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# Strategic Update

## August 2025

## Metallurgical Coal Operations

## Central Kalimantan

BumiBarito Mineral | PT. Bumi Barito Mineral

TAMBANG BENUA ALAM RAYA

BorneoBaraPrima Coal Mining & Trading

BCC BUMI CIPTA CEMERLANG

BSN

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**Compliance Statement**
This presentation contains information extracted from ASX market announcements 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. 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.

**ASX announcements are as follows (ASX Announcements):**

- Cokal Announces Updated JORC Resource Statement for Bumi Barito Mineral (BBM) Project – 29 January 2015
- Updated JORC Resource Statement for Bumi Barito Mineral (BBM) Project – 29 April 2016
- Cokal Announces Reserve Update Bumi Barito Mineral (BBM) Project – 1 August 2017

**BBM Technical Studies Completed to Validate BBM Operating Metrics (BBM Technical Studies):**
The Company confirms that all the material assumptions underpinning the production target, and all forecast financial information derived from the production target continue to apply and have not materially changed.

Cokal references the below technical studies and agreements supporting the forecast BBM operating metrics:

- A **Feasibility Study** undertaken by Resindo Resources & Energy Indonesia (**Resindo**), announced on 13 Feb 2014 (**DFS**);
- An **Updated Feasibility Study**, indicating significant reductions in BBM operating costs and capital costs, undertaken by Resindo, and announced 2 November 2016; and
- A three part **Mining Services Contract**, the first part announced 2 February 2021 with the remaining two parts signed in March 2021 (refer announcement dated 19 March 2021), executed with contract miner **HPU**, detailing the contractually agreed production and operational metrics, and further reducing the start-up capital requirements.

**Production Targets and Forecast Financial Information**
Cokal notes the following in relation to the production targets, operating costs and capital costs, and forecast financial information presented in this Announcement:

- The production targets, operating costs and capital costs, and forecast financial information in this Announcement are underpinned by coal reserves and coal resources
- BBM forecast production is derived from JORC Ore Reserves. As at 30 June 2024, declared Ore Reserves for BBM totalled 23.05Mt[1]. Life-of-Mine production from BBM is forecast at 18.8Mt[1] on a run-of-mine basis, which represents ~79% of BBM's declared JORC Ore Reserves;
- All material assumptions are sourced from previous ASX announcements, including the above **ASX Announcements** and **BBM Technical Studies**;
- The coal resources and reserves on which the production targets are based have been prepared by competent persons in accordance with the requirements of JORC Code (2012 Edition of the "Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves") (JORC Code).

This presentation was authorised for release by the Board of Cokal Limited.

1. 100% Basis - CKA holds 60% of BBM

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# Market Update: Cokal's Strategy & Analysis

## Persistent weakness in seaborne metallurgical coal markets have impacted the majority of coal producers. Cokal has the financial resources to endure market weakness, and is investing to position for market recovery

Strategic Direction

### Metallurgical Coal Mine Operations and Prospective Developments

- Scaled back mining operations aligned with current met coal market pricing and demand.
- Focus on minimizing operating costs and preserving capital.
- Avoiding overproduction during a low-price environment.

**Cokal has the financial resources to endure current metallurgical coal price weakness**

### Ownership of strategically vital coal transport infrastructure assets

- Strategic Focus – Infrastructure & Future Readiness
- Complete haul road and loading facility upgrades.
- Prepare for rapid production ramp-up when market improves.
- Establish long-term logistical readiness.

**Cokal will continue to invest in developing infrastructure capacity, with the support of its partners, to position for market recovery**

Coking Coal Prices (US$ per tonne)


Source: Publicly available market data

# Market Overview – Global Metallurgical Coal

## Several large coal producers have halted or shut operations, with spot prices at multi-year lows…

**Persistent weakness in seaborne metallurgical coal markets over the past 6 months.**

- Mainly driven by supply glut caused by Canadian Prime and Semi Hard coking coals.
- Sluggish global demand especially with Indian mills reducing their coking coal inventories due to monsoons.
- Reduced demand for coking coal from Indonesian coke producers due to short term policy changes for Indian Coke import quotas.

**Spot prices nearing multi-year lows.**

- Current coking coal prices unable to cover FOB cash costs of miners.
- Several large coal producers have halted or shut operations (below US$175/t Premium Low Volatile Coking Coal price, 25% of bottom percentile of global seaborne producers are not profitable)

**Cokal's Competitive Advantage vs. Global Peers**

- Large met coal players have collapsed, paused, or scaled down.
- Indonesia offers a lower-cost operating environment.
- Flexible production model enables survival and future growth.

