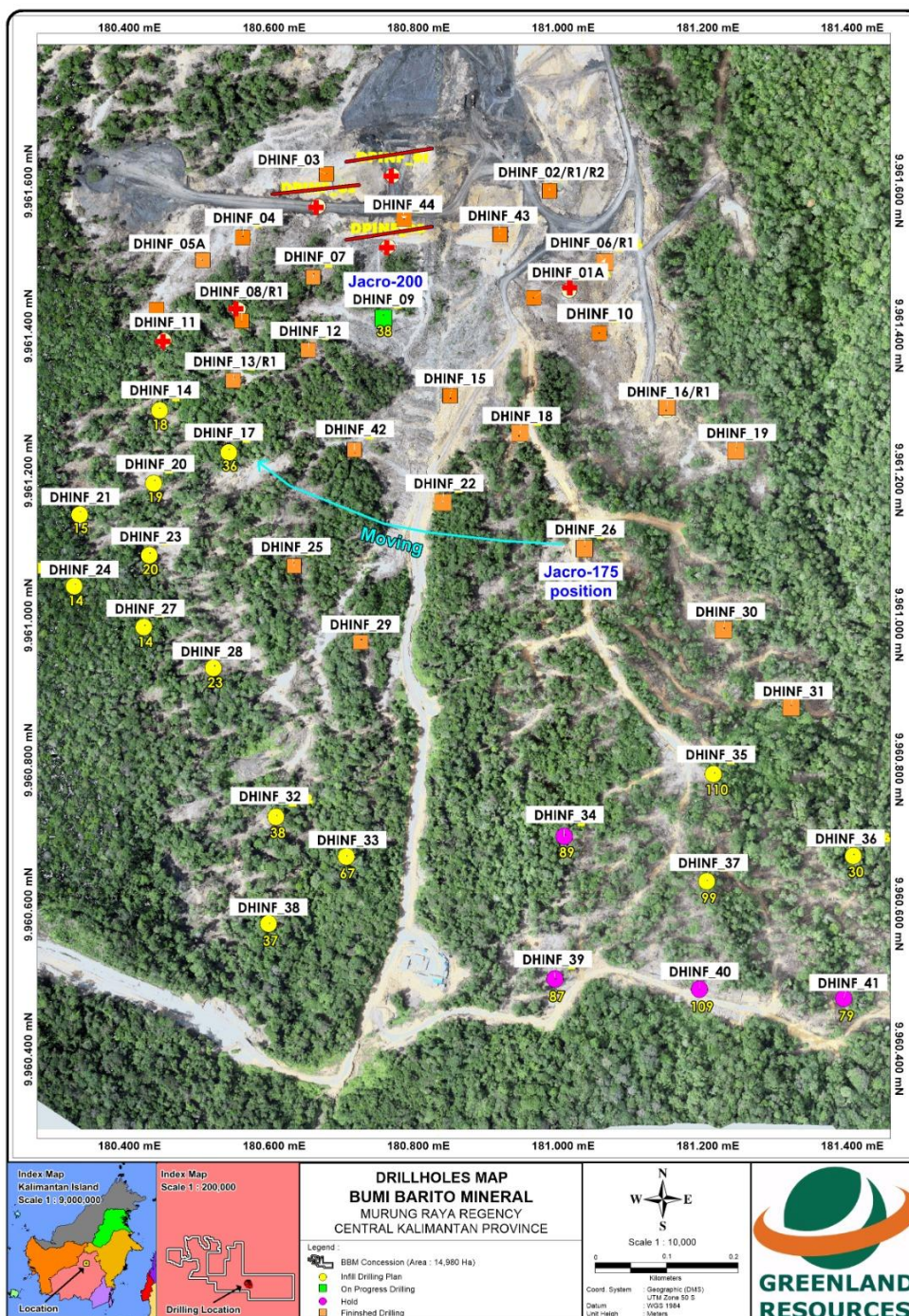
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Infill Drilling Update

- Cokal commenced infill drilling activities at its flagship BBM Metallurgical Coal Mine in March 2023, which will form the basis of further resource and reserve definition and expansion;
- The infill drilling is targeting conversion of BBM's significant 260.2Mt resource base (18.8Mt measured, 22.9Mt indicated and 218.5Mt inferred) into reserves, translating to potential mine-life extensions;
- The BBM infill drilling programme comprises 44 holes with a total drilling depth or 1,630m;
- Infill drilling is aimed at conforming the previous geological data;
- As of June 2023, 27 drill holes, totalling 1,170 meters, have been completed with geophysical logging.

BBM Drill Hole Map



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Review of Operations

Mining Contracts

Cokal's 60% owned subsidiary and owner of the BBM Project, PT Bumi Barito Mineral ("BBM") awarded contracts to PT Citarum Borneo Quantum ("CBQ") to:

- Overburden removal at BBM Pit 3.

However due to limited availability of CBQ's units has caused them to under perform with the given production target. Therefore, to maintain the production rate and coal expose area, BBM has done inhouse overburden removal until the additional or replacement contractor is appointed. Currently advance stage discussion is ongoing with 2 shortlisted prospective contractors.

Initial Coal Mining and Hauling from Pit 3 to Krajan Jetty being handled inhouse by BBM to maintain coal supply for barging from Krajan to Batu Tuhup.

Coal Beneficiation Plan

Seams B, C and D in Pits 1 and 2 will be mined to produce PCI coal only. This coal will be crushed to -50mm but not beneficiated.

J Seam in Pits 3 currently being mined to produce coking coal. Most of the ash in run-of-mine (ROM) coal in the J seam occurs in two or three thin (50mm) mudstone bands which are much harder than the friable vitrinite which comprises 90 to 92% of the coal. It is expected that the average 13% ROM ash can be reduced to less than 7% ash by screening alone. Bearing in mind the BBM exploration experience of washing coal cores at 1.6sg provided 85% yield at 5 to 6% ash, this is not an unreasonable expectation.

Coal with 7% ash, combined with the high swelling index, low sulphur and ultra low phosphorus will be easily marketed compared with most coking coals in the market.

The elimination of the need for water jig washing will be a significant simplification of the preparation of coking coal from BBM and will enable the beneficiation facility to be relocated as the mining operation advances to minimise ROM coal haul distances.

The coal processing plant will be constructed in medium term to enable the subsequent addition of a coal washing jig should it be determined that it will be more profitable to produce a lower (5% - 6%) ash product.

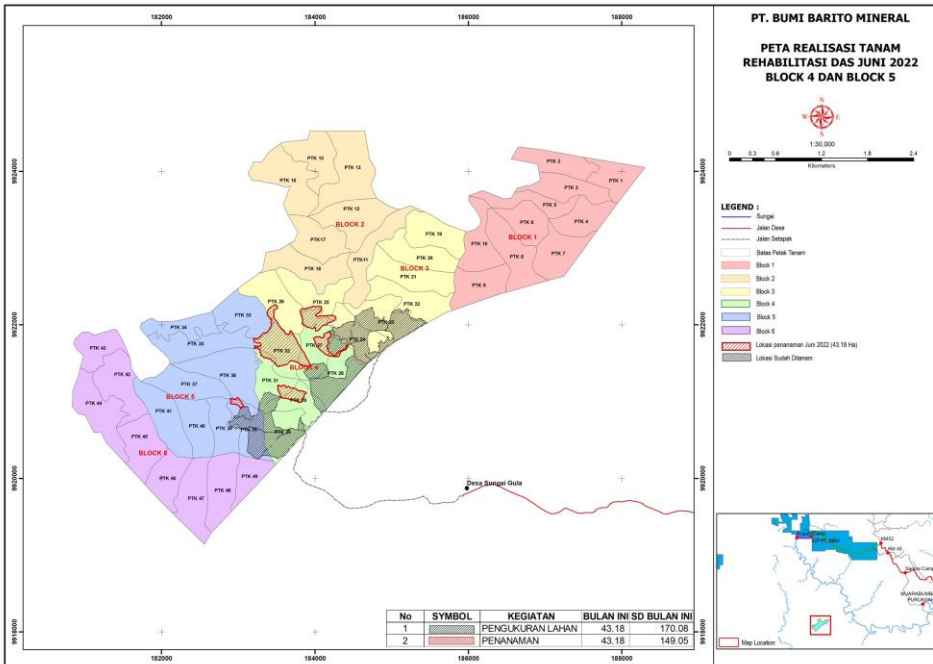
Platts Benchmarking of BBM Coal

S&P Global Platts ("Platts") reviewed BBM coal quality during the financial year and assessed its value in the international market. The positive aspects of BBM coal that were noted included its low ash, low volatiles, low sulfur, high vitrinite content and ultra-low phosphorus content. Platts assessed BBM coking coal to be premium low volatile hard coking coal (HCC) most likely used in a blend in blast furnaces and that it would be attractive in the Chinese market where the current spot price for premium low vol HCC is above US\$300/t cif. Platts assessed BBM PCI coal as premium PCI and rated BBM PCI coal as justifying a 10% premium over top value PCI coal.

Review of Operations

DAS Rehabilitation Update

DAS Rehabilitation is a government-initiated program aimed to rejuvenate and preserve forestry function nearby river area. This program not only will provide benefit to the nature, the program is expected to boost economy function for nearby community. PT BBM is committed to support this program by working closely with local community to achieve this great cause. As at 30 June 2023 Cokal/BBM has completed 248.78 Ha of rehabilitation and an on ongoing rehabilitation is still carried out with the target to complete 250 Ha of planting before handing over to the relevant government department.



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FINANCE FOR BBM DEVELOPMENT

Agreement with Sumber Global Energy (SGE)

BBM has an agreement with PT Sumber Global Energy (“SGE”) to monetise near-term coal production. SGE will advance BBM a total of US\$2.0M as consideration for Cokal appointing SGE as Exclusive Sales Agent for domestic Indonesian coal sales whereby SGE will undertake the marketing and sales of 0.6Mt BBM coal sold into the Indonesian domestic market for a period of 2 years from the date of first delivery of coal to SGE. US\$2.0 million was received to 30 June 2023.

BBM will repay the US\$2.0M to SGE through a reduction in the coal sales price over the term of the agreement. The repayment schedule to SGE will be calculated by apportioning the US\$2.0M consideration over the total tonnage of coal allocated to SGE over the term of the Agreement, which will be deducted from the sales price (e.g. If BBM allocates 0.6Mt of coal to SGE, then the US\$2.0M in consideration will result in a US\$3.33/t reduction in coal sales price for that tonnage.) The reduction in coal sales price shall be adjusted in the final period of the Agreement to ensure full repayment of the US\$2.0M consideration.

Coal Pricing

Coal sold under the Agreement shall be priced in US Dollars per metric tonne on an FOB basis, with the price calculated using the below methodology:

- i. Appropriate prices (the “Index Prices”) for seaborne traded Coking and PCI Coals will be obtained from arecognised market data provider (e.g. Platts); and
- ii. The Index Prices will then be adjusted in order to calculate the prices to be used in the Agreement between BBM and SGE (the “Coal Sales Prices”), with the adjustments made to reflect:
 - a. The quality and specifications of the coal produced by BBM, using the methodologies published by the provider of the Index Price; and
 - b. Freight differentials.

SGE will also receive a small discount off the Coal Sales Prices. In the event SGE is able to sell the coal at a price higher than the Coal Sales Prices, the additional amount shall be shared equally between BBM and SGE. If BBM fails to deliver coal such that a maximum of 0.6MT is not reached within a period of two years from the first delivery to SGE, then BBM will be considered in default and the US\$2M (less any amounts repaid) converts to debt, plus interest using SIBOR. In the event that SGE defaults on the payment schedule for the US\$2.0M set out above, BBM has the right to adjust the coal allotment to SGE under the Agreement in line with the payment received and the right to sell directly into the domestic Indonesian market.

SGE has faced difficulties is organising small barges to take delivery of coal from BBM’s Batu Tuhup Jetty which has led to delay in domestic coal sales.

In light of the above, BBM is currently organising to charter barges and organise an ISP location in Buntok to facilitate coal storage for delivery to domestic and international market.

We also are in discussion with other local traders and end users to commence coal sales in Domestic market.

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Review of Operations

Agreements with International Commodity Trade Pte Ltd (ICT)

In June 2021 BBM negotiated a binding commitment for a US\$20m debt financing facility for development of the BBM Project. A Coal Sales Rights Agreement was also negotiated, assisting with the Company's working capital. This attractive financing structure avoided any dilution for Cokal shareholders. Drawdown of the financing facility has commenced.

ICT is a company incorporated in Singapore whose main business is investment and trading in coal. ICT is controlled by a party that also controls Aahana Mineral Resources Sdn Bhd, a substantial shareholder of Cokal holding 19.97% of the Company's shares, who has one representative on the Company's Board of Directors. The largest shareholder of ICT is Eddie Chin Wai Fong, an ex-CEO and a founding member of PT Bayan Resources Tbk, listed on the Jakarta stock exchange (BYAN.JK). Mr Chin, who has over 30 years of experience in the coal industry in Indonesia, has the contacts, experience and financial capability to complete the funding transaction and marketing of the coal.

BBM executed two binding agreements with ICT to fund the development of mining in its BBM Project: a Capital Participation Agreement and an International Coal Marketing Agreement. The binding Capital Participation Agreement with ICT is for the provision of US\$20m to fund BBM mine development. The binding International Coal Marketing Agreement also entered into with ICT will enable BBM to market its coal to the international market and will also assist BBM in financing its coal stockpile at the river jetty. In return, BBM agrees to provide international coal marketing rights to ICT for the marketing of BBM coal for its overseas markets.

On 24 December 2021, Cokal announced an amendment to the International Coal Marketing Agreement to enable related party, ICT to acquire coal directly from BBM under the agreement and on the same terms as other customers. This amendment provided further certainty of sales and assistance in the funding of working capital and was approved by shareholders at an Extraordinary General Meeting held on 28 April 2022.

The ICT funding facility and coal marketing agreement provide an attractive and strategic funding solution for Cokal to enable the transformation of BBM into a major international coal producer. Cokal has chosen to obtain the funding from ICT as it is available immediately and on similar terms to the previous funding arrangement that was to be provided by China Rail and Beijing Fidick. The funding from ICT is attractive and fair for Cokal shareholders as it allows for the funding of the BBM project without dilution of ownership. The debt will be repaid from project operations with no recourse to Cokal other than pursuant to a Corporate Guarantee provided by Cokal Limited.

Details of the terms of the Capital Participation Agreement and International Coal Marketing Agreement are contained in the Company's announcement dated 14 July 2021.

A\$16m Placement to Accelerate Metallurgical Coal Production

During the year, Cokal Limited has successfully raised A\$16.0 million through a share placement, with significant support from institutional and sophisticated investors, including a A\$5 million investment from respected coal industry professional, Matthew Latimore of M Resources.

Details of the Placement are contained in the Company's announcement dated 23 February 2023.

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Review of Operations

CORPORATE TEAM AND MINE OPERATIONS STAFF

Cokal/BBM has assembled an expert team in preparation for the imminent commencement of mining operations at its BBM mine in Central Kalimantan. This team will direct and manage Cokal's BBM and other mines which will be operated mainly by contractors.

Cokal Limited's Board and management of the Group is as follows:

Board of Directors



Domenic Martino
Chairman & Non-Executive Director

- Founding Director of Cokal and a Chartered Accountant with many years of experience as a director of ASX listed companies
- Previously CEO DeloitteTouche Tohmatsu, Australia
- Key player in the creation of shareholder value in a number of ASX companies including Sydney Gas, Pan Asia, Clean Global Energy, NuEnergy Capital
- Lengthy track record of operating in Indonesia, successfully closing a number of energy and resources deals with key local players



Karan Bangur
Managing Director & CEO

- Over a decade of experience in operating mining and logistics projects in South East Asia, including projects in Indonesia
- Significant experience with Indonesian mining laws
- Director of Aahana Mineral Resources Sdn Bhd, the largest shareholder in Cokal
- Owner/operator of HME coal fleet in Nth Kalimantan
- Evaluation of Iron Ore, Bauxite and Graphite concentrate recovery projects in Indonesia
- Logistics & port development in Indonesia and other parts of SE Asia; and developing & operating Iron Ore tenements in Malaysia



Allen Delbridge
Director

- Mining engineer with over 30 years experience in the mining industry including Indonesia
- A member of PERHAPI and AusIMM and a recognized competent person under the KCMJ and JORC codes
- Deep experience at all levels of operations and mine planning, including:
 - Pit shell optimizations
 - LOM (and stage push back) pit design
 - Ore Reserve reporting
 - Start-up mine schedules/plans
 - Tenders
 - Developing Systems
 - Business improvement projects and Financial evaluations

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Review of Operations

Management Team



Andrew Ichwan CPA
Head of Finance

- Graduated from Curtin University (Perth, WA) and CPA Australia qualified with over 15 years' experience.
- Has held multiple finance/accounting positions in both Australia and Indonesia.
- Previously positions with Silver Lake Resources Limited and Straits Resources Limited.



