COAL of AFRICA LIMITED

Analyst Presentation

8 February 2013

ACN 008 905 388

www.coalofafrica.com

Disclaimer

THESE PRESENTATION MATERIALS (THE "**PRESENTATION MATERIALS**") ARE FOR INFORMATION PURPOSES ONLY AND DO NOT CONSTITUTE AN OFFER OR INVITATION TO SUBSCRIBE FOR OR PURCHASE ANY SECURITIES, AND NEITHER THE PRESENTATION MATERIALS NOR ANYTHING CONTAINED THEREIN NOR THE FACT OF THEIR DISTRIBUTION SHALL FORM THE BASIS OF OR BE RELIED ON IN CONNECTION WITH OR ACT AS ANY INDUCEMENT TO ENTER INTO ANY CONTRACT OR COMMITMENT WHATSOEVER.

The Presentation Materials are being provided for the sole purpose of providing preliminary background financial and other information to enable recipients to review the business activities of Coal of Africa Limited ("**the Company**"). The Presentation Materials are thus by their nature limited in scope and are not intended to provide all available information regarding the Company. The Presentation Materials are not intended as an offer, invitation, solicitation, or recommendation with respect to the purchase or sale of any securities. The Presentation Materials should not be relied upon as a representation of any matter that a potential investor should consider in evaluating the Company. Nothing in these Presentation Materials will form the basis of any contract or commitment whatsoever.

None of the Company, its affiliates, subsidiaries, directors, agents, officers, advisers or employees make any representation or warranty, express or implied, as to or endorsement of, the accuracy or completeness of any information, statements, representations or forecasts contained in the Presentation Materials, nor do they accept any liability or responsibility for any statement made in, or omitted from, the Presentation Materials. The Company accepts no obligation to correct or update anything in the Presentation Materials.

No responsibility or liability is accepted in relation to the Presentation Materials and any and all responsibility and liability is expressly disclaimed by the Company and its affiliates, subsidiaries, directors, agents, officers, advisers and employees for any errors, misstatements, misrepresentations in or omissions from the Presentation Materials.

Any statements, estimates, forecasts or projections with respect to the future performance of the Company and/or its subsidiaries contained in the Presentation Materials are based on subjective assumptions made by the Company's management and about circumstances and events that have not yet taken place. Such statements, estimates, forecasts and projections involve significant elements of subjective judgement and analysis which, whilst reasonably formulated, cannot be guaranteed to occur. Accordingly, no representations are made by the Company or its affiliates, subsidiaries, directors, officers, agents, advisers or employees as to the accuracy of such information; such statements, estimates, forecasts and projections should not be relied upon as indicative of future value or as a guarantee of value or future results; and there can be no assurance that the projected results will be achieved.

Unless specified otherwise, all expressions of opinion and belief contained within these Presentation Materials are opinions held by the management of the Company. Without prejudice to any of the foregoing, no representation or warranty is given by the Company or any other person as to the achievement or reasonableness of any projections, management estimates, prospects or returns or any of the underlying assumptions upon which they are based

Prospective investors should make their own independent evaluation of an investment in the Company.

Nothing in the Presentation Materials should be construed as financial product advice, whether personal or general, for the purposes of section 766B of the *Corporations Act 2001* (Cth). The Presentation Materials consist purely of factual information and do not involve or imply a recommendation or a statement of opinion in respect of whether to buy, sell or hold a financial product. The Presentation Materials do not take into account the objectives, financial situation or needs of any person, and independent personal advice should be obtained.

The Presentation Materials do not contain or represent an offer of Shares or an invitation to apply for Shares in the Company. If the Company wishes to offer Shares or to invite an application for the Shares, it will do so in Australia by means of a personal offer to a person who falls within one of the exceptions set out in section 708(8) (a) or (b) and section 708(11) of the *Corporations Act 2001* (Cth) or an offer in a jurisdiction outside of Australia where permitted by law. By receiving the Presentation Materials the Recipient represents and warrants that the Recipient does not need to be given a disclosure document under Chapter 6D of the *Corporations Act 2001* (Cth) to lawfully receive the Presentation Materials or an offer to acquire Securities.

Neither the Presentation Material, nor any copy of them, may be taken or transmitted into the United States of America, Canada or Japan or into any jurisdiction where it would be unlawful to do so ("**Prohibited Territory**"). Any failure to comply with this restriction may constitute a violation of relevant local securities laws.