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# Market Overview – Forward Outlook

## Onset of Market Recovery in 6+ months, gaining momentum and accelerating to 2030 from increasing demand, with structural supply shortages

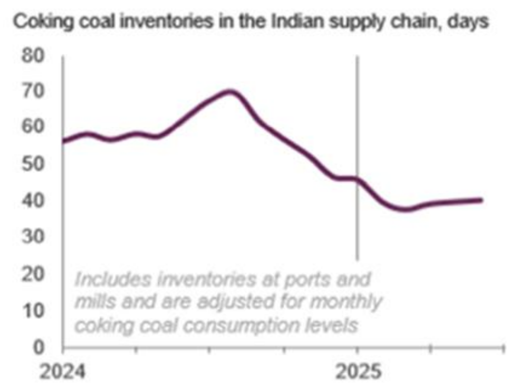
### Short term: 6 months to 1 year

- Indian mills will re-stock coking coals post-monsoons
- Chinese steel mills are currently having EBITDA + margins powered by increased demand & low steel stocks- would support spot prices

### Long term: Indian steelmaking landscape expansion plans progressing well:

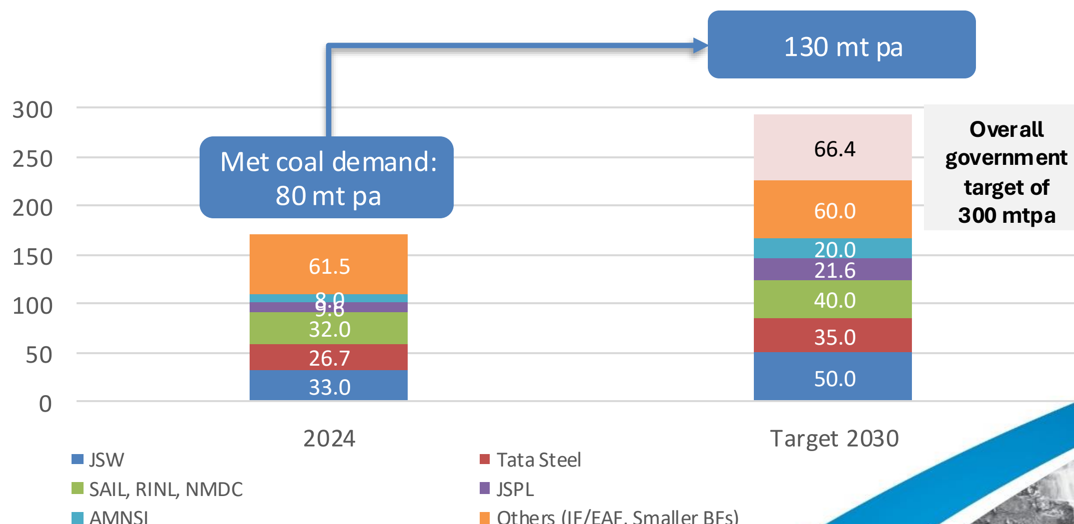
- Major additions of coke plants coming through in end 2025 / 2026, followed by capacity expansions over next 5 years
- Met coal demand in India to increase from 80 mt pa to 130 mt pa between 2024-2030

**SHORT TERM:** Market view





**LONG TERM:** INDIA Steel Making Capacity Projections 2024 vs 2035
(Annual basis, million tonnes)




Source: Publicly available market data

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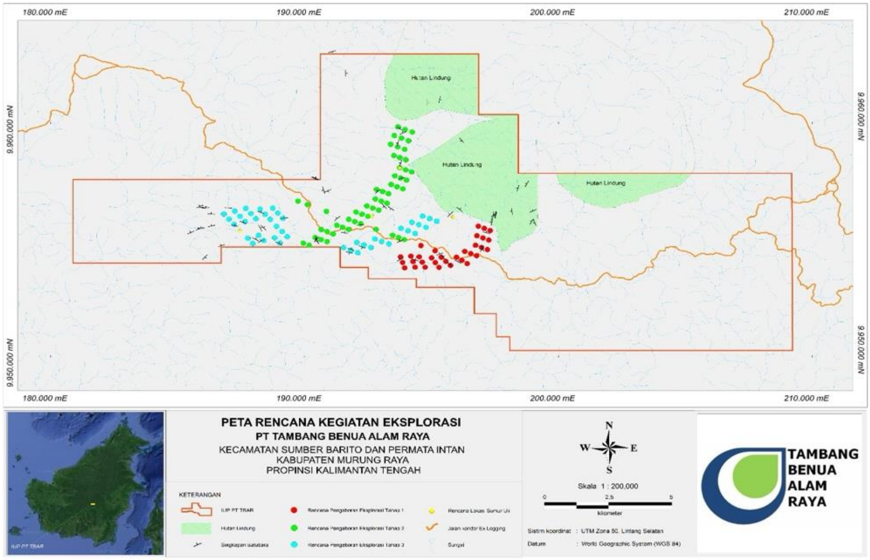
# Project Development Pipeline

## Cokal will advance the TBAR project and BBM Underground development opportunities, albeit at a cautious and measured rate

### TBAR Project Overview & Update

- **Contiguous to BBM and prospective for another "BBM-style" major coal deposit**
  - Cokal holds a 75% interest and is the project manager
  - Large 18,850 ha. project area holding potential for extensive coal resources
  - The coal haul road from BBM traverses the TBAR tenement
- **Key approvals obtained to begin detailed exploration**
  - TBAR has secured a recommendation from the Governor of Central Kalimantan to borrow and use forest areas for exploration activities and the Environmental permit (UKL-UPL) from the Ministry of Environment
  - These will be forwarded to the Ministry of Forestry to obtain a permit of borrow and use forest areas for exploration activities
- **Drilling to commence during CY 2026**
- **Ongoing regional infra development will reduce future Capex.**