Allen Delbridge
Director

- Mining engineer with over 30 years experience in the mining industry including Indonesia
- A member of PERHAPI and AusIMM and a recognized competent person under the KCMJ and JORC codes
- Deep experience at all levels of operations and mine planning, including:
 - Pit shell optimizations
 - LOM (and stage push back) pit design
 - Ore Reserve reporting
 - Start-up mine schedules/plans
 - Tenders
 - Developing Systems
 - Business improvement projects and financial evaluations



Karan Bangur
Managing Director & CEO

- Over a decade of experience in operating mining and logistics projects in South East Asia, including projects in Indonesia
- Significant experience with Indonesian mining laws
- Director of Aahana Mineral Resources Sdn Bhd, the largest shareholder in Cokal
- Owner/operator of HME coal fleet in Nth Kalimantan
- Evaluation of Iron Ore, Bauxite and Graphite concentrate recovery projects in Indonesia
- Logistics & port development in Indonesia and other parts of SE Asia; and developing & operating Iron Ore tenements in Malaysia



Eddie Chin
President Commissioner of BBM

- BSc (Hons) Civil Engineering (University of Glasgow)
- President Commissioner of BBM since June 2019
- Significant shareholder of Aahana Mineral Resources Sdn Bhd, largest shareholder in Cokal
- Founding member of major Indonesian coal miner PT Bayan Resources Tbk
- CEO of the Bayan Group between 2005 and Jan 2018
- Key person in the development of the Bayan Group into a globally significant coal producer
- Managing Director of the Desaria Group of Companies



Pak Sukardi
President Director of BBM

- 40 years of mining and plantation industry experience in Indonesia
- Includes operational roles and Board / Senior management positions



Loke Cherng Huei
Director BBM

- BE (Civil) with 35 years mining, marine and construction industry experience in Malaysia and Indonesia
- Previously Director and General Manger roles in the Desaria group of companies in Malaysia



Luki Wilianto
Geology Manager Cokal

- Geological Engineer with 15 years Indonesian coal mining experience
- Member of MAusIMM and an Indonesian Competent Person of "Ikatan Ahli Geologi" (CPI-IAGI)
- Previous positions with PT Thiess Contractors Indonesia, PT Britmindo (Mining Consultant) and PT Wahana Baratama Mining (Bayan Resources)
- Experience leading due diligence, exploration programs and mining studies, comprising geological modelling, resource estimation, mine planning and reporting in accordance with the JORC Code and KCMJ



Muhamad Arie Cahyono
Mine Planning Manager Cokal

- 15 years mining experience, with particular expertise in coal geological modelling, mine planning and management of contractors
- Previously positions with PT Thiess Contractors Indonesia, PT Britmindo (Mining Consultant) and PT Bayan Resources Tbk.
- Member of PERHAPI and also registered as Competent Person Indonesia (CPI).

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Review of Operations

CORPORATE ACTIVITY

Krakatau Steel

Over the year, liaison has been maintained with PT Krakatau Steel regarding the future sale of BBM PCI coal to its new PCI capable blast furnace. It is believed Krakatau retains its interest in obtaining this local supply from BBM to replace imported supply from Australia.

BBM Vendor Payment Converted to Production Based Payment

During the financial year, the Company entered into a Settlement Agreement with BBM Vendor Mr Hery Gianto relating to the US\$10M contingent liability in respect of the acquisition of 60% of PT Bumi Barito Mineral.

Previously this final BBM Vendor payment was due on commencement of production. It has now been agreed that an amount of US\$10.5 million will be paid via:

1. US\$200,000 within 30 days of signing the agreement;
2. During the first and second year of coal sales to a third party, monthly at a rate of US\$2 per tonne of coal sold;
3. From the third year of coal sales to a third party, monthly at a rate of US\$3 per tonne of coal sold.

US\$200,000 has been paid.

Payments under items 2 and 3 are to total US\$10.3 million.

Aahana Mineral Resources Loan Facility

During the year the loan facility provided by Aahana Minerals Resources SDN BHD was terminated and replaced by a new loan facility with an increased facility amount of US\$800,000. The facility interest rate is 12% per annum, compounded monthly and payable on the funds drawn down. US\$700,000 was drawn under the facility with an accrued interest of US\$60,304 to September 2021. The loan is repayable within 30 days of receipt of a written demand for repayment by the Lender. Cokal Limited has provided a corporate guarantee for payment the Loan. Loan Principle of US\$700,000 and total interest US\$60,304 were paid off in September 2021 and whilst the facility remains, no further drawdowns have been made.

Alpine Invest Holding Ltd Loan Facility

During the year a loan facility was provided by Alpine Invest Holding Ltd totaling US\$750,000. The facility interest rate is 12% per annum, compounded monthly and payable on the funds drawn down. US\$750,000 was drawn under the facility with an accrued interest of US\$26,033 to September 2021. Principle of US\$750,000 and total interest of US\$26,033 were paid off in September 2021 and whilst the facility remains, no further drawdowns have been made.

Annual Mineral Resources and Reserves Statement

The Mineral Resources and Ore Reserve statement included with this Annual Report has been prepared in accordance with the 2012 Edition of the “Australasian Code for reporting of Exploration Results, Mineral Resources and Ore Reserves” (the JORC Code 2012) and the ASX Listing Rules.

Ore Reserves as at 30 June 2023

Project	2023 Reserves (in-situ) - Mt			2022 Reserves (in-situ) - Mt			Annual change	
	Proven	Probable	Total	Proven	Probable	Total	Mt	%
BBM	13.8	10.0	23.8	13.8	10.0	23.8	-	-

Note: The reported Ore Reserves Total are approximately 42% PCI coal and 58% Coking coal by coal type. The reported Ore Reserves represent the total tonnages for BBM, of which Cokal has a 60% interest. The reported Mineral Resources and Ore Reserves were calculated using a price of US\$170/t for coking coal and US\$160/t for PCI. Totals may not add due to rounding. Cut-off grade: minimum coal seam thickness of 0.30m.

Mineral Resources as at 30 June 2023

Project	2023 Resources - Mt				2022 Resources - Mt				Annual change	
	Measured	Indicated	Inferred	Total	Measured	Indicated	Inferred	Total	Mt	%
BBM	18.8	22.9	218.5	260.2	18.8	22.9	218.5	260.2	-	-

Note: The reported Mineral Resources total represents the total tonnages for BBM, of which Cokal has a 60% interest. The reported Mineral Reserves were calculated using a price of US\$170/t for coking coal and US\$160/t for PCI. Mineral Resources are reported inclusive of Ore Reserves. Cut-off grade: minimum coal seam thickness of 0.30m.

Mineral Resource and Ore Reserve Governance & Internal Controls

Cokal’s governance arrangements and internal controls for reporting its Mineral Resources and Ore Reserves and the estimation process within BBM and evaluation of future projects, such as the TBAR Project, including:

- oversight and approval of each annual statement by the Technical Director;
- establishment of internal procedures and controls to meet JORC Code 2012 compliance in all
- external reporting;
- independent and/or internal review of estimates;
- annual reconciliation with internal planning to validate reserve estimates for near-term production mines; and
- Cokal Board approval of new and materially changed estimates.

The Competent Person is suitably qualified and experienced, as defined in the 2012 Edition of JORC.

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Annual Mineral Resources and Reserves Statement

Competent Persons Statement

This Annual Ore Reserves Estimate in respect of the BBM Project, is based on, and fairly represents, information and supporting documentation prepared by a competent person. The Ore Reserves Estimate as a whole has, as to the form and content in which it appears, been approved by Mr Arie Cahyono. Mr Cahyono is a Competent Person and a member of the Australasian Institute of Mining and Metallurgy and an employee of the Company. Mr Cahyono has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Cahyono consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The reporting of Coal Resources for the BBM Project has been carried out in accordance with the "Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (JORC Code), prepared by the Joint Ore Reserves Committee, December 2012. The information in the report to which this statement is attached, that relates to the Coal Resources of BBM, is based on information reviewed by Mr Luki Wilianto, who is a Member of The Australian Institute Mining and Metallurgy (AusIMM) and is a full-time employee of Cokal. Mr Wilianto has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration, and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Wilianto consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

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DIRECTORS' REPORT

Directors' Report

Your Directors present their report for the year ended 30 June 2023.

The following persons were Directors of Cokal Limited ("Group", "consolidated entity" or "Cokal") during the financial year and up to the date of this report, unless otherwise stated:

**Domenic Martino, Non-Executive Chairman
(Appointed Director on 24 December 2010 and Chairman on 27 January 2017)**

B. Bus, FCPA

Mr. Martino, 64 is a Chartered Accountant and an experienced director of ASX listed companies. Previously CEO of Deloitte Touch Tohmatsu in Australia, he has significant experience in the development of "micro-cap" companies.

- Former CEO Deloitte Touche Tohmatsu Australia.
- Key player in the re-birth of a broad grouping of ASX companies including Sydney Gas, Pan Asia, Clean Global Energy, NuEnergy Capital.
- Strong reputation in China.
- Lengthy track record of operating in Indonesia, successfully closed key energy and resources deals with key local players.
- Proven track record in capital raisings across a range of markets.

During the past three years Domenic has also served as a Director of the following ASX listed companies:

- PYX Resources Limited (appointed 3 August 2012, resigned 31 January 2020)

**Karan Bangur, Non-Executive Director
(Appointed Director on 10 April 2019, Appointed Chief Executive Director on 30 June 2022)**

BCom

Mr Bangur, 35 has over a decade of experience in operating mining and logistics projects in South East Asia. He is well experienced and familiar with Indonesian mining and general laws relating to on ground operations due to his experience in several projects in Indonesia.

Current ongoing and previous projects include:

- Operations of thermal coal mine in Tanah Grogot, East Kalimantan in capacity of financier.
- Operating fleet of HEMM (Heavy Earth Moving Equipment) in thermal coal mine project in Tarakan, North Kalimantan in capacity of owner.
- He currently serves as Managing Director of Aahana Global Resources & Investment Pte Ltd, which is primarily an investment and holding Co incorporated in Singapore 2008- Present.
- He serves as Director in Aahana Mineral Resources Sdn Bhd, which is the single majority shareholder in Cokal Ltd. 2019 - Present.
- Previous assignments involve evaluation and planning of Iron Ore, Bauxite Ore and Graphite concentrate

recovery projects in Indonesia.

- Previous projects include logistics and port development in Indonesia and other parts of SE Asia.
- Development and operating Iron Ore tenement in Malaysia including HEMM fleet management and rental services.

**David (Allen) Delbridge, Non-Executive Director
(Appointed on 17 March 2020)**

B. Mining Engineering, PERHAPI, AusIMM

Mr Delbridge has over 30 years' experience in the mining industry. He is a recognised competent person under the KCMi code as well as for JORC reserve statement for open cut coal. He has international experience, working for over 7 years as an expatriate in Indonesia. He has significant on-site operations experience, interactively providing practical and technical direction and team leadership for maintaining and improving mining operations at a senior leadership level.

Current ongoing and previous projects include:

- Worked at Citic Pacific Mining on its Sino Iron Ore project in Western Australia
- Worked at Jiujiang Mining Australia Pty Ltd on its Cairn Hill project in South Australia
- Worked at Bayan Resources Group as Manager – Mine Planning and Development in Jakarta with operational sites in Kalimantan

The following person was Chief Operating Officer of Cokal Limited ("Group", "consolidated entity" or "Cokal") during the financial year and up to the date of this report, unless otherwise stated:

**James (Jim) Coleman, Chief Executive Officer
(Appointed on 27 July 2018, resigned 30 June 2022)**

B. Eng (Hons, Mining), FAusIMM

Mr Coleman, 74 has a proven 51-year track record in corporate management of operations for large successful companies including Riversdale Mining, The Griffin Group, The Electricity Trust of South Australia, Utah Development Company and Rio Tinto.

He has led multi-faceted teams and consortia for large coal projects in developing countries and also specialised in deep mines in soft saturated strata. Mr Coleman was responsible for the development of Thailand's 14 million tonnes per annum coal mine which feeds directly into EGAT's on-site power station in northern Thailand.

application of selective mining systems for low ash high quality coals to minimise dilution.

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Directors' Report

As a mining engineer, he has over 50 years' experience in open cut and underground mining specialising in mine management, project development and operation using a variety of equipment including extensive application of in-pit crushing and conveying systems. He designed strategic mine planning to optimise economic returns for various coal operations. He was also responsible for the development of integrated projects in Australia, Mozambique, Thailand, The Philippines, India and throughout SE Asia. Mr Coleman has specific expertise in

Jim possesses a high awareness in the application of shallow river barging systems to transport coal from inland projects over long distances. He participated in the successful evaluation of 500 km shallow water barging on the Zambezi River in Mozambique for the transportation of coking coal from Riversdale's Benga project to off-shore mother vessels. This experience is in line with Cokal's plans to use shallow-river barging on the Barito River to deliver the coking coal in good condition to the nearby Asian market place.

Through the 1980s and 1990s, he owned and managed a highly successful mining consulting business (Coleman and Associates) employing some 40 mining professionals and managing operations concurrently throughout Australia and in five countries including Australian Government aid funded projects in SE Asia.

The following persons were Company Secretaries of Cokal Limited ("Group", "consolidated entity" or "Cokal") during the financial year and up to the date of this report, unless otherwise stated:

**Louisa Martino (Youens), Joint Company Secretary
(Appointed on 9 August 2017)**

BCom, CA

Ms Martino provides company secretarial and accounting services to a number of listed entities through Indian Ocean Capital.

Previously Ms Martino worked for a corporate finance company, assisting with company compliance (ASIC and ASX) and capital raisings. She also has experience working for a government organisation in its Business Development division where she performed reviews of business opportunities and prepared business case analysis for those seeking Government funding.

Prior to that, Ms Martino worked for a major accounting firm in Perth, London and Sydney where she provided corporate advisory services, predominantly on IPOs and also performed due diligence reviews.

She has a Bachelor of Commerce from the University of Western Australia, is a member of Chartered Accountants Australia and New Zealand, a member of the Financial

Services Institute of Australasia (FINSIA) and a Fellow of the Governance Institute of Australia (FGIA).

**Miranda Yuan, Joint Company Secretary
(Appointed 1 July 2020)
MFin, MCom, CPA**

Ms Yuan provides comprehensive accounting services and auditing assistance to a number of public and listed companies through Indian Ocean Corporate. She has experience in company secretarial work in a broad range of ASX listed companies. She also has experience working as a Finance Analyst to provide corporate advisory services for cross-border M&A, capital raisings, IPOs/RTOs and to as a Finance perform due diligence reviews.

Ms Yuan is an honours graduate in Finance from Aberdeen University, she holds a Master degree of Commerce in Finance from the University of New South of Wales and Master degree of Professional Accounting from Charles Sturt University. Ms Yuan is an Associate member of Certified Practising Accountant (CPA) Australia.

Directors' Report

Interests in Shares and Options

At the date of this report, the interests of the Directors in the shares of Cokal Limited are shown in the table below.

	Ordinary Shares	Options
Domenic Martino	41,688,512	-
Karan Bangur	221,641,719	-
David Delbridge	-	-

Principal Activities

The principal activities of the consolidated entity during the financial year were focused on the identification and development of coal within the highly prospective Central Kalimantan coking coal basin in Indonesia.

Operating Results

For the year ended 30 June 2023, the loss for the consolidated entity after providing for income tax was US\$9,268,600 (2022: US\$7,128,486).

Dividends Paid or Recommended

There were no dividends paid or recommended during the financial year.

Review of Operations

Detailed comments on operations and exploration programs up to the date of this report are included separately in the Annual Report under Review of Operations.

Review of Financial Condition

Capital Structure

At 30 June 2023, the consolidated entity had 1,078,948,980 ordinary shares and nil unlisted options on issue.

Financial Position

The net assets of the consolidated entity have increased by US\$ 1,385,297 from US\$(28,090) at 30 June 2022 to US\$1,357,207 at 30 June 2023.

Treasury Policy

The consolidated entity does not have a formally established treasury function. The Board is responsible for managing the consolidated entity's finance facilities.

Some goods and services purchased by the consolidated entity, along with the payments made to the vendors of the Kalimantan coal projects, are in foreign currencies (AU dollars or Indonesian Rupiah).

The consolidated entity does not currently undertake hedging of any kind.