The Presentation Materials are being issued on a strictly private and confidential basis and solely to and directed at, in the case of recipients in the United Kingdom: (i) persons who have professional experience in matters relating to investments falling within article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "**Order**"); and (ii) high net worth entities falling within article 49(2)(a) to (d) of the Order. The contents of these Presentation Materials have not been approved by a person authorised under the Financial Services and Markets Act 2000 ("**FSMA**"). Any investment to which this document relates is available to (and any investment activity to which it relates will be engaged with) only those categories of persons described above. It is a condition of your receiving this document or attending this presentation that you represent, and you warrant and undertake to the Company that:

(i) you fall within one of the categories of persons described above;
(ii) you have read, agree to and will comply with the terms of this disclaimer;
(iii) you will conduct your own analyses or other verification of the data set out in the Presentation Materials and will bear the responsibility for all or any costs incurred in doing so;
(iv) you are not resident in, or a citizen of, a Prohibited Territory; and
(v) you will not forward, reproduce or otherwise disclose the contents of this document to any person in contravention of FSMA or any other applicable law or regulation or to any person in a Prohibited Territory.

Disclaimer, cont’d

The Presentation Materials are being issued on a strictly private and confidential basis and solely to and directed at, in the case of recipients in South Africa, persons who are sophisticated investors who fall within the ambit of section 96(1)(a) of the South African Companies Act, No. 71 of 2008 (the “South African Companies Act”), which prescribes that an offer is not an offer to the public if the offer is made only to:

persons whose ordinary business, or part of whose ordinary business, is to deal in securities, whether as principals or agents;
the Public Investment Corporation as defined in the Public Investment Corporation Act, 2004 (Act No. 23 of 2004);
a person or entity regulated by the Reserve Bank of South Africa;
an authorised financial services provider, as defined in the Financial Advisory and Intermediary Services Act, 2002 (Act No. 37 of 2002);
a financial institution, as defined in the Financial Services Board Act, 1990 (Act No. 97 of 1990);
a wholly owned subsidiary of a person contemplated in sub-paragraph (iii), (iv) or (v), acting as agent in the capacity of an authorised portfolio manager for a pension fund registered in terms of the Pension Funds Act, 1956 (Act No. 24 of 1956) or as a manager for a collective investment scheme registered in terms of the Collective Investment Schemes Control Act, 2002 (Act No. 45 of 2002); or
any combination of persons contemplated in paragraphs (i) to (vi)

Should the offer fall within the ambit of section 96(1)(a) or 96(1)(b) of the South African Companies Act, the offer does not constitute an offer to the public. It is accordingly a condition of your receiving this document or attending this presentation that you represent, and warrant and undertake to the Company that:

you fall within either section 96(1)(a) or 96(1)(b) of the South African Companies Act;
you have read, agreed to and will comply with the terms of this disclaimer; and
you will not forward, reproduce or otherwise disclose the contents of this document to any person in contravention of the provisions of the South African Companies Act or any other applicable law or regulation or to any persons in a Prohibited Territory.

By retaining the Presentation Materials, you (the Recipient) acknowledge and represent to the Company that you have read, understood and accept the terms of this Important Notice. If you do not accept these terms, you should immediately destroy or delete the Presentation Materials.

The Presentation Materials do not purport to contain all the information that a prospective investor may require in connection with any potential investment in the Company or its underlying business. Each Recipient must make its own independent assessment of the Company before acquiring any securities in the Company ("**Securities**"). You should not treat the contents of the Presentation Materials, or any information provided in connection with it, as financial advice, financial product advice or advice relating to legal, taxation or investment matters. Before acquiring any Securities, you should consult your own advisers and conduct your own investigation and analysis in relation to the Company.

The Presentation Materials are confidential and should not be copied, distributed or passed on, directly or in directly, to any other class of persons. They and any further confidential information made available to you are being supplied to you solely for your information and may not be reproduced, forwarded to any other person or published, in whole or in part, for any other purpose. The Presentation Materials contain only a synopsis of more detailed information publicly available in relation to the matters described in this document and accordingly no reliance maybe placed for any purpose whatsoever on the sufficiency or completeness of such information and to do so could potentially expose you to a significant risk of losing all of the property invested by you. The information contained in the Presentation Materials is for background purposes only and is subject to updating, completion, revision, amendment and verification, which may result in material changes. No reliance should be placed on the information and no representation or warranty (express or implied) is made by the Company, any of its directors or employees or any other person, and, save in respect to fraud, no liability whatsoever is accepted by any such person, in relation thereto.

Important Notice

Recipients of this presentation should refer to the Independent Technical Statement for Coal of Africa as at 18 September 2011, prepared by Venmyn Rand (Pty) Ltd, which is available on CoAL's website (www.coalofafrica.com), for full details of the coal resource and reserve estimates referred to in this presentation and the basis on which those estimates have been prepared.