### TBAR - Project Location




### BBM – Underground Mine Development

- **Updated project metrics for underground mining operations have been completed and submitted to ESDM for evaluation and approval**
  - IPPKH recommendation from Governor of Central Kalimantan for proposed underground mining operations area and infrastructure is already obtained and submitted to Ministry for necessary approval to commence preparation works
  - BBM is also conducting a study to update the Environmental Impact Analysis (AMDAL) as a requirement for commencing underground mining
- **The underground mining infrastructure development is expected to start in Q3 2026**

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# Production Strategy in Response to Market Conditions

## BBM Production: Interim Scaled-Down Production Strategy in Response to Market Conditions

- **Interim Scaled-Down Production Strategy in Response to Market Conditions**
  - Cokal has near-exposed coal reserves totalling approximately **45,000 metric tons**, with an average strip ratio of **7–8 meters**.
  - In line with current market conditions, we are implementing a **scaled-down production plan**.
  - The strategy focuses on mining the **first 29,000 metric tons**, which are **readily accessible without blasting**, as shown in the production plan chart.
  - The remaining **16,000 metric tons** will require blasting, which is scheduled to be in place by **November 2025**.

- **This approach ensures Cokal will:**
  - Maintain operational activity.
  - Support regular smaller shipments to the domestic market.
  - Remain positioned to ramp-up production in anticipation of improved market conditions in Q1 2026.

BBM – Scaled-back Production Plan

| | Unit | Mid-Aug to Sep 25 | Oct-25 | Nov-25 | Dec-25 | Total |
|---|---|---|---|---|---|---|
| **Overburden** | BCM | 39,463 | 50,973 | 49,329 | 48,973 | 188,738 |
| **Coal** | Ton | 5,525 | 8,075 | 7,800 | 7,800 | 29,200 |
| **Strip-ratio** | BCM/ Ton | 7.14 | 6.31 | 6.32 | 6.28 | 6.46 |

# Infrastructure Development Strategy

## Cokal will continue to invest in developing infrastructure capacity, with the support of its strategic partners, to position for market recovery

- **Petrindo Partnership Update**
  - Strategic partner to Cokal in jointly developing long-term multi-asset integrated infrastructure across the Cokal's BBM, TBAR and Petrindo's DKB, and BI tenements
  - A joint logistics initiative is underway with potential infrastructure capacity of up to 3 million tonnes per annum.
  - BBM has completed coal sales with Petrindo’s subsidiary company, further strengthening the commercial alignment and reinforcing the depth of the partnership.

- **Infrastructure Development Strategy – 2025**
  - In response to current market conditions, which are not favourable for large-scale production, our 2025 strategy is centred on **upgrading and developing key infrastructure** to enable a rapid production ramp-up when market conditions improve.
  - Despite the current weak market environment—where cash conservation is typically prioritized—we have **intentionally allocated capital toward infrastructure development**, viewing this as a **critical long-term investment** rather than discretionary spending.
  - This will ensure Cokal is **fully prepared to capitalize on rising coal prices and increased demand** once the market turns.

Explosive Magazine Warehouse Construction


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# Infrastructure Development Strategy

## Cokal will continue to invest in developing infrastructure capacity, with the support of its strategic partners, to position for market recovery

**Key infrastructure initiatives underway:**

- **Road Development**
  - Construction and upgrades across multiple sections to improve haulage efficiency and site access.
- **Explosives Magazine Warehouse**
  - Development of a compliant storage facility, enabling safe handling of explosives and supporting our first planned blasting by November 2025.
- **Batu Tuhup Jetty Update**
  - No significant progress has been made on the BBM Batu Tuhup Jetty project beyond the development of the access road and routine maintenance of existing port facilities. Construction activities related to the BLC infrastructure have experienced delays; however, efforts are currently underway to resume work in the near term.
- **This proactive approach positions us to scale up production efficiently and competitively in a recovering market.**

Site Infrastructure & Road Development



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# Financial Summary

## Cokal remains financially stable through strategic discipline and shareholder support

**Cokal remains financially stable and has the financial resources available to weather the coal market downturn**

- Secured US$15 million in strategic debt funding from long-term shareholder Mr Eddie Chin via International Commodity Trade Pte Ltd ("ICT").

**Liquidity, operational continuity, and infrastructure progress is ensured**

- Operating at minimal coal production levels in response to weak market conditions, focusing on infrastructure development and limited domestic shipments for revenue continuity.
- Despite the scaled-down production strategy, limited coal shipments to the domestic market will continue throughout the year.
- These smaller-volume sales are intended to support near-term revenue generation and maintain operational continuity and meet Cokal's domestic market obligations.

**Any significant increase in production or export activity will be considered only when there are clearer signs of market recovery and pricing stability.**

**Cokal is financially resilient, with no defaults or liquidity concerns, and is well-positioned to navigate the current market conditions, while preserving long-term value for stakeholders.**

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