Liquidity and Funding

The consolidated entity believes it has sufficient access to funds to finance its operations and exploration/development activities, and to allow the consolidated entity to take advantage of favourable business opportunities, not specifically budgeted for, or to fund unforeseen expenditure.

Significant Changes in the State of Affairs

There have been no significant changes in the Group's state of affairs during the year ended 30 June 2023.

Significant Events after the Reporting Date

No matters or circumstances have arisen since the end of the year which significantly affected or could significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

Future Developments, Prospects and Business Strategies

Likely developments in the operations of the consolidated entity and the expected results of those operations in subsequent financial years have been discussed where appropriate in the Annual Report under Review of Operations.

There are no further developments of which the Directors are aware which could be expected to affect the results of the consolidated entity's operations in subsequent financial years.

Directors' Report

Business Results

The prospects of the Group in developing its properties in Indonesia may be affected by a number of factors. These factors are similar to most exploration companies moving through the exploration phase and attempting to get projects into production. Some of these factors include:

- Exploration - the results of the exploration activities at the BBM project and the tenements in Central Kalimantan may be such that the estimated resources are insufficient to justify the financial viability of the projects.
- Regulatory and Sovereign - the Group operates in Indonesia and deals with local regulatory authorities in relation to the operation and development of its properties. The Group may not achieve the required local regulatory approvals, or they may be significantly delayed enabling it to commence production.
- Funding - the Group may require additional funding to move from the exploration/development phase to the production phase of the BBM project and the tenements in Central Kalimantan. There is no certainty that the Group will have access to available financial resources sufficient to fund its capital costs and/or operating costs at that time.
- Development - the Group is involved in developing greenfield projects in Indonesia which could result in capital costs and/or operating costs at levels which do not justify the economic development of the project.
- Market - there are numerous factors involved with early stage development of its properties such as the BBM project, including variance in commodity price and labour costs which can result in projects being uneconomical.

Environmental Issues

The consolidated entity is subject to environmental regulation in relation to its exploration activities. Indonesia where the Group's main project is located in the principal laws are Act No.41 of 1999 regarding Forestry (the Forestry Law), Act No.4 of 2009 regarding Minerals and Coal Mining (the Mining Law) and Act No. 32 of 2009 regarding Environmental Protection and Management (the Environment Law). There are no matters that have arisen in relation to environmental issues up to the date of this report.

Non-Audit Services

No non-audit services were provided by Cokal's auditor, Hall Chadwick during the financial year ended 30 June 2023 (2022: Nil).

Remuneration Report (Audited)

This remuneration report for the year ended 30 June 2023 outlines the remuneration arrangements of the Group in accordance with the requirements of the Corporations Act 2001 (the Act) and its regulations. This information has been audited as required by section 308(3C) of the Act.

The remuneration report details the remuneration arrangements for key management personnel (KMP) who are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Group, directly or indirectly, including any director (whether executive or otherwise) of the consolidated entity.

For the purposes of this report, the term "executive" includes the Chief Executive Officer, directors and other senior management executives of the Group.

Remuneration report approval at FY22 AGM

The remuneration report for the 2022 financial year received positive shareholder support with proxy votes of 82.15% in favour (of shares voted).

Remuneration Policy

The performance of the consolidated entity depends upon the quality of its directors and executives. To prosper, the consolidated entity must attract, motivate, and retain highly skilled directors and executives.

The Board does not presently have a Remuneration and Nomination Committee. The directors consider that the consolidated entity is not of a size, nor are its affairs of such complexity, as to justify the formation of any other special or separate committee at this time. All matters which might be dealt with by such a committee are reviewed by the directors meeting as a Board.

The Board, in carrying out the functions of the Remuneration and Nomination Committee, is responsible for reviewing and negotiating the compensation arrangements of senior executives and consultants.

The Board, in carrying out the functions of the Remuneration and Nomination Committee, assess the appropriateness of the nature and amount of remuneration of such officers on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality Board and executive team. Such officers are given the opportunity to receive their base remuneration in a variety of forms including cash and fringe benefits. It is intended that the manner of payments chosen will be optimal for the recipient without creating undue cost for the consolidated entity.

The consolidated entity aims to reward the Executive Directors and senior management with a level and mix of remuneration commensurate with their position and responsibilities within the consolidated entity. The Board's policy is to align director and executive objectives with shareholder and business objectives by providing a fixed remuneration component and offering short and/or long-term incentives as appropriate.

In accordance with best practice corporate governance, the structure of non-executive directors, Executive Directors and senior management remuneration is separate and distinct.

Directors' Report

Non-executive Director Remuneration

The Board seeks to set aggregate remuneration at a level which provides the consolidated entity with the ability to attract and retain directors of the highest calibre, whilst incurring a cost which is acceptable to shareholders.

The Constitution of Cokal Limited and the ASX Listing Rules specify that the non-executive directors are entitled to remuneration as determined by the consolidated entity in a general meeting to be apportioned among them in such manner as the Directors agree and, in default of agreement, equally. The aggregate remuneration currently determined by Cokal Limited is AU\$500,000 per annum. Additionally, non-executive directors will be entitled to be reimbursed for properly incurred expenses.

If a non-executive director performs extra services, which in the opinion of the directors are outside the scope of the ordinary duties of the director, the consolidated entity may remunerate that director by payment of a fixed sum determined by the directors in addition to or instead of the remuneration referred to above. However, no payment can be made if the effect would be to exceed the maximum aggregate amount payable to non-executive directors. A non-executive director is entitled to be paid travel and other expenses properly incurred by them in attending directors' or general meetings of Cokal Limited or otherwise in connection with the business of the consolidated entity.

The remuneration of the non-executive directors for the year ending 30 June 2023 is detailed in this Remuneration Report.

Executive Directors and Senior Management Remuneration

The consolidated entity aims to reward the Executive Directors and senior management with a level and mix of remuneration commensurate with their position and responsibilities within the consolidated entity so as to:

- reward Executives for consolidated entity and individual performance;
- align the interests of executives with those of shareholders;
- link reward with the strategic goals and performance of the consolidated entity; and
- ensure total remuneration is competitive by market standards.

The remuneration of the Executive Directors and senior management may from time to time be fixed by the Board. As noted above, the Board's policy is to align the Executive Directors and senior management objectives with shareholder and business objectives by providing a fixed remuneration component and offering short and/or long-term incentives as appropriate.

The level of fixed remuneration is set so as to provide a base level of remuneration which is both appropriate to the position and is competitive in the market. Short-term incentives may be provided in the form of performance bonuses. Fixed remuneration and short-term incentives are reviewed annually by the Board, in carrying out the functions of the Remuneration Committee, and the process consists of a review of Company-wide and individual performance, relevant comparative remuneration in the market and internal, and where appropriate, external advice on policies and practices.

Senior management are given the opportunity to receive their fixed remuneration in a variety of forms including cash and fringe benefits such as motor vehicles and expense payment plans. It is intended that the manner of payment chosen will be optimal for the recipient without creating undue cost for the consolidated entity.

Long-term incentives may be provided in the form of options and/or the issue of shares following the completion of satisfactory time periods of service. The consolidated entity uses employee continuity of service and the future share price to align comparative shareholder return and reward for executives.

The remuneration of the Executive Directors and senior management for the year ended 30 June 2023 is detailed in this Remuneration Report.

Relationship between Remuneration and Consolidated Entity Performance

During the financial year, the consolidated entity has generated losses as its principal activity was exploration and development within the Central Kalimantan coking coal basin in Indonesia.

The following table shows the performances of the consolidated entity for the last five years:

Year-end (30 June)	2023	2022	2021	2020	2019
Share price (US\$)	0.12	0.10	0.04	0.04	0.03
Basic (loss) per share (US cents)	(1.29)	(0.76)	(0.29)	(0.28)	(0.26)

There were no dividends paid during the year.

As the consolidated entity was still in the exploration and development stage during the financial year, the link between remuneration, consolidated entity performance and shareholder wealth is tenuous. Share prices are subject to the influence of coal prices and market sentiment toward the sector, and as such increases or decreases may occur quite independent of executive performance or remuneration.

Employment and Services Agreements

It is the Board's policy that employment and/or services agreements are entered into with all Executive Directors, senior management, and employees.

Directors' Report

Agreements do not provide for pre-determining compensation values or method of payment. Rather the amount of compensation is determined by the Board, where applicable with the remuneration policy set out above.

KMP are entitled to their statutory entitlements, where applicable of accrued annual leave and long service leave together with any superannuation on termination. No other termination payments are payable.

Senior Management

Chief Executive Officer

Mr James Coleman was appointed Chief Executive Officer on 27th of July 2018. During the year the Company paid Mr Coleman as a contractor, on a monthly basis.

Mr Karan Bangur was appointed Chief Executive Officer followed by the resignation of Mr James Coleman on 30 June 2022.

(i) Directors

Domenic Martino, Chairman and Non-Executive Director (appointed Non-Executive Director 24 December 2010, appointed Chairman on 27 January 2017)

Karan Bangur, Executive Director (appointed 10 April 2019) and Chief Executive Officer (appointed 30 June 2022)

David Delbridge, Non-Executive Director (appointed 17 March 2020)

(ii) Senior Management

James Coleman, Chief Executive Officer (resigned 30 June 2022)

Remuneration Details

The following table of benefits and payments details, in respect to the financial years ended 30 June 2023 and 2022, the component of remuneration for each key management person of the consolidated entity:

Details of Key Management Personnel (KMP)

2023	Short-Term Benefits			Post-Employment	Termination Benefits	Share-based payments		Total	% Remuneration as equity
	Salary & Fees	Cash Bonus	Other short-term benefits	Superannuation		Equity-settled (options)	Cash-settled		
	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	
Directors									
Domenic Martino	53,312	-	-	-	-	-	-	53,312	-
Karan Bangur*	150,179	-	5,284	987	-	-	-	156,450	-
David Delbridge*	24,233	-	-	-	-	-	-	24,233	-
Total	227,724	-	5,284	987	-	-	-	233,995	-

* In addition to director fees, Mr Bangur receive fees for services provided to BBM which are included in the schedule

2022	Short-Term Benefits			Post-Employment	Termination Benefits	Share-based payments		Total	% Remuneration as equity
	Salary & Fees	Cash Bonus	Other short-term benefits	Superannuation		Equity-settled (options)	Cash-settled		
	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	
Directors									
Domenic Martino	59,143	-	-	-	-	-	-	59,143	-
Karan Bangur*	144,476	-	2,368	4,809	-	-	-	151,653	-
David Delbridge*	42,565	-	-	-	-	-	-	42,565	-
Total	246,184	-	2,368	4,809	-	-	-	253,361	-

Senior Management

James Coleman#	44,805	-	-	-	-	-	-	44,805	-
Total	290,989	-	2,368	4,809	-	-	-	298,166	-

* In addition to director fees, Mr Bangur received fees for services provided to BBM which are included in the schedule

Resigned on 30 June 2022

Directors' Report

Cash Bonuses, Performance-related Bonuses and Share-based Payments

KMP and other executives may be paid cash bonuses or performance-related bonuses. There were nil remuneration options on issue during the 2023 financial year to KMP.

Options holdings

Details of options held and share-based payments to KMP and other executives awarded and vested/unvested during the year ended 30 June 2023 and 30 June 2022 are detailed in the table below:

	Balance 1 July 2022	Granted as Remuneration	Exercise of Options	Net Change Other	Balance 30 June 2023	Total vested at 30 June 2023	Total vested and exercisable at 30 June 2023	Total vested and unexercisable at 30 June 2023
Directors								
Domenic Martino	-	-	-	-	-	-	-	-
Karan Bangur	37,500,000	-	(37,000,000)	(500,000)	-	-	-	-
David Delbridge	-	-	-	-	-	-	-	-
Senior Management								
James Coleman*	-	-	-	-	-	-	-	-
Total	37,500,000	-	(37,000,000)	(500,000)	-	-	-	-

	Balance 1 July 2021	Granted as Remuneration	Exercise of Options	Net Change Other	Balance 30 June 2022	Total vested at 30 June 2022	Total vested and exercisable at 30 June 2022	Total vested and unexercisable at 30 June 2022
Directors								
Domenic Martino	-	-	-	-	-	-	-	-
Karan Bangur	37,500,000	-	-	-	37,500,000	37,500,000	37,500,000	-
David Delbridge#	-	-	-	-	-	-	-	-
Senior Management								
James Coleman*	14,000,000	-	-	(14,000,000)	-	-	-	-
Total	51,500,000	-	-	(14,000,000)	37,500,000	37,500,000	37,500,000	-

* Resigned on 30 June 2022

The options were issued to the director and senior management of Cokal Limited to align comparative shareholder return and reward for director and senior management.

All options issued by Cokal Limited entitle the holder to one ordinary share in Cokal Limited for each option exercised.

All options granted as part of remuneration were granted for nil consideration. Once vested, options can be exercised at any time up to the expiry date.

The consolidated entity does not currently have a policy prohibiting directors and executives from entering into arrangements to protect the value of unvested options. No directors or executives have entered into contracts to hedge their exposure to options awarded as part of their remuneration package.

Shareholdings

Details of ordinary shares held directly, indirectly or beneficially by KMP and their related parties are as follows:

	Balance 1 July 2022	Issued as Remuneration	On Exercise of Options	Net Change Other	Balance 30 June 2023 ●
Directors					
Domenic Martino	41,688,512	-	-	-	41,688,512
Karan Bangur	184,641,719	-	37,000,000	-	221,641,719
David Delbridge	-	-	-	-	-
Total	226,330,231	-	37,000,000	-	263,330,231

Directors' Report

	Balance 1 July 2021	Issued as Remuneration	On Exercise of Options	Net Change Other	Balance 30 June 2022 •
Directors					
Domenic Martino	41,688,512	-	-	-	41,688,512
Karan Bangur	184,641,719	-	-	-	184,641,719
David Delbridge	-	-	-	-	-
Senior Management					
James Coleman [^]	4,518,845	866,667	-	-	5,385,512
Total	230,849,076	866,667	-	-	231,715,743

[^] Resigned on 30 June 2022

• If position vacated during the year, as at resignation date

Transactions with KMP and their related entities

Mr Domenic Martino

- As at 30 June 2023 director fees totaling US\$Nil (2022: US\$46,200) remain outstanding to Mr Martino.
- On 9 August 2017 the Company entered into an agreement with Indian Ocean Corporate Pty Ltd, a company of which Mr Martino is a director, for company secretarial services at a cost of AU\$4,400 (incl GST) per month and increased to AU\$6,000 (excl GST) from 1 January 2022. The services are based on normal commercial terms and conditions. During the 2023 financial year, Indian Ocean Capital Pty Ltd (associated company to Indian Ocean Corporate Pty Ltd) has provided company secretarial services totaling US\$52,260 (2022: US\$46,594), assistance with the preparation of reports totaling US\$22,110 (2022:US\$Nil) and a management consulting service totaling US\$ 33,500 (2022: US\$ 13,963). Indian Ocean Consulting Group Pty Ltd has provided company taxation services totaling US\$12,160 (2022:US\$12,320). As at 30 June 2023, company secretarial fees of US\$Nil (2022: US\$746) and management consulting services of US\$Nil and company taxation services of US\$Nil (2022:US\$821) remain outstanding.

Mr Karan Bangur

- As at 30 June 2023 director fees totaling US\$Nil (2022: US\$Nil) remain outstanding to Mr Bangur.
- During the year the loan facility provided by Aahana Minerals Resources SDN BHD (Lender), a related party to Mr Karan Bangur, was terminated and replaced by a new loan facility with an increased facility amount of US\$800,000. The facility interest rate is 12% per annum, compounded monthly and payable on the funds drawn down. Loan principle of US\$700,000 and total interest US\$60,304 were paid off in September 2021 and whilst the facility remains, no further drawdowns have been made.

Mr David Delbridge

- As at 30 June 2023 director fees totaling US\$Nil (2020: US\$Nil) remain outstanding to Mr Delbridge.
- The Company's Singaporean subsidiary has entered into a consulting agreement with a company that is a related party of Mr Delbridge. PT TEDD Jasa Konsultasi. During the financial year consulting services totaling Nil (2022:US\$58,135) were paid to PT TEDD Jasa Konsultasi, with US\$Nil owing as at 30 June 2022 (2022: US\$Nil).

END OF REMUNERATION REPORT

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Directors' Report

Directors' Meetings

The number of meetings of Directors held during the year and the number of meetings attended by each Director was as follows:

	Board	
	Number of meetings held while in office	Meetings attended
Domenic Martino	2	2
Karan Bangur	2	2
David Delbridge	2	2

Indemnification and Insurance of Directors, Officers and Auditor

Each of the current Directors and Secretaries of Cokal Limited have entered into a Deed with Cokal Limited whereby Cokal Limited has provided certain contractual rights of access to books and records of Cokal Limited to those Directors and Secretaries.