Competent persons’ statement

The information in these Presentation Materials that relates to mineral resources or ore reserves has been compiled by Ms C Telfer (B.Sc. Hons. (Geol.), (DMS) Dip Bus Man Pr. Sci. Nat., FGSSA, MAusIMM, M.Inst.D) and Mr G Njowa (M.Sc. (Min. Eng), MRM, B.Sc.Hons. (Min. Eng), Grad CIS, MSAIMM, Pr Eng, MIAS), of Venmyn Rand (Pty) Ltd, who both have relevant and appropriate experience and independence to appraise the coal assets. Both Ms C Telfer and Mr G Njowa are considered “Competent Persons”, and each have more than five years relevant experience in the assessment and evaluation of the types of coal exploration and mining properties presented in this announcement. Both Ms C Telfer and Mr G Njowa consent to the inclusion of the resource information in these Presentation Materials in the form and context in which it appears.

Summary

Future metallurgical coal producer

- **Vision to responsibly produce 10 million tonnes of coal per annum**
  - pipeline of good quality coking and thermal coal projects
  - identify strategic partners to develop projects
  - secure the requisite regulatory licenses and authorisations
- **Key risks**
  - commodity cycle
  - South African socio-political environment
  - funding and regulatory timelines

Profile of Beijing Haohua Energy Resource Co (BHE): a large state-owned Chinese coal producing company

Company profile	▪ BHE is a large state-owned Chinese coal producer based in Beijing ▪ Engaged in the mining, washing, export and sale of coal products ▪ BHE is listed on the Shanghai Stock Exchange and is one of the constituent stocks of the SSE 130 and SSE Composite Index. Market cap of ¥ 18,275.97 million*
Background	▪ BHE was founded in 2002 by: Jingmei Group, the only Chinese coal producer under the Beijing Municipal Government; Minmetals, a leading diversified mining company; Shougang, one of the largest steel producers in China; China Coal, one of China's top three coal producers; and CCRI, the only coal research institute servicing the coal industry in China ▪ Major products include anthracite and thermal coal
Financial	▪ 2011 financial year: – revenue – US$1,075 million – operating cash flow – US$157 million – cash – US$369 million – gross margin – 43% – net margin – 19%
Customers	▪ Major international customers: Posco, Nippon Steel ▪ Major domestic customers: Shougang, Ansteel, HBIS, Chalco, Hebei Iron & Steel
Investment rationale	▪ The transaction is the first investment by BHE outside of the PRC and represents a mutually beneficial strategic partnership between CoAL and HEI, with a vision to unlock the intrinsic value inherent in CoAL's operations and projects ▪ CoAL's hard coking coal projects present an exciting opportunity for BHE to complement their existing anthracite and thermal coal product offerings

*http://in.reuters.com/finance/stocks – 7 February 2013

北京昊华能源股份有限公司
BEIJING HAOHUA ENERGY RESOURCE CO.,LTD

Transaction summary:
US$100m subscription for shares

Overview	▪ Binding offer from BHE ▪ Subscribe for US$100 million of CoAL shares at a price of GBP 25 pence per share ▪ Strategic partnership to develop CoAL's operations and projects
Beijing Haohua Energy Resource Group	▪ BHE, listed on the Shanghai Stock Exchange, is a Beijing based coal producer and is engaged in the mining, washing, export and sales of coal products ▪ BHE is the largest exporter of anthracite coal from China

Transaction structure	▪ Proposed transaction was been structured in two tranches
	  ▪ initial subscription of US$20 million subject to FIRB approval which was received end of November 2012, interest of 4.8% to 5.2% in CoAL; tranche received 28 November 2012; and
	  ▪ second subscription of US$80 million subject to PRC and shareholder approvals which were received 9 January and 25 January 2013 respectively ; increased BHE's interest to approximately 23% in CoAL; tranche received 31 January 2013.

Co-operation Agreement	▪ CoAL has undertaken to facilitate the appointment of two BHE nominees to the board of directors of CoAL and to engage in discussions to formalise the strategic partnership through a co-operation agreement. ▪ Exploring the possibility of BHE providing project finance.
Benefits of the transaction to CoAL	▪ Expedites the development of the coking projects ▪ Direct exposure to the world's largest coking coal markets ▪ Possibility of BHE providing project finance ▪ Exchange of technical and financial management expertise