Cokal Limited has insured all of the Directors of the consolidated entity. The contract of insurance prohibits the disclosure of the nature of the liabilities covered and amount of the premium paid. The Corporations Act does not require disclosure of the information in these circumstances.

To the extent permitted by law, the Company has agreed to indemnify its auditors, Hall Chadwick Pty Ltd, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Hall Chadwick Pty Ltd during or since the financial year.

Options

At 30 June 2023, there were Nil unissued ordinary shares under options.

No option holder has any right under the options to participate in any other share issue of Cokal Limited or any other entity.

Subsequent to year end, 40,000,000 ordinary shares in Cokal Limited were issued as a result of the exercise of options.

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Directors' Report

Proceedings on Behalf of the Consolidated Entity

No person has applied for leave of Court to bring proceedings on behalf of the consolidated entity or intervene in any proceedings to which the consolidated entity is a party for the purposes of taking responsibility on behalf of the consolidated entity for all or any part of those proceedings.

The consolidated entity was not a party to any such proceedings during the year.

Auditor's Independence Declaration

The Auditor's Independence Declaration forms part of the Directors' Report and can be found on page 39.

This report is signed in accordance with a resolution of the directors.



Cokal Limited
Domenic Martino
Chairman

Sydney, 29 September 2023

Corporate Governance

In recognising the need for the highest standards of corporate behaviour and accountability, the directors of Cokal Limited support and have adhered to the principles of corporate governance. Cokal Limited's Corporate Governance Statement has been made publicly available on the Company's website at: www.cokal.com.au.

Annual Resource and Reserve Statement

The Company includes its Annual Resource and Reserve Statement in this Annual Report. The Statement can also be found on the Company's website at www.cokal.com.au.

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**COKAL LIMITED
ABN 55 082 541 437
AND CONTROLLED ENTITIES**

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF COKAL LIMITED**

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Cokal Limited. As the lead audit partner for the audit of the financial report of Cokal Limited for the year ended 30 June 2023, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.



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Level 40, 2 Park Street
Sydney NSW 2000



DREW TOWNSEND
Partner
Dated: 29 September 2023

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Hall Chadwick (NSW) Pty Ltd
ABN: 32 103 221 352

Consolidated Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2023

	Note	2023 US\$	2022 US\$
Revenue and other income	2	16,373	27,350
Employee benefits expense		(818,971)	(996,873)
Depreciation and amortisation expense		(431,281)	(188,690)
Production expenses		(1,929,993)	(689,524)
Finance costs		(3,100)	(37,911)
Legal expenses		(144,151)	(36,463)
Administration and consulting expenses		(524,188)	(496,226)
Licence fees		(465,306)	(472,246)
Royalty expense		(120,000)	(120,000)
Capital participation fee	16	(4,800,000)	(4,167,742)
Other expenses		(47,983)	49,839
Loss before income tax expense		(9,268,600)	(7,128,486)
Income tax expense	4	-	-
Loss for the period		(9,268,600)	(7,128,486)
Other comprehensive income			
Items may be reclassified to profit or loss in subsequent periods (net of tax):			
Exchange translation differences		-	8,643
Total comprehensive loss for the period		(9,268,600)	(7,137,129)
Loss per share for the loss attributable to owners of Cokal Limited:		Cents	Cents
Loss per share (cents per share)	6	(0.86)	(0.76)
Diluted loss per share (cents per share)	6	(0.86)	(0.76)

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position as at 30 June 2023

	Note	2023 US\$	2022 US\$
Current Assets			
Cash and cash equivalents	7	1,342,513	356,219
Short term deposits	7	142,660	141,837
Inventory	9	3,348,390	60,072
Other current assets	13	699,284	115,987
Total Current Assets		5,532,847	674,115
Non-Current Assets			
Property, plant and equipment	10	11,597,636	4,289,209
Exploration and evaluation assets	11	1,606,585	1,622,854
Mines under development	12	23,754,966	23,746,613
Right of use assets	15(a)	624,952	89,735
Other non-current assets	13	976	1,144
Total Non-Current Assets		37,585,115	29,749,555
TOTAL ASSETS		43,117,962	30,423,670
Current Liabilities			
Accounts payable and others	14	20,930,764	14,313,633
Lease liabilities	15(b)	286,610	66,539
Borrowings	16	2,060,406	2,071,588
Total Current Liabilities		23,277,780	16,451,760
Non-Current Liabilities			
Lease liabilities	15(b)	227,245	-
Provision for rehabilitation		305,730	-
Borrowings	16	17,950,000	14,000,000
Total Non-Current Liabilities		18,482,975	14,000,000
TOTAL LIABILITIES		41,760,755	30,451,760
NET ASSETS		1,357,207	(28,090)
Equity			
Issued capital	17	106,375,841	95,721,944
Reserves	18	6,512,247	6,512,247
Accumulated losses		(111,530,881)	(102,262,281)
TOTAL EQUITY		1,357,207	(28,090)

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity for the year ended 30 June 2023

	Issued capital US\$	Translation Reserves US\$	Share Based Payment Reserves US\$	Accumulated losses US\$	Total US\$
At 1 July 2022	95,721,944	(1,417,999)	7,930,246	(102,262,281)	(28,090)
Total comprehensive loss for the year					
Loss for the year	-	-	-	(9,268,600)	(9,268,600)
Other comprehensive income	-	-	-	-	-
	-	-	-	(9,268,600)	(9,268,600)
Transactions with owners in their capacity as owners					
Issue of share capital, net of costs	10,570,040	-	-	-	10,570,040
Conversion of options	83,857	-	-	-	83,857
	10,653,897	-	-	-	10,653,897
At 30 June 2023	106,375,841	(1,417,999)	7,930,246	(111,530,881)	1,357,207
At 1 July 2021	95,141,482	(1,426,642)	7,930,246	(95,133,795)	6,511,291
Total comprehensive loss for the year					
Loss for the year	-	-	-	(7,128,486)	(7,128,486)
Other comprehensive income	-	8,643	-	-	8,643
	-	8,643	-	(7,128,486)	(7,119,843)
Transactions with owners in their capacity as owners					
Issue of share capital, net of costs	580,462	-	-	-	580,462
	580,462	-	-	-	580,462
At 30 June 2022	95,721,944	(1,417,999)	7,930,246	(102,262,281)	(28,090)

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

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Consolidated Statement of Cash Flows for the year ended 30 June 2023

	Note	2023 US\$	2022 US\$
Cash Flows from Operating Activities			
Receipts from customers		1,849,702	75,000
Payments to suppliers and employees		(7,649,193)	(5,578,076)
Capital participation fee paid		-	(2,894,343)
Interest and other income received		15,694	1,220
Finance costs paid		(3,100)	(37,911)
Net cash outflow from operating activities	23	(5,786,897)	(8,434,110)
Cash Flows from Investing Activities			
Payments for property, plant and equipment		(7,580,157)	(3,966,008)
Payments for mines under development		-	(37,162)
Net cash outflow from investing activities		(7,580,157)	(4,003,170)
Cash Flows from Financing Activities			
Proceeds from issue of shares	17	10,653,897	487,218
Repayment of borrowings		-	(1,784,960)
Repayment of lease		(239,367)	(78,300)
Proceeds from borrowings		3,938,818	14,000,000
Net cash inflow from financing activities		14,353,348	12,623,958
Cash and cash equivalents at beginning of year		356,219	169,543
Net increase (decrease) in cash and cash equivalents		986,294	186,676
Cash and cash equivalents at end of year	7	1,342,513	356,219

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

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Notes to the Consolidated Financial Statements for the year ended 30 June 2023

Note 1: About this Report

(a) General information

The consolidated financial statements of Cokal Limited for the year ended 30 June 2023 were authorised for issue in accordance with a resolution of the Directors dated 30 September 2023 and covers the consolidated entity (the "Group" or "Cokal") consisting of Cokal Limited (the "Company") and its subsidiaries.

The financial statements are presented in United States Dollars ("US\$").

Cokal Limited (the parent) is a company limited by shares, incorporated and domiciled in Australia, whose shares are publicly traded on the Australian Securities Exchange.

The principal activities of the Group during the year were focused on the identification and development of coal within the highly prospective Central Kalimantan coking coal basin in Indonesia.

(b) Basis of preparation

The financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards and the Corporations Act 2001.

The financial statements also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

The financial statements have been prepared on a historical cost basis.

(c) Going concern

The financial report has been prepared on a going concern basis which contemplates the continuity of normal business activities and the realisation of assets and discharge of liabilities in the ordinary course of business.

For the year ended 30 June 2023 the Group recorded a loss of US\$9,268,600 (30 June 2022: loss of US\$7,128,486) and a net operating cash outflow US\$5,786,897 (30 June 2022: US\$8,434,110).

As at 30 June 2023, the Group's current liabilities exceeded the current assets by US\$17,744,933 (30 June 2022: US\$15,777,645) and had net assets US\$1,357,207 (30 June 2022: Net liabilities US\$28,090.)

As at 30 June, the Group's arrears of trade and other payables means its ability to continue as a going concern is dependent on creditors, including management and the directors, extending payment terms, providing informal financial support and not demanding payment of amounts owed to them in excess of the Group's available funds at the time. At the date of this report, no creditor or lender of the Group have made demands for payment.

During the year the Group concluded a binding commitment for a US\$20m debt financing facility for development of the Bumi Barito Mineral (BBM) Coking Coal Project with International Commodity Trade Pte Ltd ("ICT"). The Group has received the first tranches totalling US\$17.5 million of the debt facility from ICT. In addition, the group completed a binding International Coal Marketing Agreement, also entered into with ICT, enabling BBM to market its coal to the international market and assisting BBM in financing its coal stockpile at the river jetty. Under this arrangement, financing of 80% of the coal value is received upon completion of the loading of coal to barges from the BBM Intermediate Stockpile jetty (ISP).

A portion of the current liabilities are payable over time and from production. The Group has a commission payable of US\$9,261,535 based on an agreement with Alpine Invest Holdings Ltd. This amount is re-payable at the greater of US\$10,000 per month and US\$2.00 per tonne of coal sold by BBM and TBAR on a monthly basis. Based on original term an amount of US\$2 million payable to BMA is also included in current liabilities and is to be repaid based on US\$ 5 per tonne payable over the 1st 200,000 mt sold and US\$ 10 for the subsequent 100,000 mt.

The Directors are confident given the current progress towards mining at BBM that the Group will be successful in its endeavours to develop the larger BBM project. The directors believe that the commencement of operations at the BBM project (and the forecast generating of operating cash inflows) will enable it to satisfy its working capital requirements (including its arrears of trade and other payables). This being the case, the directors have a reasonable expectation that the Group's creditors will continue to extend payment terms, provide informal financial support and not demand payment of amounts owed to them in excess of the Group's available funds. As a result, the financial report has been prepared on a going concern basis.

The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities should the Group be unsuccessful in raising funds to enable it to realise its assets and discharge its liabilities in the ordinary course of business.

Notes to the Consolidated Financial Statements for the year ended 30 June 2023

(d) New accounting standards and interpretations

i. Changes in accounting policy and disclosures

The Group has not early adopted other standard, interpretation or amendment that has been issued but is not yet effective.

ii. Accounting Standards and Interpretations issued but not yet effective

The Group has adopted all the mandatory new and amended Accounting Standards issued that are relevant to its operations and effective for the current reporting period. There was no material impact on the financial report as a result of the mandatory new and amended Accounting Standards adopted.

(e) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries at reporting date. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangements with the other vote holders of the investee;
- Rights arising from other contractual arrangements; and
- The Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the period are included in the statement of comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-Group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- De-recognises the assets (including goodwill) and liabilities of the subsidiary;
- De-recognises the carrying amount of any non-controlling interests;
- De-recognises the cumulative translation differences recorded in equity;
- Recognises the fair value of the consideration received;
- Recognises the fair value of any investment retained;
- Recognises any surplus or deficit in profit or loss; and
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

Notes to the Consolidated Financial Statements for the year ended 30 June 2023

(f) Critical accounting estimates and judgments

Details of critical accounting estimates and judgements about the future made by management at the end of the reporting period are set out below:

(i) Impairment of non-financial assets

The Group assesses each reporting period to determine whether any indication of impairment exists. Where an indicator of impairment exists, a formal estimate of the recoverable amount is made, which is considered to be the higher of the fair value less costs of disposal (FVLCD) and value in use (VIU). The assessments require the use of estimates and assumptions such as long term coal prices (considering current and historical prices, price trends and related factors), discount rates, operating costs, future capital requirements and decommissioning operating performance (which includes production and sales volumes). These estimates and assumptions are subject to risks and uncertainty. Therefore, there is a possibility that changes in circumstances will impact this project, which may impact the recoverable amount of the asset.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Group considers any third party offers when forming a view on fair value, or Enterprise Value (EV) that the market participants willing to pay for acquisition of the Group's shares.

(ii) Exploration and evaluation assets

The application of the Group's accounting policy for exploration and evaluation expenditure requires judgement to determine whether future economic benefits are likely, from either exploration or sale, or whether activities have not yet reached a stage which permits a reasonable assessment of the existence of technically feasible and commercially viable reserves. The determination of reserves and resources is itself an estimation process that requires varying degrees of uncertainty depending on how the resources are classified. These estimates directly impact when the Group defers exploration and evaluation expenditure. The deferral policy requires management to make certain estimates and assumptions about future events and circumstances, in particular, whether an economically viable extraction operation can be established. Any such estimates and assumptions may change as new information becomes available. If, after expenditure is capitalised, information becomes available suggesting that the recovery of the expenditure is unlikely, the relevant capitalised amount is written off in profit or loss in the statement of comprehensive income in the period when the new information becomes available.

At reporting date, certain tenements have reached a renewal date or will reach a renewal date in the next 12 months. These tenements remain current until an official government expiry notice is issued. The directors are of the opinion that while they are due for renewal, as no expiry notice has been received they remain current. If renewal is not forthcoming, the amounts capitalised will likely be de-recognised.

(iii) Mine under development assets

The Group uses its judgement to assess the stage of each mine under development to determine when a mine moves into the production phase, this being when the mine is substantially complete and ready for its intended use. The Group considers various relevant criteria to assess when the production phase is considered to have commenced. At this point, all related amounts are reclassified from 'Mines under development' to 'Mines in production'. Some of the criteria used to identify the production start date include, but are not limited to:

1. Level of capital expenditure incurred compared with the original development cost estimate;
2. Completion of a reasonable period of testing of the mine plant and equipment;
3. Ability to produce metal in saleable form (within specifications);
4. Ability to sustain ongoing production of metal; and
5. Positive cash flow position from operations.

When a mine development project moves into the production phase, the capitalisation of certain mine development costs and pre-production revenues cease and costs are either regarded as forming part of the cost of inventory or expensed, except for costs that qualify for capitalisation relating to mining asset additions or improvements, underground mine development or mineable reserve development. It is also at this point that amortisation commences. Amortisation is calculated in proportion to actual production when measured against mineable resources in the mine area developed.

Expenses are capitalised to mine development cost except variable cost directly related to any production are capitalised to inventory. The carrying value of mine development and pre-production is reviewed by directors to ensure it is not in excess of its recoverable amount.

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Notes to the Consolidated Financial Statements for the year ended 30 June 2023

(iv) Taxation

The Group's accounting policy for taxation requires management's judgement as to the types of arrangements considered to be a tax on income in contrast to an operating cost. Judgement is also required in assessing whether deferred tax assets and certain deferred tax liabilities are recognised on the balance sheet.

Deferred tax assets, including those arising from unrecouped tax losses, capital losses and temporary differences, are recognised only where it is considered more likely than not that they will be recovered, which is dependent on the generation of sufficient future taxable profits. Judgements are also required about the application of income tax legislation. These judgements and assumptions are subject to risk and uncertainty, hence there is a possibility that changes in circumstances will alter expectations, which may impact the amount of deferred tax assets and deferred tax liabilities

(f) Critical accounting estimates and judgments (Cont'd)

recognised on the balance sheet and the amount of other tax losses and temporary differences not yet recognised. In such circumstances, some or all of the carrying amounts of recognised deferred tax assets and liabilities may require adjustment, resulting in a corresponding credit or change to the income statement.

(v) Share-based payments

The Group uses estimates to determine the fair value of equity instruments issued to directors, executives, employees and suppliers. Further detail of estimates used in determining the value of share-based payments is included in Note 23.