北京昊华能源股份有限公司
BEIJING HAOHUA ENERGY RESOURCE CO.,LTD

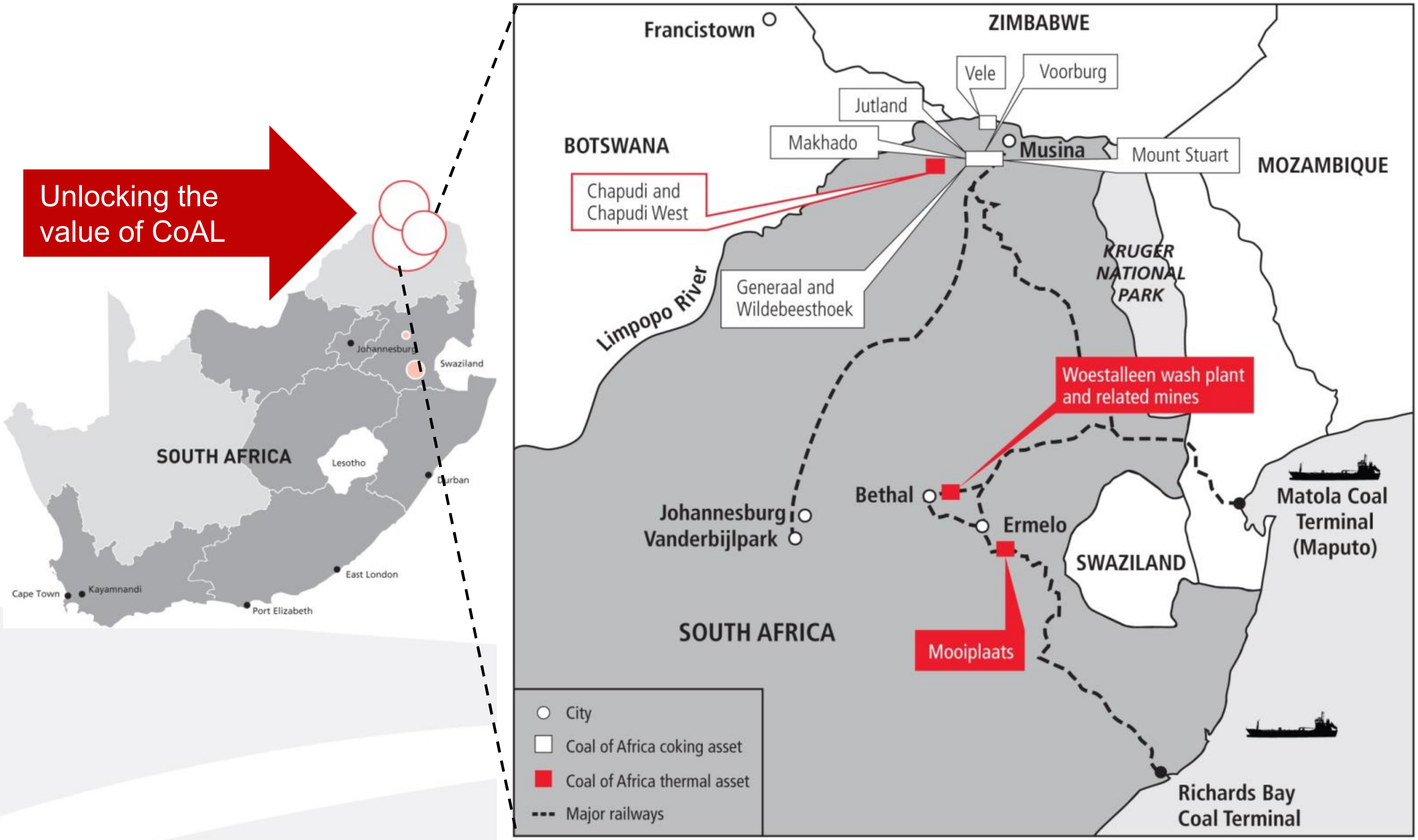
Vitol Group Memorandum of Understanding

- Marketing agency
  - Vitol exclusive marketing agent for 8 years
    - not an off-take based agreement
  - period of 5 years for Makhado product from production
  - agreement not based on discounts rather to maximise return for investors
  - Vitol currently a shareholder in CoAL

- Port Expansion
  - option to take up capacity for any phase 4 expansion at Matola with no funding obligation for CoAL
  - funding of the expansion to be on a syndicated basis for the complete package
    - TCM and its shareholders will seek funding in a syndicated basis