(vi) Joint arrangement

Judgement is also required to classify a joint arrangement. Classifying the arrangement requires the Group to assess its rights and obligations arising from the arrangement. Specifically, the Group considers:

- The structure of the joint arrangement – whether it's structured through a separate vehicle
- When the arrangement is structure through a separate vehicle, the Group also considers the rights and obligations arising from:
 - The legal form of the separate vehicle;
 - The terms of the contractual arrangement; and
 - Other facts and circumstances (when relevant).

This assessment often requires significant judgement, and a different conclusion on joint control and also whether the arrangement is a joint operation or a joint venture, may materially impact the accounting.

Per agreement with subsidiary shareholders, the relevant activities including financing of certain entities' are managed and controlled by Cokal until the completion of Initial Work Program. The rights of other shareholders to receive returns and obligations for expenditure are only established when they contribute their share of capital upon completion of the Initial Work Program by Cokal. Given this, to date it has been determined that Cokal controls these entities and hence currently consolidates them as subsidiaries. In future periods, however, the accounting treatment of these entities will be required to be reassessed upon completion of Initial Work Program. This may lead to a change in accounting if it is then determined that instead of controlling these entities, Cokal now only jointly controls these and they are joint arrangements. Depending on whether these joint arrangements are classified as joint ventures or joint operations, this may require either equity accounting (for a joint venture) or recognition of Cokal's share of the assets, liabilities, income and expenses of the arrangement (for a joint operation). Directors have not reassessed the impact at reporting date as the Initial Work Program has not been completed at this date.

(g) Impairment of non-financial assets other than goodwill

At the end of each reporting period the Group assesses whether there is any indication that individual assets other than goodwill, are impaired. Where impairment indicators exist, recoverable amount is determined and impairment losses are recognised in profit or loss where the asset's carrying value exceeds its recoverable amount. Recoverable amount is the higher of an asset's FVLCD and VIU. For the purpose of assessing VIU, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Where it is not possible to estimate the recoverable amount for an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Assets other than goodwill that have previously been impaired are tested for possible reversal of the impairment whenever events or changes in circumstances indicate that the impairment may have reversed.

Notes to the Consolidated Financial Statements for the year ended 30 June 2023

(h) Provisions

Provisions for legal claims and make good obligations are recognised when the Group has a present legal or constructive obligation as a result of a past event, it is probable that that an outflow of economic resources will be required to settle the obligation and the amount can be reliably estimated.

(i) GST

Revenues, expenses and assets are recognised net of GST except where GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statements of financial position.

(i) GST (cont'd)

Cash flows are included in the statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority, are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(j) Fair value measurement

The Group did not have any financial assets and liabilities measured at fair value at reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Notes to the Consolidated Financial Statements for the year ended 30 June 2023

(k) Current versus non-current classification

The Group presents assets and liabilities in the statement of financial position based on current/non-current classification.

An asset is current when it is either:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within 12 months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

All other assets are classified as non-current.

A liability is current when either:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within 12 months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

(l) Other accounting policies

Other accounting policies applied by the Group are disclosed in the following notes:

Note 2 Revenue and Other Income
Note 4 Income Tax
Note 6 Loss per Share
Note 7 Cash and Cash Equivalent
Note 9 Inventories
Note 10 Property, Plant and Equipment
Note 11 Exploration and Evaluation Assets
Note 12 Mines under Development
Note 14 Accounts Payable and Others
Note 15 Leases
Note 17 Issued Capital
Note 18 Reserves
Note 19 Parent Entity Information
Note 22 Operating Segments
Note 24 Share-based Payments
Note 26 Financial Risk Management

Notes to the Consolidated Financial Statements for the year ended 30 June 2023

Note 2: Revenue and Other Income

	2023 US\$	2022 US\$
Other income		
- Interest income from external parties	16,373	27,350
Total other income	16,373	27,350

Accounting Policy: Revenue Recognition

Interest income

Interest revenue is recognised as interest accrues using the effective interest rate method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Note 3: Dividends and Franking Credits

There were no dividends paid or recommended during the financial year (30 June 2022: Nil).

There were no franking credits available to the shareholders of the Group (30 June 2022: Nil).

Note 4: Income Tax

	2023 US\$	2022 US\$
The prima facie income tax on the loss is reconciled to the income tax expense as follows:		
Prima facie tax benefit at 25% on loss before income tax	(2,317,150)	(1,782,122)
Add tax effect of:		
- Not deductible expenses and impact of tax rate differences	(763,682)	(232,480)
- Deferred tax asset not recognised	3,080,831	(1,549,642)
Income tax expense	-	-
Deferred tax assets		
Deductible temporary differences	-	-
Carry forward tax losses	15,702,364	12,621,533
Deferred tax liabilities		
Assessable temporary differences	-	-
Net deferred tax assets not recognised	15,702,364	12,621,533

The carried forward tax losses and temporary differences not recognised as deferred tax assets as at 30 June 2023 were US\$62,809,456 (30 June 2022: US\$50,486,130) and US\$Nil (30 June 2022: US\$Nil) respectively.

In order to recoup carried forward losses in future periods, either the Continuity of Ownership Test (COT) or Same Business Test must be passed. The majority of losses are carried forward at 30 June 2023 under COT.

Deferred tax assets which have not been recognised as an asset, will only be obtained if:

- (i) the Group derives future assessable income of a nature and of an amount sufficient to enable the losses to be realised;
- (ii) the Group continues to comply with the conditions for deductibility imposed by the law; and
- (iii) no changes in tax legislation adversely affect the Group in realising the losses

Notes to the Consolidated Financial Statements for the year ended 30 June 2023

Note 4: Income tax (cont'd)

Accounting Policy: Income Tax

The income tax expense for the year is the tax payable on the current year's taxable income based on the national income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax base of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax assets and liabilities are recognised for all temporary differences, between carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases, at the tax rates expected to apply when the assets are recovered or liabilities settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction. Exceptions are made for certain temporary differences arising on initial recognition of an asset or a liability if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit.

Deferred tax assets are only recognised for deductible temporary differences and unused tax losses if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, associates and interests in joint ventures where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Current and deferred tax balances relating to amounts recognised directly in other comprehensive income and equity are also recognised directly in other comprehensive income and equity, respectively.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer profitable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

Cokal Limited and its wholly-owned Australian subsidiaries have formed a tax consolidated group. Cokal Limited is the head entity in the tax consolidated Group. The entities in the tax consolidated group will be taxed as a single entity and deferred tax assets and liabilities will be offset in these consolidated financial statements.

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Notes to the Consolidated Financial Statements for the year ended 30 June 2023

Note 5: Auditor's Remuneration

	2023 US\$	2022 US\$
Audit services		
Amounts paid/payable for audit or review of the financial statements for the Group		
Hall Chadwick	80,645	73,336
	80,645	73,336

Note 6: Earnings per Share

	2023 US\$	2022 US\$
Loss attributable to owners of Cokal Limited used to calculate basic and diluted loss per share (USD)	(9,268,600)	(7,128,486)
Weighted average number of ordinary shares used as the denominator in calculating basic loss per share	1,078,948,980	938,948,980
Adjustments for calculation of diluted earnings per share:		
- Options *	-	-
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted loss per share	1,078,948,980	938,948,980
Basic loss per share (US cents per share)	(0.86)	(0.76)
Diluted loss per share (US cents per share)	(0.86)	(0.76)

* Options are considered anti-dilutive as the Group is loss making.

Options could potentially dilute earnings per share in the future. Refer to Note 23 for details of option granted as at 30 June 2023.

Accounting Policy: Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit/(loss) attributable to owners of Cokal Limited by the weighted average number of ordinary shares outstanding during the period, adjusted for bonus elements in ordinary shares during the period.

Diluted earnings per share

Earnings used to calculate diluted earnings per share are calculated by adjusting the amount used in determining basic earnings per share by the after-tax effect of dividends and interest associated with dilutive potential ordinary shares. The weighted average number of shares used is adjusted for the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Notes to the Consolidated Financial Statements for the year ended 30 June 2023

Note 7: Cash and Cash Equivalents

	2023 US\$	2022 US\$
Cash and bank balances	1,485,173	498,056
Less: Short term deposits maturing after three months and restricted bank balance classified as investing activities**	(142,660)	(141,837)
Cash and cash equivalents	1,342,513	356,219

**Includes restricted deposits of US\$142,660 (2022: US\$141,837 which can be used only after TBAR production commences.)

Accounting Policy: Cash and cash equivalents

For the purposes of the Statement of Cash Flows, cash and cash equivalents includes cash on hand and at bank, deposits held at call with financial institutions, other short term, highly liquid investments with maturities of three months or less, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Note 8: Subsidiaries

a) Interest in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in Note 1.

Name of entity	Country of Incorporation	Class of Shares	Percentage Owned (%) [*]	
			2023	2022
Jack Doolan Capital Pty Ltd	Australia	Ordinary	100%	100%
Cokal Mozambique Pty Ltd	Australia	Ordinary	100%	100%
Cokal Holdings Pte. Ltd	Singapore	Ordinary	100%	100%
Cokal-AAK Pte. Ltd	Singapore	Ordinary	100%	100%
Cokal-AAM Pte. Ltd	Singapore	Ordinary	100%	100%
Cokal-BBM Pte. Ltd	Singapore	Ordinary	100%	100%
Cokal-BBP Pte. Ltd	Singapore	Ordinary	100%	100%
Cokal Services Pte. Ltd	Singapore	Ordinary	100%	100%
Cokal Karoo Pte. Ltd	Singapore	Ordinary	100%	100%
Cokal Manda Pte. Ltd	Singapore	Ordinary	100%	100%
Cokal-West Kalimantan Pte. Ltd	Singapore	Ordinary	100%	100%
Cokal-BPR Pte. Ltd	Singapore	Ordinary	100%	100%
Cokal-TBAR Pte. Ltd	Singapore	Ordinary	100%	100%
Mining Logistics Pte. Ltd	Singapore	Ordinary	100%	100%
Cokal-KED Pte. Ltd	Singapore	Ordinary	100%	100%
Cokal Resources Limited	Tanzania	Ordinary	100%	100%
PT Cokal	Indonesia	Ordinary	100%	100%
PT Bumi Kalimantan Logistik (BKL)	Indonesia	Ordinary	100%	100%
PT Anugerah Alam Katingan [^] (AAK)	Indonesia	Ordinary	75%	75%
PT Bumi Barito Mineral [^] (BBM)	Indonesia	Ordinary	60%	60%
PT Borneo Bara Prima [^] (BBP)	Indonesia	Ordinary	60%	60%
PT Tambang Benua Alam Raya [#] (TBAR)	Indonesia	Ordinary	75%	75%
PT Barito Samudera Nusantara (BSN)	Indonesia	Ordinary	100%	-
Cokal Karoo Limited [#]	Tanzania	Ordinary	100%	100%
Cokal Manda Limited [#]	Tanzania	Ordinary	100%	100%

* the proportion of ownership interest is equal to the proportion of voting power held.

[^] Up to the reporting date, BBM has been financed by Cokal Limited. Per agreement, the right of non-controlling shareholders' receiving a return is established only when BBM repays the loan owing to Cokal Limited, approximating US\$58m. At reporting date, no repayment of the loan has occurred and therefore there is no right to a return for non-controlling interests.

[#] These entities are dormant entities. All capitalised expenditures for these entities has been impaired to \$nil in prior periods. The fair value of the underlying assets, liabilities and contingent liabilities at the acquisition date and 30 June 2023 are \$nil.

Notes to the Consolidated Financial Statements for the year ended 30 June 2023

Note 8: Subsidiaries (cont'd)

b) Financial information of subsidiaries

Financial information of subsidiaries that will have material non-controlling interests are provided below. The balances of non-controlling interests are not currently material at 30 June 2023 and 30 June 2022 as the right of non-controlling shareholders' receiving a return is established only when BBM repays the loan owing to the Cokal Limited, approximating US\$58m. At reporting date, no repayment of the loan has occurred and therefore there is no right to a return for non-controlling interests.

Note 9: Inventories

	2023 US\$	2022 US\$
Stores and consumables – at cost	102,650	60,072
Inventory – at cost	2,000,035	-
WIP – at cost	1,245,705	-
	3,348,390	60,072

Accounting Policy: Inventories

Inventories of coal are physically measured or stated at the lower of cost and net realisable value.

Coal stocks comprises direct materials and delivery costs, direct labour, import duties and other taxes, an appropriate proportion of variable and fixed overhead expenditure based on normal operating capacity. Costs are assigned to inventories using the weighted average basis.

Stores cost comprises average cost of purchase price and associated charges.

Net realisable value is estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

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Notes to the Consolidated Financial Statements for the year ended 30 June 2023

Note 10: Property, Plant and Equipment

	2023 US\$	2022 US\$
Land		
At cost	1,649,313	1,420,153
	1,649,313	1,420,153
Computer equipment		
At cost	623,815	610,506
Accumulated depreciation	(587,693)	(573,741)
	36,122	36,765
Plant and equipment		
At cost	3,024,428	758,349
Accumulated depreciation	(848,782)	(579,731)
	2,175,646	178,618
Motor Vehicles		
At cost	282,210	463,688
Accumulated depreciation	(100,373)	(33,740)
	181,837	429,948
Capital Works in Progress		
At cost	8,800,423	2,223,725
Accumulated depreciation	-	-
	8,800,423	2,223,725
Total property, plant and equipment	12,843,341	4,289,209

(a) Movements in carrying amounts

2023	Land US\$	Computer equipment US\$	Furniture and office equipment US\$	Motor Vehicles US\$	Capital Works in Progress US\$	Total US\$
Balance at 1 July 2022	1,420,153	36,765	178,618	429,948	2,223,725	4,289,209
Additions	229,160	13,309	2,266,079	-	5,330,993	7,839,541
Disposals	-	-	(77,905)	(181,478)	-	(259,383)
Depreciation expense	-	(13,952)	(191,146)	(66,633)	-	(271,731)
Amount written off	-	-	-	-	-	-
Carrying amount at the end year	1,649,313	36,122	2,175,646	181,837	7,554,718	11,597,636
2022	Land US\$	Computer equipment US\$	Furniture and office equipment US\$	Motor Vehicles US\$	Capital Works in Progress US\$	Total US\$
Balance at 1 July 2021	189,139	31,463	22,066	7,754	139,380	389,802
Additions	1,231,014	17,156	189,157	444,336	2,084,345	3,966,008
Disposals	-	-	-	-	-	-
Depreciation expense	-	(11,854)	(32,605)	(22,142)	-	(66,601)
Amount written off	-	-	-	-	-	-
Carrying amount at the end year	1,420,153	36,765	178,618	429,948	2,223,725	4,289,209

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Notes to the Consolidated Financial Statements for the year ended 30 June 2023

Note 10: Property, Plant and Equipment (cont'd)

Accounting Policy: Property, plant and equipment

Property, plant and equipment are measured at cost less depreciation and impairment losses.

The cost of property, plant and equipment constructed within the Group includes the cost of materials, direct labour, borrowing costs and an appropriate portion of fixed and variable costs.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the consolidated entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation

The depreciable amount of property, plant and equipment is depreciated over their useful life to the Group commencing from the time the asset is held ready for use.

The depreciation rates used for each class of assets are:

Class of Fixed Assets	Depreciation Rate
Land	nil
Computer Equipment	33.3% straight line
Plant and Equipment	10 – 33.3% straight line
Motor Vehicles	20% straight line

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An item of property, plant and equipment is de-recognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Gains and losses on disposal are determined by comparing proceeds with the carrying amount. The gains and losses are included in the statement of comprehensive income.

Capital Work in Progress

Capital work in progress is projects of a capital nature which usually relates to the construction/installation of infrastructure. Upon completion (when ready for use) capital work in progress is transferred to the relevant asset category. Capital work in progress is not depreciated.

Note 11: Exploration and Evaluation Assets

	2023 US\$	2022 US\$
Non-Current		
Exploration and evaluation expenditure capitalised		
- exploration and evaluation phases	1,606,585	1,622,854
Recoverability of the carrying amount of exploration and evaluation assets is dependent on the successful development and commercial exploitation of coal, or alternatively, sale of the respective areas of interest.		
(a) Movements in carrying amounts		
Balance at the beginning of the year	1,622,854	25,332,305
Site related expenses during the year	-	37,162
Transfer to Mine under development	(16,269)	(23,746,613)
Carrying amount at the end of the year	1,606,585	1,622,854

The carrying amount of exploration and evaluation (E&E) assets at 30 June 2023 represents only the TBAR project. The value of the exploration and evaluation expenditure carried forward in respect of the BBM Project has been capitalised on the balance sheet as a Mine Under Development, as pre-production activities to gain access to mineral reserves have commenced and funding is in place.