Project location map

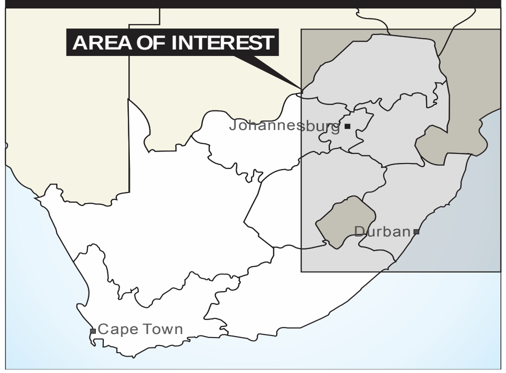
Unlocking the value of CoAL



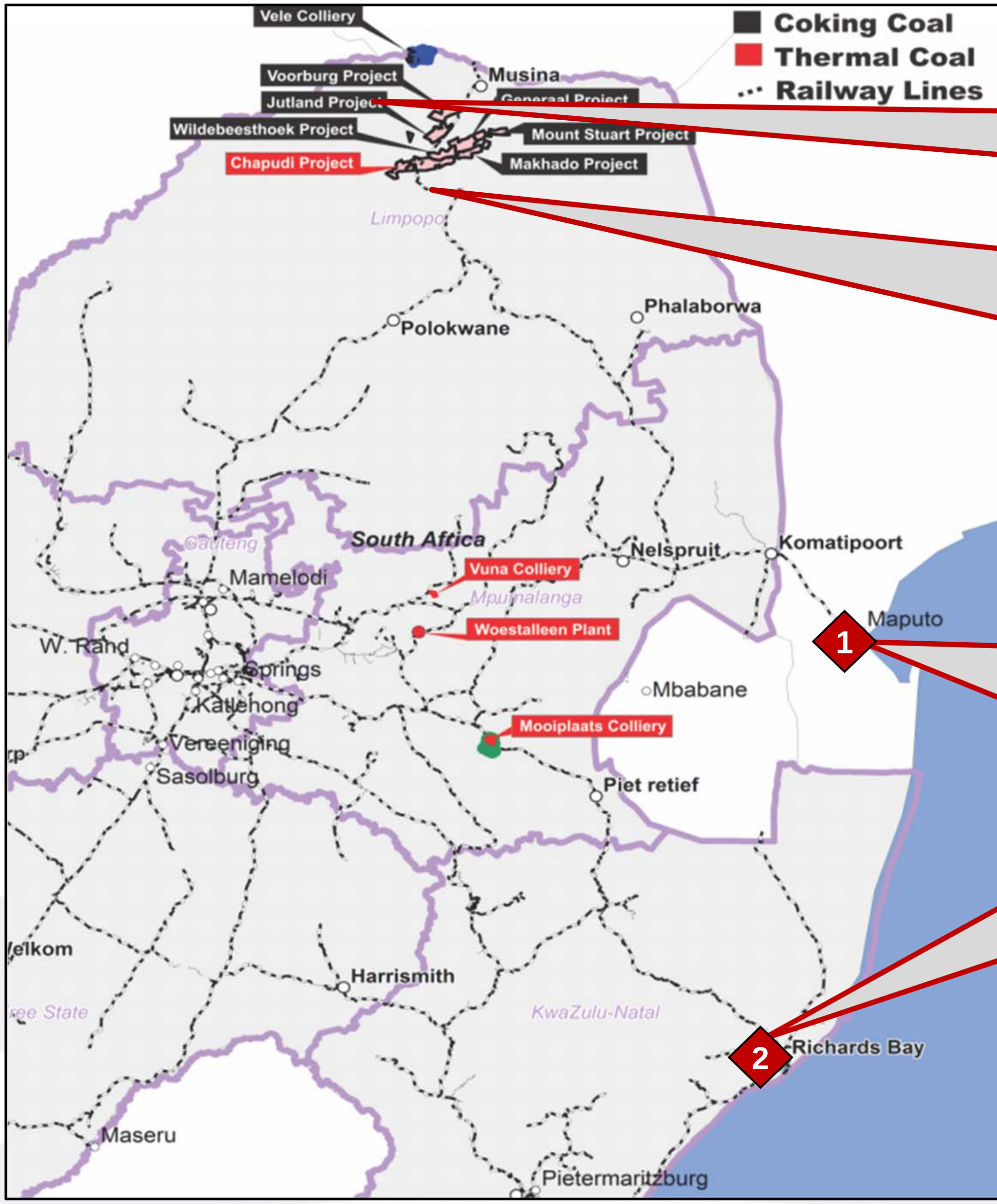
Logistics: main export corridors

LOCALITY WITHIN AFRICA

LOCALITY WITHIN SOUTH AFRICA



FROM/TO	RBCT	MATOLA
	km	km
Vele (Musina)	1256	735
Makhado	1205	683
Woestalleen	559	404
Mooiplaats	448	405



Existing railway line to Matola

- ±6-8Mtpa capacity before further upgrades

Inland rail and access to RBCT

- Supply to domestic customers via inland rail system
- Alternative access via RBCT through Western corridor via Pyramids
- Cost differential on rail and port

System 1: Maputo Corridor via Matola Terminal (Mozambique)

- CoAL – 3.0Mtpa allocation
- Right to participate in port expansion

System 2: Richards Bay Corridor via Richards Bay Coal Terminal

- CoAL - 207,000tpa allocation under the Quattro allocation

Matola Terminal, Maputo

- Matola
  - current capacity of 6.0Mtpa with 4.5Mtpa allocated to coal and 1.5 Mtpa magnetite
    - Coal of Africa has 3.0Mtpa capacity
  - right secured to any increased capacity and participation of up to 100%
    - no funding obligation following finalisation of Vitol terminal throughput agreement
  - Phase 3.5 port expansion
    - increase of terminal capacity from 6.0 Mtpa to 7.3Mtpa
    - expected completion October 2013

Matola Dry Bulk Terminal, Maputo (Mozambique)

Projects and operations

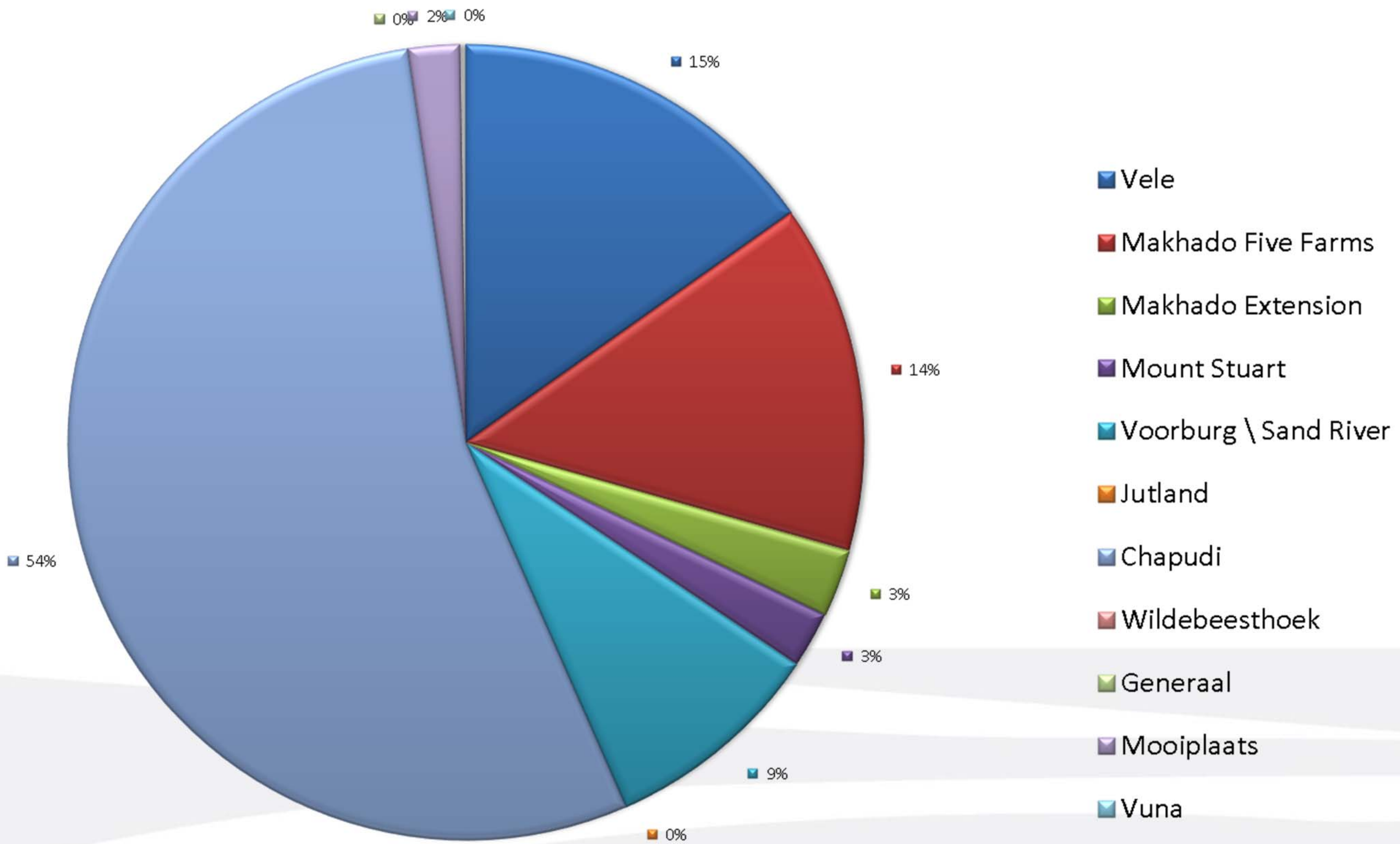
EXPLORATION	DEVELOPMENT	MINING
Chapudi Chapudi West Generaal Jutland Makhado Extension Mt Stuart Voorburg Wildebeesthoek	Makhado Vele (In ramp up)	Mooiplaats Woestalleen[1] Vele

COAL OF AFRICA: VALUE DRIVERS

- Assets in three major phases (exploration, development, mining)
- Upside potential based on project pipeline
- Development of Limpopo (predominantly coking coal assets) will enable CoAL to benefit from positive long term industry fundamentals