The ultimate recoupment of expenditure relating to the exploration and evaluation phase is dependent upon successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

Notes to the Consolidated Financial Statements for the year ended 30 June 2023

Note 11: Exploration and Evaluation Assets (cont'd)

Accounting Policy: Exploration, evaluation and development expenditure

Exploration, evaluation and development expenditure incurred is accumulated in respect of each identifiable area of interest. Such expenditures comprise net direct costs and an appropriate portion of related overhead expenditure but do not include overheads or administration expenditure not having a specific nexus with a particular area of interest. The exploration and evaluation expenditure is only carried forward as exploration or evaluation assets to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage which permits reasonable assessment of the existence of economically recoverable reserves and active or significant operations in relation to the area are continuing.

When technical feasibility and commercial viability of extracting a Coal Resource have been demonstrated then any capitalised exploration and evaluation expenditure is reclassified as capitalised mine development. Prior to reclassification, capitalised exploration and evaluation expense is assessed for impairment.

A regular review has been undertaken on each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest. Accumulated costs in relation to an abandoned area are written off/de-recognised in full against profit in the period in which the decision to abandon the area is made.

Costs related to the acquisition of properties that contain Coal Resources are allocated separately to specific areas of interest. These costs are capitalised until the viability of the area of interest is determined.

Note 12: Mines Under Development

	2023 US\$	2022 US\$
Non-Current		
Mines under Development	23,754,966	23,746,613
Movements in carrying amounts		
Balance at the start of the year	23,746,613	-
Transferred from exploration and evaluation asset	16,269	23,746,613
Amortisation	(7,916)	-
Carrying amount at the end of the period	23,754,966	23,746,613

Accounting Policy: Mines under Development

Amortisation calculated to write off the net cost of Mine development over the useful lives as follows:

Class of Assets	Depreciation Rate
Mine development	Proportion of actual production measured against mineable resources in the mine area developed on which the expenses were incurred.

Mines under development include aggregate expenditure in relation to mine construction, mine development, exploration and evaluation expenditure where development decisions have been made and acquired mineral interests.

Expenditure incurred in constructing a mine by, or on behalf of, the Group is accumulated separately for each area of interest in which economically recoverable reserves and resources have been identified. This expenditure includes direct costs of construction, drilling costs and removal of overburden to gain access to the ore, borrowing costs capitalised during construction and an appropriate allocation of attributable overheads.

Mines under development are accumulated separately for each area of interest in which economically recoverable reserves have been identified and a decision to develop has occurred. This expenditure includes all capitalised exploration and evaluation expenditure in respect of the area of interest, direct costs of development, an appropriate allocation of overheads and where applicable borrowing costs capitalised during development. When mining of the area of interest can commence, the aggregated capitalised costs are classified under non-current assets as mines in production or an appropriate class of property, plant and equipment.

Notes to the Consolidated Financial Statements for the year ended 30 June 2023

Note 12: Mines Under Development (cont'd)

Mines in production represent the aggregated exploration and evaluation expenditure and capitalised development costs in respect of areas of interest in which mining is ready to or has commenced. Mine development costs are deferred until commercial production commences, at which time they are amortised on a units-of-production basis over the ore reserves or resources. Once production commences, further development expenditure is classified as part of the cost of production, unless substantial future economic benefits can be established.

The stripping costs (the process of over burden removal) incurred before production commences (development stripping) are capitalised as part of mine development expenditure and subsequently amortised.

The stripping costs incurred subsequent to commencement of production are referred to as production stripping. Production stripping is generally considered to create two benefits, being either the production of inventory or improved access to the coal to be mined in the future. Where the benefits are realised in the form of inventory produced in the period, the production stripping costs are accounted for as part of the cost of producing those inventories. Where the benefits are realised in the form of improved access to ore to be mined in the future, the costs are recognised as a non-current asset, referred to as a 'stripping activity asset', if the following criteria are met:

- Future economic benefits (being improved access to the ore body) are probable;
- The component of the ore body for which access will be improved can be accurately identified; and
- The costs associated with the improved access can be reliably measured.

If all of the criteria are not met, the production stripping costs are charged to profit or loss as operating costs as they are incurred. When production commences, the accumulated costs for the relevant area of interest (mine development and acquired properties) will be amortised over the life of the area according to the rate of depletion of the economically recoverable reserves using a units of production method.

Mine rehabilitation costs will be incurred by the Group either while operating, or at the end of the operating life of, the Group's facilities and mine properties. The Group assesses its mine rehabilitation provision at each reporting date. The Group recognises a rehabilitation provision where it has a legal and constructive obligation as a result of past events, and it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount of obligation can be made. The nature of these restoration activities includes: dismantling and removing structures; rehabilitating mines and tailings dams; dismantling operating facilities; closing plant and waste sites; and restoring, reclaiming and revegetating affected areas.

The obligation generally arises when the asset is installed or the ground/environment is disturbed at the mining operation's location. When the liability is initially recognised, the present value of the estimated costs is capitalised by increasing the carrying amount of the related mining assets to the extent that it was incurred as a result of the development/construction of the mine. Any rehabilitation obligations that arise through the production of inventory are recognised as part of the related inventory item. Additional disturbances which arise due to further development /construction at the mine are recognised as additions or charges to the corresponding assets and rehabilitation liability when they occur. Costs related to restoration of site damage (subsequent to start of commercial production) that is created on an ongoing basis during production are provided for at their net present values and recognised in profit or loss as extraction progresses.

Changes in the estimated timing of rehabilitation or changes to the estimated future costs are dealt with prospectively by recognising an adjustment to the rehabilitation liability and a corresponding adjustment to the asset to which it relates, if the initial estimate was originally recognised as part of an asset measured in accordance with AASB 116.

Any reduction in the rehabilitation liability and, therefore, any deduction from the asset to which it relates, may not exceed the carrying amount of that asset. If it does, any excess over the carrying value is taken immediately to the statement of profit or loss and other comprehensive income.

If the change in estimate results in an increase in the rehabilitation liability and, therefore, an addition to the carrying value of the asset, the Group considers whether this is an indication of impairment of the asset as a whole, and if so, tests for impairment. If, for mature mines, the estimate for the revised mine assets net of rehabilitation provisions exceeds the recoverable value, then that portion of the increase is charged directly to expense.

Over time, the discounted liability is increased for the change in present value based on the discount rates that reflect current market assessments and the risks specific to the liability. The periodic unwinding of the discount is recognised in the statement of profit or loss and other comprehensive income as part of finance costs. For closed sites, changes to estimated costs are recognised immediately in the statement of profit or loss and other comprehensive income.

The Group recognises neither the deferred tax asset in respect of the temporary difference on the decommissioning liability nor the corresponding deferred tax liability in respect of the temporary difference on a decommissioning asset.

Notes to the Consolidated Financial Statements for the year ended 30 June 2023

Note 13: Other Assets

	2023 US\$	2022 US\$
Current		
Other receivable	10,117	10,117
Prepayments	689,167	105,870
	699,284	115,987
Non-Current		
Security deposits	976	1,144

Note 14: Accounts Payable and Others

	2023 US\$	2022 US\$
Current		
Sundry payables and accrued expenses	9,494,527	4,727,098
Revenue in advance	2,174,702	325,000
Commission payable	9,261,535	9,261,535
	20,930,764	14,313,633

Revenue in advance

BBM has entered into an agreement with PT Sumber Global Energy (“SGE”) to monetise near-term coal production. SGE will advance BBM a total of US\$2.0M as consideration for Cokal appointing SGE as Exclusive Sales Agent for domestic Indonesian coal sales whereby SGE will undertake the marketing and sales of 0.6Mt BBM coal sold into the Indonesian domestic market for a period of 2 years from the date of first delivery of coal to SGE. US\$2.0 million was received to 30 June 2023.

BBM will repay the US\$2.0M to SGE through a reduction in the coal sales price over the term of the agreement. The repayment schedule to SGE will be calculated by apportioning the US\$2.0M consideration over the total tonnage of coal allocated to SGE over the term of the Agreement, which will be deducted from the sales price (e.g. If BBM allocates 0.6Mt of coal to SGE, then the US\$2.0M in consideration will result in a US\$3.33/t reduction in coal sales price for that tonnage.) The reduction in coal sales price shall be adjusted in the final period of the Agreement to ensure full repayment of the US\$2.0M consideration.

Commission payable

Loans owing by the Company were previously discharged and Cokal and each Cokal Group Company released from their liability to make payment of \$9,261,535 under the loan on terms including the following:

- the royalty payable to Alpine under the Royalty Deed will be the greater of:
 - USD 10,000 per month; and
 - USD 2.00 per tonne of coal sold by BBM and TBAR on a monthly basis;
- the maximum royalty payment of USD 40million payable under the Royalty Deed remains the same and will be payable through the first 20 million tonnes of coal produced and sold by both BBM and TBAR; and
- all other conditions stated in the Royalty Deed shall remain the same.

The fair value of the commission payable to Alpine has been determined using the extinguished value of borrowings, taking into consideration the performance risk associated with future production levels.

Accounting Policy: Employee Benefits

Wages and salaries, annual leave and sick leave

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the end of the reporting period are recognised in respect of employees' services rendered up to the end of the reporting period and are measured at amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when leave is taken and measured at the actual rates paid or payable. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements.

Notes to the Consolidated Financial Statements for the year ended 30 June 2023

Note 15: Leases

	2023 US\$	2022 US\$
a) Right of use assets – buildings and motor vehicles		
Balance at beginning of year	89,735	166,799
Additional leases during the year	686,851	45,025
Amortisation	(151,634)	(122,089)
Balance at end of year	624,952	89,735
b) Lease liabilities		
Current	286,610	66,539
Non current	227,245	-
	513,855	66,539

Accounting Policy: Leases

At inception of a contract, the Group assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability is recognised by the Group where the Group is a lessee. However, all contracts that are classified as short-term leases (ie a lease with a remaining lease term of 12 months or less) and leases of low-value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

Initially, the lease liability is measured at the present value of the lease payments still to be paid at commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the Group uses the incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows:

- fixed lease payments less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options;
- lease payments under extension options, if lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The right-of-use assets comprise the initial measurement of the corresponding lease liability as mentioned above, any lease payments made at or before the commencement date, as well as any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset, whichever is the shortest. Where a lease transfers ownership of the underlying asset, or the cost of the right-of-use asset reflects that the Group anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

Notes to the Consolidated Financial Statements for the year ended 30 June 2023

Note 16: Borrowings

	2023 US\$	2022 US\$
Current		
BMA Group loan	2,000,000	2,000,000
Loans payable – non interest bearing	60,406	71,588
Loans payable – interest bearing	-	-
Total Current	2,060,406	2,071,588
Non-Current		
Loans payable	17,950,000	14,000,000
Total Non-Current	17,950,000	14,000,000
Total Borrowings	20,010,406	16,071,588

BMA Group loan

On 21 September 2018, Cokal signed a Key Principles of Agreement with PT Bara Mineral Asri (BMA Group) to develop and operate PCI and Coking Coal operations at the BBM Project. Cokal received US\$2.0 million loan from BMA Group to secure the transaction, but the BMA Group failed to complete the other funding conditions set out in the Key Principles of Agreement and has also failed to document the loan arrangement with the Group. Therefore, the Group has assessed the loan is repayable on demand and has been disclosed at the face value of the amounts received. Repayment terms have been revised to US\$ 5 per tonne payable over the first 200,000 mt sold and US\$ 10 for the subsequent 100,000 mt.

Non- Current Loans payable

On 14 July 2021 Cokal executed a US\$20m debt financing facility with International Commodity Trade (ICT) for development of the Bumi Barito Mineral (BBM) Coking Cokal Project. As at 30 June 2023, US\$17.5 million has been drawn .

Undrawn facilities

As at 30 June 2023, the Group has US\$3.5million undrawn facilities as follows:

- US\$1.95 million from ICT
- US\$800,000 from Aahana Minerals Resources SDN BHD
- US\$750,000 from Alpine Invest Holdings Ltd

A capital participation fee for the debt finance is linked to BBM mining operations and is calculated as follows:

- Total Fee for debt finance of US\$0.20 per BCM of overburden removal at BBM;
- Total Fee for debt finance is capped at a maximum amount of 200,000,000 BCM of overburden work which equates to a maximum amount of US\$40m (this fee includes interest payable);
- The fee is payable on a monthly basis, based on actual overburden removal with a minimum of 2,000,000 BCM of overburden a month (US\$400,000);
- The fee payable must be paid within 8 years and 4 months from the first drawdown date.

The capital participation fee has been incurred from when amounts were drawn down under the facility, totalling US\$4,800,000 for the period to 30 June 2023.

Notes to the Consolidated Financial Statements for the year ended 30 June 2023

Note 17: Issued Capital

(a) Ordinary shares	2023 US\$	2022 US\$
1,078,948,980 fully paid ordinary shares (30 June 2022: 938,948,980)	106,375,841	95,721,944
Movement in Issued Capital	2023 US\$	2022 US\$
At the beginning of the year	95,721,944	95,141,482
Shares issued during the year		
Share issued on exercise of options	83,857	487,218
Shares issued in payment of CEO salary	-	93,244
Shares issued in placement	10,570,040	-
At reporting date	106,375,841	95,721,944

Movement in Issue Capital	2023 Number	2022 Number
(a) Ordinary shares		
At the beginning of the year	938,948,980	924,582,313
Shares issued during the year		
Share issued on exercise of options	40,000,000	13,500,000
Shares issued in payment of CEO salary	-	866,667
Shares issued in \$20m placement	100,000,000	-
At reporting date	1,078,948,980	938,948,980

(b) Options

Nil options on issue at 30 June 2023.

(c) Capital Risk Management

Management controls the capital of the Group in order to provide capital growth to shareholders and ensure the Group can fund its operations and continue as a going concern.

The Group capital comprises equity as shown in the Statement of Financial Position. There are no externally imposed capital requirements other than shown in note 17.

Management effectively manages the Group capital by assessing the Group financial risks and adjusting its capital structure in response to changes in these risks and the market. These responses include raising sufficient equity capital when required.

There have been no changes in the strategy adopted by management to control the capital of the Group since the prior year.

Accounting Policy: Issued capital

Ordinary shares are classified as equity. Costs directly attributable to the issue of new shares or options are shown as a deduction from the equity proceeds, net of any income tax benefit.

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Notes to the Consolidated Financial Statements for the year ended 30 June 2023

Note 18: Reserves

	2023 US\$	2022 US\$
Share based payments option reserve		
Opening balance	7,930,246	7,930,246
Movement	-	-
Closing balance	7,930,246	7,930,246
Translation reserve		
Opening balance	(1,417,999)	(1,426,642)
Movement	-	8,643
Closing balance	(1,417,999)	(1,417,999)
	6,512,247	6,512,247

Share Based Payment Option Reserve

The option reserve records the value of options issued as part of capital raisings, and consultant services as well as expenses relating to director, executive and employee share options.

The option reserve records the value of options issued as part of capital raisings, and consultant services as well as expenses relating to director, executive and employee share options.

Foreign Currency Translation Reserve

The foreign currency translation reserve represents net exchange differences arising from the translation as a result of foreign operations.

Translation reserve represents the net exchange differences arising from the translation as a result of change in presentation currency to US\$ from AU\$ and translation of the AUD entity to USD.

Accounting Policy: Foreign currency translation

Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rates ruling at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the reporting date. The resulted gain or loss on retranslation is included in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Notes to the Consolidated Financial Statements for the year ended 30 June 2023

Note 19: Parent Entity Information

The consolidated financial statements incorporate the assets, liabilities and results of the parent entity in accordance with the accounting policy described in Note 1.

Parent Entity	2023 US\$	2022 US\$
Current assets	364,833	154,991
Non-current assets	23,867,431	13,683,883
Total assets	24,232,264	13,838,874
Current liabilities	6,261,989	5,791,540
Non-current liabilities	-	-
Total liabilities	6,261,989	5,791,540
Net assets	17,970,275	8,047,334
Issued capital	106,375,841	95,721,944
Share based payment reserves	7,930,246	7,930,246
Currency translation reserve	(3,517,011)	(3,517,011)
Accumulated losses	(92,818,801)	(92,087,845)
Total shareholder's equity	17,970,275	8,047,334
Loss for the year	(730,956)	(847,477)
Total comprehensive loss for the year	(730,956)	(847,477)

Guarantees

The parent entity has set up wholly owned special purpose entities (SPEs) in Singapore to hold ownership interests in Indonesia and provided an undertaking to financially support SPEs to meet their liabilities as and when they fall due.

Cokal Limited has provided a corporate guarantee for payment of the International Commodity Trade (ICT) Facility (refer note 16).

Contractual Commitments

There were no contractual commitments for the acquisition of property, plant and equipment entered into by the parent entity at 30 June 2023 (2022: US\$Nil).