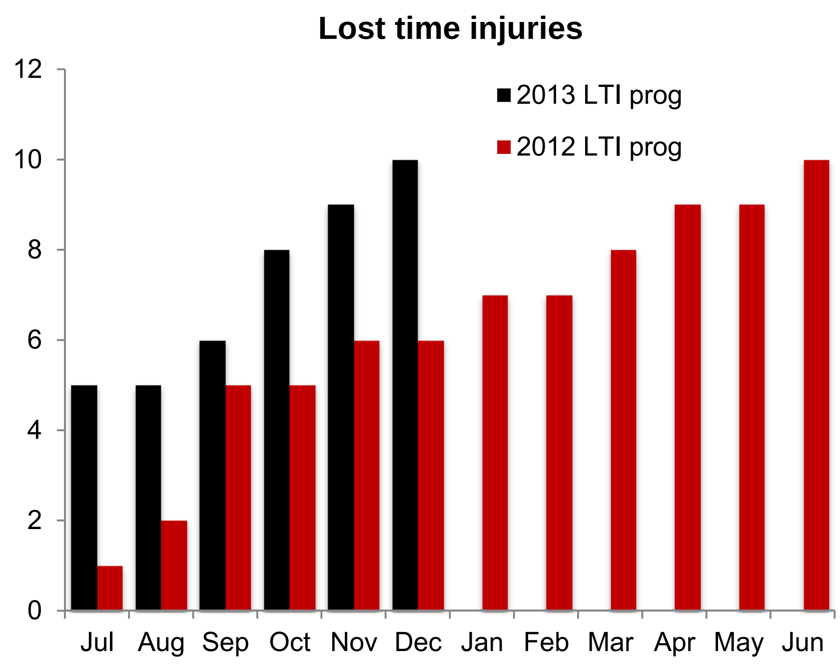
[1] *Includes the Zonnebloem (Vuna) Colliery, the remaining open-cast pit in operation*

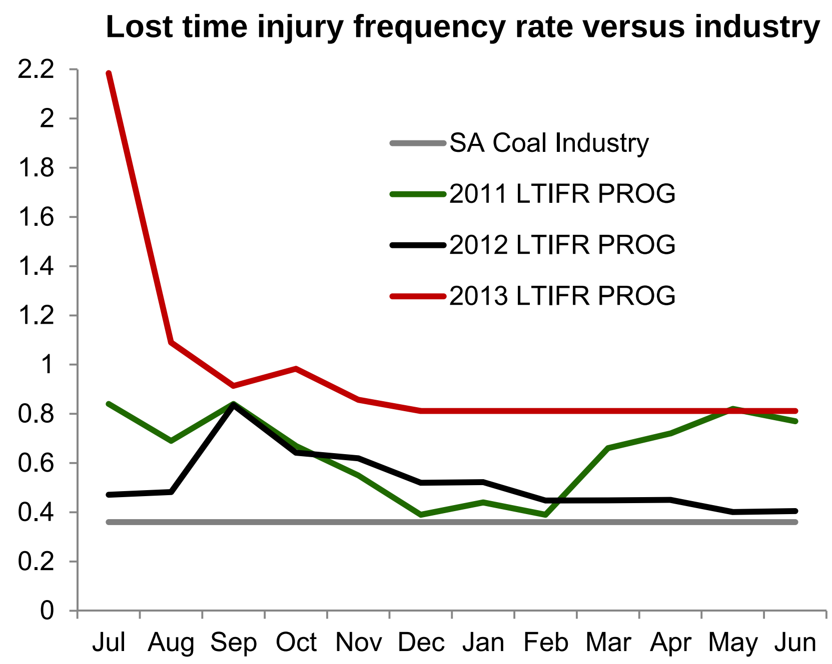
JORC compliant resources



Source :Independent Geologist specialist report Venmyn-Delotte – 12 December 2012

Safety performance





- Improved safety performance with zero fatalities: 10 LTI's recorded to date compared to F2012:10 and in FY12 the group achieved:
  - 3,000 FFPS* at Vuna
  - 3,000 FFPS* at Woestalleen
  - 2,000 FFPS* at Mooiplaats
- Intensified drive to improve safety performance

** Fatality free production shifts*

Coking coal assets: Vele

Summary: Vele

Key statistics

Resources/Reserves[(1)]	362.489 \ 325.570 Mt MTIS
ROM production – initial phase	2.7 Mtpa
Product	400 – 600 ktpa (SSCC) and 1 – 1.2 Mtpa Eskom thermal coal
CoAL ownership	100%
Quality	Semi-soft coking coal

(1) Resources are inclusive of reserves

Highlights

Oct 2011	Integrated Water Use License suspension lifted
Nov 2011	MOU signed with the Save Mapungubwe Coalition
Dec 2011	Extraction of coal commences
Feb 2012	Hot commissioning of the plant completed
April 2012	First coal railed to Maputo (for export through TCM)
Aug 2012	Concept design of Phase 2 plant upgrade complete
Oct 2012	Eskom product combustion testing concluded successfully
Dec 2012	Order placed for Phase 2 (a) of Plant Upgrade