Contingent liabilities

The parent entity has no contingent liabilities.

Capital commitments

The parent entity has no capital commitments.

Impairment assessment

At 30 June 2023, Cokal Limited, the parent entity, performed an impairment assessment of its investments in subsidiaries and non-current receivables from subsidiaries. As a result of this assessment, the carrying amount of these assets was impaired by US\$Nil (2022: US\$Nil).

Accounting Policy: Parent entity financial information

The financial information for the parent entity, Cokal Limited, included in this Note 18, has been prepared on the same basis as the consolidated financial statements, except investments in subsidiaries and joint venture operations are accounted for at cost, less provision for impairment.

Notes to the Consolidated Financial Statements for the year ended 30 June 2023

Note 20: Commitments

Rexline Coal Handling System

Rexline Engineering is constructing a Coal Handling System at Batu Tuhup. The total cost of the project is US\$3.6 million, of which US\$1.56 million had been completed by 30 June 2023. The remaining balance will be completed within the next 6 months.

Note 21: Contingent Liabilities

The Group has a number of contingent liabilities in respect of deferred purchase consideration for the acquisition of its mining and exploration tenements.

BBP Vendor Payment

At 30 June 2023, the Group's contingent liabilities include US\$7.95m (30 June 2022: US\$7.95m) in respect of its PT Borneo Bara Prima (BBP) tenement. The amount is payable on the achievement of certain milestones, including but not limited to the establishment of certain JORC Inferred Coal Resources and the issuance of production operation IUPs (licences) and production forestry permits.

BBM Vendor Payment

As part of the Group's acquisition of its interest in the BBM project, it was agreed an amount of US\$10.0 million would be payable within 30 days of the issue of the Production/ Operations IUP (mining license granted under the Indonesian New Mining Law). During the year the Company entered into an agreement with the vendor of BBM for these vendor payments due on commencement of production. It has now been agreed that an amount of US\$10.5 million will be paid via:

1. US\$200,000 within 30 days of signing the agreement;
2. During the first and second year of coal sales to a third party, monthly at a rate of US\$2 per tonne of coal sold;
3. From the third year of coal sales to a third party, monthly at a rate of US\$3 per tonne of coal sold.

Payments under items 2 and 3 are to total US\$10.3 million.

Alpine Invest Holdings Ltd Commitment

During May 2020 the Company consented to the assignment of loans payable to a third party (**Loans**) to Alpine Invest Holdings Ltd (**Alpine**). It was agreed as a term of the consent to the assignment that immediately upon transfer of the Loans to Alpine, that the Loans are deemed released and Alpine discharges and releases Cokal and each Cokal Group Company from their liability to make payment of the Loans totalling \$9,261,535 (as recognised as a liability, refer note 13) on the following terms:

- the royalty payable to Alpine under the Royalty Deed will be the greater of:
 1. USD 10,000 per month; and
 2. USD 2.00 per tonne of coal sold by BBM and TBAR on a monthly basis;
- the maximum royalty payment of USD 40million payable under the Royalty Deed remains the same and will be payable through the first 20 million tonnes of coal produced and sold by both BBM and TBAR; and
- all other conditions stated in the Royalty Deed shall remain the same.

Notes to the Consolidated Financial Statements for the year ended 30 June 2023

Note 21: Contingent Liabilities (cond't)

International Commodity Trade (ICT) Facility

Cokal Limited has provided a corporate guarantee for payment of the International Commodity Trade (ICT) Facility (refer note 16).

The Corporate Guarantee Agreement does not require registered charges over the assets of Cokal, however Cokal guarantees ICT punctual performance by BBM of all obligations under the Capital Participation Agreement and provides that should BBM not pay any amount as required under the Corporate Guarantee, including but not limited to the Guarantee Amount (being the amounts owing under the Capital Participation Agreement), the Guarantor (Cokal) will immediately on demand pay that amount not paid.

The Corporate Guarantee provided by Cokal may require the sale of the assets of BBM and/or Cokal to meet all obligations under the Capital Participation Agreement. This is an unsecured corporate guarantee which could force the sale of the BBM Project, or any other asset of the group including TBAR, BBP and/or AAK Projects to meet payment obligations.

International Coal Marketing Agreement

A fee of 6% of the coal sale value is payable to ICT by BBM in consideration for the marketing activities and financing assistance under the International Coal Marketing Agreement.

Note 22: Operating Segments

	Australia US\$	Indonesia US\$	Singapore US\$	Total US\$
Segment performance for the year ended 30 June 2023				
Other income	14,240	2,133	-	16,373
Total segment income	14,240	2,133	-	16,373
Depreciation expenses	4,485	267,246	-	271,731
Amortisation expenses	40,093	119,457	-	159,550
Finance costs	3,100	-	-	3,100
Other expenses	974,067	8,284,895	(408,370)	8,850,592
Total segment expenses	1,021,745	8,671,598	(408,370)	9,284,973
Segment net profit /(loss) before tax	(1,007,505)	(8,669,465)	408,370	(9,268,600)
Segment assets and liabilities as at 30 June 2023				
Property, plant and equipment	47,019	12,796,322	-	12,843,341
Exploration and evaluation assets	-	1,606,585	-	1,606,585
Mines under development	-	23,754,966	-	23,754,966
Other segment assets	198,252	3,633,431	1,081,387	4,913,070
Total segment assets	245,271	41,791,304	1,081,387	43,117,962
Total segment liabilities	(10,284,926)	(31,475,830)	-	(41,760,756)
Capital expenditure for the year ended 30 June 2023				
Property, plant and equipment	-	9,085,246	-	9,085,246
Exploration and evaluation assets	-	-	-	-

Notes to the Consolidated Financial Statements for the year ended 30 June 2023

Note 22: Operating Segments (cont'd)

	Australia US\$	Indonesia US\$	Singapore US\$	Total US\$
Segment performance for the year ended 30 June 2022				
Other income	24,975	2,374	-	27,350
Total segment income	24,975	2,374	-	27,350
Depreciation expenses	4,452	62,149	-	66,601
Amortisation expenses	45,078	77,011	-	122,089
Finance costs	1,202	6,437	30,272	37,911
Other expenses	816,109	6,564,103	(450,977)	6,929,235
Total segment expenses	866,841	6,709,700	(420,705)	7,155,836
Segment net profit /(loss) before tax	(839,491)	(6,709,700)	420,705	(7,128,486)
Segment assets and liabilities as at 30 June 2022				
Property, plant and equipment	-	4,289,209	-	4,289,209
Exploration and evaluation assets	-	1,622,854	-	1,622,854
Mines under development	-	23,746,613	-	23,746,613
Other segment assets	758,807	-	6,187	764,994
Total segment assets	758,807	29,658,676	6,187	30,423,670
Total segment liabilities	(9,678,134)	(20,738,684)	(34,942)	(30,451,760)
Capital expenditure for the year ended 30 June 2022				
Property, plant and equipment	-	3,966,008	-	3,966,008
Exploration and evaluation assets	-	37,162	-	37,162

*Inter segment expense relating to the income is eliminated in Indonesia's exploration and evaluation assets.

Accounting Policy: Determination and presentation of operating segments

AASB 8 *Operating segments* requires a management approach under which segment information is presented on the same basis as that used for internal reporting purposes. Operating segments are reported in a manner that is consistent with the internal reporting to the chief operating decision maker (CODM), which has been identified as the Board of Directors.

Operating segments that meet the qualification criteria as prescribed by AASB 8 are reported separately. However, an operating segment that does not meet the qualification criteria is still reported separately when information about the segment would be useful to users of the financial statements.

Notes to the Consolidated Financial Statements for the year ended 30 June 2023

Note 23: Cashflow Information

	Note	2023 US\$	2022 US\$
(a) Reconciliation of loss after income tax to net cash flow used in operating activities			
Loss for the year		(9,268,600)	(7,128,486)
Non-cash items:			
- Depreciation	10	271,731	66,601
- Amortisation of ROU assets	15	151,634	122,089
- Amortisation of mines under development	12	7,916	
- Share issues in lieu of payment of expenses **	17	-	93,244
- Foreign exchange movement		-	8,643
- Provision for rehabilitation		305,730	
Change in operating assets and liabilities:			
- Decrease / (Increase) in other current assets		(584,122)	4,396
- Decrease / (Increase) in other non-current assets		-	24,580
- Decrease / (Increase) in inventories		(3,288,318)	
- Increase in revenue in advance		1,849,702	75,000
- (Decrease) / Increase in accounts payables		4,767,430	(1,700,177)
Net cash flow used in operating activities		(5,786,897)	(8,434,110)

** The Company issued shares and options in payment of the following (refer notes 16 and 23):

Share options expensed:

- Options issued to Consultant US\$Nil (2022:US\$Nil);

Share issues in payment of expenses:

- Shares issued in payment of corporate advisory fee: US\$Nil (2022: US\$Nil); and

- Shares issued in payment of CEO salary US\$Nil (2022: US\$93,246)

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Notes to the Consolidated Financial Statements for the year ended 30 June 2023

Note 24: Share-based Payments

The following share-based payment arrangements existed at 30 June 2023.

(a) Share-based payments to directors, executives, employees and suppliers

During the year ended 30 June 2023, Nil shares and Nil options were issued to directors, executives and employees of the Group.

During the year ended 30 June 2022, the Company has issued 866,667 shares to Mr James Coleman (or his nominee) as payment of amounts owing in respect of his salary. It has been agreed that salary amounts owing of AU\$130,000 to Mr Coleman be paid in shares at an issue price of \$0.15 per Share.

During the year ended 30 June 2022, Nil options were issued to directors and Nil options were issued to executives and employees of the Group.

At 30 June 2023, there were Nil unissued ordinary shares under options.

No option holder has any right under the options to participate in any other share issue of Cokal Limited or any other entity.

Subsequent to year end, 40,000,000 ordinary shares in Cokal Limited were issued as a result of the exercise of options.

All options issued by Cokal Limited entitle the holder to one ordinary share in Cokal Limited for each option exercised. The options were granted for nil consideration. Once vested, options can be exercised at any time up to the expiry date.

The range of exercise prices for options outstanding at 30 June 2023 was nil. (30 June 2022: US\$0.01 to US\$0.05) and weighted average remaining contractual life of XX years (30 June 2022: 0.69 years).

	30 June 2023		30 June 2022	
	No. of options	Weighted average exercise price	No. of options	Weighted average exercise price
		US\$		US\$
Outstanding at beginning of period	40,000,000	0.02	105,000,000	0.02
Granted	-	-	-	-
Forfeited/Cancelled	-	-	-	-
Exercised	40,000,000	0.02	13,500,000	-
Expired	-	-	14,000,000	0.07
Outstanding at period-end	-	-	77,500,000	0.02
Exercisable at period-end	-	-	40,000,000	0.02

Shares issued on exercise of an option rank equally with all other ordinary shares then on issue.

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Notes to the Consolidated Financial Statements for the year ended 30 June 2023

Note 24: Share-based Payments (cont'd)

Accounting Policy: Share-based payment

The Group provides benefits to employees (including directors) and suppliers (including financiers and consultants) in the form of share-based payment transactions, whereby employees or suppliers render/provide services in exchange for shares or options over shares (equity-settled transactions).

The fair value of options granted to employees is recognised as an employee benefit expense with a corresponding increase in equity (share-based payment option reserve). The fair value of options granted to financiers is recognised as finance cost with a corresponding increase in equity (share-based payment option reserve). Fair value of shares issued to employees and consultants are recognised as employee benefits and consultancy expenses respectively with a corresponding increase in share capital. The fair value is measured at grant date and recognised over the period during which the employees/suppliers become unconditionally entitled to the options. Fair value is determined by an independent valuer using a Black-Scholes option pricing model. In determining fair value, no account is taken of any performance conditions other than those related to the share price of Cokal Limited (market conditions).

The cumulative expense recognised between grant date and vesting date is adjusted to reflect the directors' best estimate of the number of options that will ultimately vest because of internal conditions of the options, such as the employees having to remain with the Group until vesting date, or such that employees are required to meet internal performance targets. There are no conditions associated with the options issued to the financiers. No expense is recognised for options that do not ultimately vest because internal conditions were not met. An expense is still recognised for options that do not ultimately vest because a market condition was not met.

At each subsequent reporting date until vesting the cumulative charge to the statement of comprehensive income is the product of:

- The grant date fair value of the award;
- The current best estimate of the number of awards that will vest, taking into account such factors as the likelihood of employees turnover during the vesting period and the likelihood of non-market performance conditions being met; and
- The expired portion of the vesting period.

The charge to the statement of comprehensive income for the period is the cumulative amount as calculated above less the amounts already charged in previous periods. There is a corresponding entry to equity.

Where the terms of options are modified, the expense continues to be recognised from grant date to vesting date as if the terms had never been changed. In addition, at the date of the modification, a further expense is recognised for any increase in fair value of the transaction as a result of the change.

Where options are cancelled, they are treated as if vesting occurred on cancellation and any unrecognised expenses are taken immediately to profit or loss. However, if new options are substituted for the cancelled options and designated as a replacement on grant date, the combined impact of the cancellation and replacement options are treated as if they were a modification.

The dilution effect, if any, of outstanding options is reflected as additional share dilutions in the computation of diluted earnings per share.

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Notes to the Consolidated Financial Statements for the year ended 30 June 2023

Note 25: Related Party Disclosure

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

(a) Parent entity

The parent entity and ultimate controlling entity is Cokal Limited, which is incorporated in Australia.

(b) Subsidiaries

Interests and transactions in subsidiaries are disclosed in Note 8.

(c) Key management personnel (KMP) compensation

The KMP compensation for the year ended is set out below:

	2023 US\$	2022 US\$
Short-term employee benefits*	233,008	293,357
Post-employment benefits	987	4,809
Termination benefits	-	-
Share-based payments	-	-
Total	233,995	298,166

Note 26: Financial Risk Management

(a) General objectives, policies and processes

In common with all other businesses, the Group is exposed to risks that arise from its use of financial instruments. This note describes the Group objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

There have been no substantive changes in the Group's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note. The Group's financial instruments consist mainly of deposits with banks, accounts receivable, security deposits, interest bearing loans and accounts payable.

The Board has overall responsibility for the determination of the Group's financial risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Group's finance function. The Group's financial risk management policies and objectives are therefore designed to minimise the potential impacts of these risks on the results of the Group where such impacts may be material.

The overall objective of the Board is to set policies that seek to reduce financial risk as far as possible without unduly affecting the Group's competitiveness and flexibility. Further details regarding these policies are set out below.

(b) Credit risk

Credit risk is the risk that the other party to a financial instrument will fail to discharge their obligation resulting in the Group incurring a financial loss. This usually occurs when debtors fail to settle their obligations owing to the Group. The Group's objective is to minimise the risk of loss from credit risk exposure.

The Group's maximum exposure to credit risk at the end of the reporting period, without taking into account the value of any collateral or other security, in the event other parties fail to perform their obligations under financial instruments in relation to each class of recognised financial asset at reporting date, is as follows:

	Note	2023 US\$	2022 US\$
Cash and bank balances	7	1,342,513	356,219
Receivables	12	10,117	10,117
Security deposits	7	142,660	141,837
Total		1,495,290	508,173

Notes to the Consolidated Financial Statements for the year ended 30 June 2023

Note 26: Financial Risk Management (cont'd)

(b) Credit Risk (cont'd)

The Group does not have any material credit risk exposure to any single debtor or Group of debtors under financial instruments entered into by the Group. No receivables balances were past due or impaired at period end. The credit quality of receivables that are neither past due nor impaired is good.

(c) Liquidity Risk

Liquidity risk is the risk that the Group may encounter difficulties raising funds to meet financial obligations as they fall due. The objective of managing liquidity risk is to ensure, as far as possible, that the Group will always have sufficient liquidity to meet its liabilities when they fall due, under both normal and stressed conditions

Liquidity risk is reviewed regularly by the Board and the Audit Committee. Regular financial updates are received by the Board, including financial forecasts of expenditure. The Board maintains a standing item in its Board meetings relating to the Group's funding with discussion and updates of various options and progression of funding provided regularly.

	Carrying Amount US\$	Contractual Cash flows US\$	<6 months US\$	6 – 12 months US\$	1 – 3 years US\$	>3 years US\$
MATURITY ANALYSIS– 30 June 2023						
Financial Liabilities						
Accounts payable	20,930,764	20,930,764	10,275,623	1,156,521	5,751,691	3,746,929
Leases	513,855	513,855	150,443	136,167	227,245	-
Borrowings	20,010,406	20,010,406	613,146	780,000	667,260	17,950,000
Total	41,455,025	41,455,025	11,039,212	2,072,688	6,646,196	21,696,929

	Carrying Amount US\$	Contractual Cash flows US\$	<6 months US\$	6 – 12 months US\$	1 – 3 years US\$	>3 years US\$
MATURITY ANALYSIS– 30 June 2022						
Financial Liabilities						
Accounts payable	14,313,633	14,313,633	4,919,009	9,394,624	-	-
Leases	66,539	66,539	42,826	23,713	-	-
Borrowings	16,071,588	16,071,588	137,128	1,934,460	-	14,000,000
Total	30,451,760	30,451,760	5,098,963	11,352,797	-	14,000,000

(d) Market Risk

Market risk arises from the use of interest bearing, tradable and foreign currency financial instruments. It is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rates (interest rate risk), foreign exchange rates (currency risk) or other market factors (other price risk). The entity does not have any material exposure to market risk other than as set out below.

(i) Interest rate risk

Interest rate risk arises principally from cash and cash equivalents. The objective of interest rate risk management is to manage and control interest rate risk exposures within acceptable parameters while optimising the return.

Interest rate risk is managed with fixed rate debt. For further details on interest rate risk refer to the tables below:

Notes to the Consolidated Financial Statements for the year ended 30 June 2023

Note 26: Financial Risk Management (cont'd)

(i) Interest rate risk (cont'd)

2023	Interest bearing - floating interest rate	Interest bearing - fixed interest rate	Non-interest bearing	Total carrying amount	Weighted average effective interest rate
	US\$	US\$	US\$	US\$	%
<i>Financial assets</i>					
Cash and bank balances	1,342,513	-	-	1,342,513	-
Receivables	-	-	10,117	10,117	-
Security deposits	-	-	142,660	142,660	-
Total financial assets	1,342,513	-	152,777	1,495,290	-
<i>Financial liabilities</i>					
Accounts payable	-	-	20,930,764	20,930,764	-
Leases	-	513,855	-	513,855	-
Borrowings	-	-	20,010,406	20,010,406	-
Total financial liabilities	-	513,855	40,941,170	41,455,025	-

2022	Interest bearing - floating interest rate	Interest bearing - fixed interest rate	Non-interest bearing	Total carrying amount	Weighted average effective interest rate
	US\$	US\$	US\$	US\$	%
<i>Financial assets</i>					
Cash and bank balances	356,219	-	-	356,219	-
Receivables	-	-	10,117	10,117	-
Security deposits	-	-	141,837	141,837	-
Total financial assets	356,219	-	151,954	508,173	-
<i>Financial liabilities</i>					
Accounts payable	-	-	14,313,633	14,313,633	-
Leases	-	66,539	-	66,539	-
Borrowings	-	-	16,071,588	16,071,588	-
Total financial liabilities	-	66,539	30,060,221	30,126,760	-

The Group has performed a sensitivity analysis relating to its exposure to interest rate risk. This sensitivity demonstrates the effect on the current period results and equity which could result from a change in these risks.

The effect on post tax profit and equity as a result of changes in the interest rate for floating interest rate instruments, with all other variables held constant, would be as follows:

	Carrying Amount (interest bearing) US\$	Increase in interest rate by 0.5% US\$	Decrease in interest rate by 0.5% US\$
2023			
Cash and cash equivalents	1,342,513	6,712	(6,712)
Total effect on post tax profit	-	6,712	(6,712)
2022			
Cash and cash equivalents	356,219	1,781	(1,781)
Total effect on post tax profit	-	1,781	(1,781)

(ii) Currency risk

Exposure to foreign exchange risk may result in the fair value or future cash flows of a financial instrument fluctuating due to movement in foreign exchange rates of currencies in which the Group hold financial instruments which are other than the US\$ functional currency of the Group.

Notes to the Consolidated Financial Statements for the year ended 30 June 2023

Note 26: Financial Risk Management (cont'd)

(ii) Currency risk (cont'd)

The Group is exposed to currency risk on its cash and cash equivalents held (in AUD and Indonesian Rupiah) in Indonesia and Australia as well as on purchases made from suppliers in Indonesia and Australia.

The Group's exposure to foreign currency risk and the effect on post tax profit as a result of changes in foreign currency rates, with all other variables held constant, are as follows:

	AUD	SGD	Indonesian Rupiah	USD	Total
	US\$	US\$	US\$	US\$	US\$
2023					
Cash and bank balances	97,785	1,081,387	163,341	-	1,342,513
Accounts payable and others	790,643	100,000	8,603,884	11,436,237	20,930,764
Borrowings	60,406	-	-	19,950,000	20,010,406
Net exposure	948,834	1,181,387	8,767,225	31,386,237	42,283,683
Effect on post profit:					
Increase by 10%	94,883	118,139	876,723	-	1,089,745
Decrease by 10%	(94,883)	(118,139)	(876,723)	-	(1,089,745)
2022					
Cash and bank balances	11,008	4,866	170,986	169,359	356,219
Accounts payable and others	307,303	3,000	4,389,795	9,288,535	13,988,633
Borrowings	71,588	-	-	16,000,000	16,071,588
Net exposure	389,899	7,866	4,560,781	25,457,894	30,416,440
Effect on post profit:					
Increase by 10%	38,990	787	456,078	-	495,855
Decrease by 10%	(38,990)	(787)	(456,078)	-	(495,855)

Accounting Policy: Financial Instruments

Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Recognition and Initial Measurement of financial assets

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. The Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. In order for a financial asset to be classified and measured at amortised cost it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Subsequent Measurement of financial assets

Financial assets at amortised cost (debt instruments) is the most relevant to the Group. The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Notes to the Consolidated Financial Statements for the year ended 30 June 2023

Note 26: Financial Risk Management (cont'd)

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Impairment of financial assets

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when the rights to receive cash flows from the asset have expired or the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Financial liabilities

A financial liability is a contractual obligation to deliver cash or another financial asset or to exchange financial assets or financial liabilities under unfavourable conditions.

Recognition and Initial Measurement of financial liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings or as payables. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

Subsequent Measurement of financial liabilities

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Notes to the Consolidated Financial Statements for the year ended 30 June 2023

Note 27: Significant Events after the Reporting Date

No matters or circumstances have arisen since the end of the year which significantly affected or could significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

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Declaration by Directors

The directors of the Group declare that:

1. The financial statements, comprising the statement of comprehensive income, statement of financial position, statement of cash flows, statement of changes in equity, and accompanying notes, are in accordance with the Corporations Act 2001 and:
 - (a) comply with Australian Accounting Standards and the Corporations Regulations 2001; and
 - (b) give a true and fair view of the Group's financial position as at 30 June 2023 and of its performance for the year ended on that date.
2. The Group has included in the note 1 to the financial statements and explicit and unreserved statement of compliance with International Financial Reporting Standards.
3. In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
4. The remuneration disclosures included in pages 32 to 36 of the directors' report (as part of audited Remuneration Report) for the year ended 30 June 2023, comply with section 300A of the *Corporations Act 2001*.
5. The directors have been given the declarations by the chief executive officer and chief financial officer required by section 295A of the Corporations Act 2001.

This declaration is signed in accordance with a resolution of the directors.

Cokal Limited



Domenic Martino
Chairman

Sydney
29 September 2023

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**COKAL LIMITED
ABN 55 082 541 437
AND CONTROLLED ENTITIES**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
COKAL LIMITED**

Opinion

We have audited the financial report of Cokal Limited (the company) and its controlled entities (the group), which comprises the consolidated statement of financial position as at 30 June 2023, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies and the directors' declaration.

In our opinion the accompanying financial report of the group is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the group's financial position as at 30 June 2023 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis of Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110: *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter – Material Uncertainty Related to Going Concern

We draw attention to Note 1(c) in the financial report, which indicates that the group incurred a net loss of \$9,268,600 during the year ended 30 June 2023 and as of that date, the group's current liabilities exceeded its current assets by \$17,744,933. As stated in Note 1(c), these events or conditions, along with other matters as set forth in Note 1(c), indicate the existence of a material uncertainty that may cast significant doubt about the group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the year ended 30 June 2023. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters.

ADELAIDE	BRISBANE	DARWIN	MELBOURNE	PERTH	SYDNEY	PrimeGlobal
Suite 201 Level 2 147 Pirie Street Adelaide SA 5000	Level 4 240 Queen Street Brisbane QLD 4000	Paspalis Business Centre Level 1 Suite 11 48-50 Smith Street Darwin NT 0800	Level 14 440 Collins Street Melbourne VIC 3000	Allendale Square Level 11 77 St Georges Terrace Perth WA 6000	Level 40 2 Park Street Sydney NSW 2000	 An Association of Independent Accounting Firms
T: +61 8 8545 8422	T: +61 7 2111 7000	T: +61 8 8943 0645	T: +61 3 9820 6400	T: +61 8 8943 0645	T: +61 2 9263 2600	Liability limited by a scheme approved under Professional Standards Legislation Hall Chadwick (NSW) Pty Ltd ABN: 32 103 221 332

**COKAL LIMITED
ABN 55 082 541 437
AND CONTROLLED ENTITIES**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
COKAL LIMITED**

Key Audit Matter

**How Our Audit Addressed
the Key Audit Matter**

Carrying value of non-current assets

Refer to Note 12 Mines under development, Note 10 Property, plant and equipment and Note 1(f) Critical accounting estimates and judgements.

As at 30 June 2023, the group's assets included mines under development of \$23,754,966 and property, plant and equipment amounting to \$11,597,636.

The group's accounting policy in respect of mines under development is outlined in Note 12 and the group's accounting policy in respect of property, plant and equipment is outlined in Note 10.

This is a key audit matter because the carrying value of the non-current assets are material to the financial statements and significant judgement is applied in determining whether an indicator of impairment exists in accordance with AASB 136 "Impairment of Assets".

Our procedures included, amongst others:

- We reviewed management's assessment as to whether there existed any impairment indicators at balance date.
- In assessing whether an indicator of impairment exists in relation to the group's mines under development and property, plant and equipment in accordance with AASB 136, we
 - examined the board meeting minutes and ASX announcements together with other internal and external information gathered to determine directors' expectation of whether the carrying value of mines under development and property, plant and equipment is likely to be recovered in full through successful development;
 - challenged group's assertions as to presence of impairment indicators. This included assessing the status of the BBM project, and comparing forecast coal prices to published market prices and views of market commentators on future trends.
- We assessed the recoverability of carrying value of mines under development and related property, plant and equipment assets against the discounted cash flow calculations based on major assumptions including forecast production, production costs and other cash flows related to the mine.
- We assessed the adequacy of the related disclosures within the financial statements.

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
COKAL LIMITED**

Key Audit Matter	How Our Audit Addressed the Key Audit Matter
Exploration and evaluation assets	
<i>Refer to Note 11 Exploration and evaluation assets</i>	
<p>As at 30 June 2023, the group's assets included exploration and evaluation assets amounting to \$1,606,585.</p> <p>The group's accounting policy in respect of exploration and evaluation assets is outlined in Note 11.</p> <p>This is a key audit matter because the carrying value of exploration and evaluation assets are material to the financial statements and significant judgement is applied in determining whether an indicator of impairment exists in relation to the carrying value of exploration and evaluations assets in accordance with AASB 6 "Exploration for and Evaluation of Mineral Resources".</p>	<p>Our procedures included, amongst others:</p> <ul style="list-style-type: none"> • We confirmed the existence and tenure of exploration assets in which the group has a contracted interest by obtaining confirmation of title from relevant authorities. • In assessing whether an indicator of impairment exists in relation to the group's exploration and evaluation assets in accordance with AASB 6, we <ul style="list-style-type: none"> – examined the board meeting minutes and ASX announcements; – discussed with management the group's ability and intention to undertake further exploration activities. – evaluated the group's assessment that there were no indicators of asset impairment at 30 June 2023. • We assessed the adequacy of the related disclosures within the financial statements.

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the group's annual report for the year ended 30 June 2023, but does not include the financial report and our auditor's report thereon. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the group are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or to cease operations, or have no realistic alternative but to do so.

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**COKAL LIMITED
ABN 55 082 541 437
AND CONTROLLED ENTITIES**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
COKAL LIMITED**

Auditor's Responsibility for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, amongst other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**COKAL LIMITED
ABN 55 082 541 437
AND CONTROLLED ENTITIES**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
COKAL LIMITED**

Report on the Remuneration Report

We have audited the remuneration report included in the directors' report for the year ended 30 June 2023. In our opinion, the remuneration report of Cokal Limited, for the year ended 30 June 2023, complies with s 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the company are responsible for the preparation and presentation of the remuneration report in accordance with s 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.



HALL CHADWICK (NSW)
Level 40, 2 Park Street
Sydney NSW 2000



DREW TOWNSEND
Partner

Dated: 29 September 2023

Shareholder Information

Additional information required by the Australian Securities Exchange Ltd and not shown elsewhere in this report is as follows. The information is current as at 22 September 2023

(a) Distribution of Ordinary Shares

The number of holders, by size of holding, in each class of security is:

	Ordinary shares	
	Number of holders	Number of shares
1 – 1,000	362	246,681
1,001 – 5,000	173	530,230
5,001 – 10,000	325	2,823,167
10,001 – 100,000	744	29,770,268
100,001 and over	551	1,045,578,634
Total	2,155	1,078,948,980

(b) Marketable Parcels

The number of shareholders holding less than a marketable parcel (a total of 4,348 ordinary shares) is 1,656 on a share price of AU\$0.115.

(c) Substantial shareholders

Substantial shareholders as shown in substantial shareholder notices received by Cokal are:

Name of Shareholder:	Ordinary Shares:
Aahana Mineral Resources Sdn Bhd	221,641,719

The Company notes that, as at 22 September 2023, the following shareholders hold substantial shareholdings ($\geq 5.0\%$) in Cokal:

Name of Shareholder:	Ordinary Shares:	% of total shares:
BNP Paribas Nominees Pty Ltd <IB AU NOMS RETAIL CLIENT DRP>	85,345,936	7.91%
Citicorp Nominees Pty Limited	55,816,393	5.17%

(d) Voting rights

All ordinary shares carry one vote per share without restriction.

Options do not carry voting rights.

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Shareholder Information

Twenty Largest Holders

The names of the twenty largest holders, in each class of quoted security (ordinary shares) are:

		Number of shares	% of total shares
1	AAHANA MINERAL RESOURCES SDN BHD	221,641,719	20.54%
2	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAIL CLIENT DRP>	85,345,936	7.91%
3	CITICORP NOMINEES PTY LIMITED	55,816,393	5.17%
4	BNP PARIBAS NOMS PTY LTD <DRP>	52,816,393	4.87%
5	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	37,083,150	3.43%
6	LATIMORE FAMILY PTY LTD	31,250,000	2.90%
7	MRS LAURA LYNCH	17,500,000	1.62%
8	TEKNIKS PUBLICATIONS PTY LIMITED <SUPER FUND A/C>	16,400,000	1.52%
9	HORVATH INVESTMENTS PTY LTD <HORVATH FAMILY A/C>	15,526,778	1.43%
10	GEBRUN PTY LTD <PETLA A/C>	15,057,360	1.40%
11	RICHARD BULMAN CONSULTING PTY LTD <BULMAN FAMILY SUPERFUND>	13,282,154	1.23%
12	XIN HUA PTY LTD	12,631,200	1.17%
13	QUALITY PEOPLE PTY LTD <SILVERMAN SUPER FUND A/C>	12,200,000	1.13%
14	PH CAPITAL PTY LTD	10,700,000	0.99%
15	BNP PARIBAS NOMS PTY LTD UOB KH PL AC	10,372,867	0.96%
16	TJ SMOCK & CO PTY LTD	10,000,000	0.92%
17	UBS NOMINEES PTY LTD	9,134,666	0.85%
18	DR IVENS PERKOVIC & MRS ANDREA LEE PERKOVIC	9,000,000	0.83%
19	NICHOLAS THEODORE JAMES PASPALEY	8,594,748	0.80%
20	HSB CUSTODY NOMINEES	7,152,856	0.66%
	Top 20	651,265,627	60.33%
	Total	1,078,948,980	100.00%

(e) Restricted securities

The Group currently has no restricted securities on issue.

(f) On-market buy-back

There is not a current on-market buy-back in place.

(g) Business Objectives

The consolidated entity has used its cash and assets that are readily convertible to cash in a way consistent with its business objectives.

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Interests in Tenements and Projects

Cokal Limited had the following interests in projects as at 30 June 2023:

Indonesia

Mining Tenement	Location	% Interest
PT Anugerah Alam Katingan (AAK)	Kalimantan	75%
PT Bumi Barito Mineral (BBM)	Kalimantan	60%
PT Borneo Bara Prima (BBP)	Kalimantan	60%
PT Tambang Benua Alam Raya (TBAR)	Kalimantan	75%

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