Vele: value proposition

- **Project Dynamics**
  - Long Life-of-Mine (> 50 years plus based on underground and opencast)
  - Dual product stream to improve the economic metrics
  - Flexibility to increase production capacity with limited constraints
  - Expansion option with underground section
- **Products**
  - Soft coking coal and thermal coal (export grade and Eskom grade)
  - Potential for long-term off-take agreement with Eskom
  - Discussions underway for off-take agreement with ArcelorMittal SA and other potential domestic/international clients
- **Infrastructure**
  - Rail siding 55 km from plant by road
  - Plant upgrade to improve yields and throughput volumes (to 2.7Mtpa)
- **Further Upside Potential**
  - Increased economy of scale with underground option
  - Improved rail tariff based on long term volume commitment and equalisation in rail rates
  - Potential rail link from Vele to Musina

Vele Colliery collaboration with SANParks and the Department of Environmental Affairs

- Collaboration resulted in the signing of a Memorandum of Agreement (MoA) and Memorandum of Understanding (MoU)
- MOA between Coal of Africa, DEA and SANParks to protect and conserve the integrity of the Mapungubwe Cultural Landscape

Memorandum of Agreement (MoA)

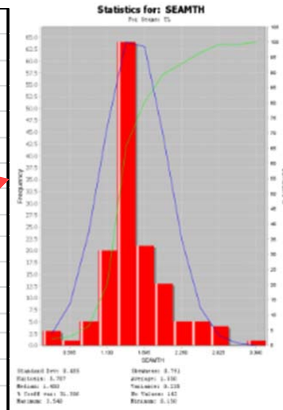
- MoA signed on 1 September 2011 which seeks to among other objectives:
  - ensure the conservation and integrity of the site
  - maintain and strengthen co-operation between the three parties
  - set up an Environmental Management Committee (EMC) incorporating all stakeholders

Representative from Coal of Africa CEO John Wallington (left); (second) DEA Deputy Director General Fundisile Mketeni ; (third) SANParks Director Hector Magome and Transboundary Director Professor van Riet at the MOA signing ceremony – 1 September 2011

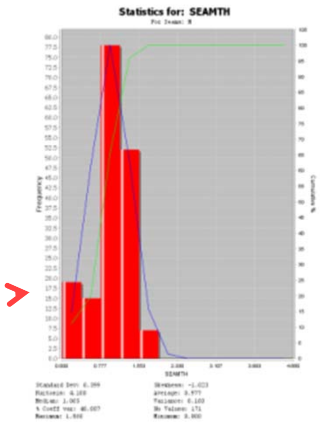
Vele: geology

Vele: general stratigraphy

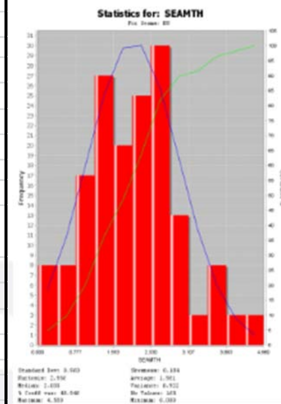
Main Strat	Sub-Seams	Strat.col	Sample No.	Thick (m)	Description
	TU			3.00	Mudstone, with coal/mudstone horizons
				2.50	
					Mudstone, grey with occ coal stringers
Top Seam	TM		T2	0.30	
				1.50	Mudstone, grey with occ coal stringers
	TL		T1	1.42	3 Coal bands with mudstone parting
				6.28	Mudstone, grey, rootlets bioturbation
	PART				
			M1	0.87 - 1.2	2 Coal bands with mudstone parting
Middle Seam					
					Gritty, white sandstone marker at base of coal
			B11		
				2.45	Mudstone, grey, with slt and grit sst bands and occ coal bands
	BU		B1-B3	2.80	
Bottom Seam					
	BM		B4	0.75	
	BL		B5-B9	3.00	
	FLOOR		B10	0.60	
					Brown Mudstone
Dwyka Group					Tilloid
					Tillite
					Gneiss, Granite
Pre-Karoo					



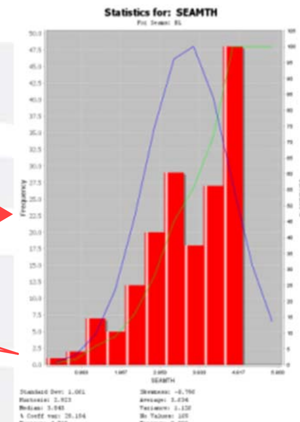
Avg Thick 1.55m



Avg Thick 1.0m



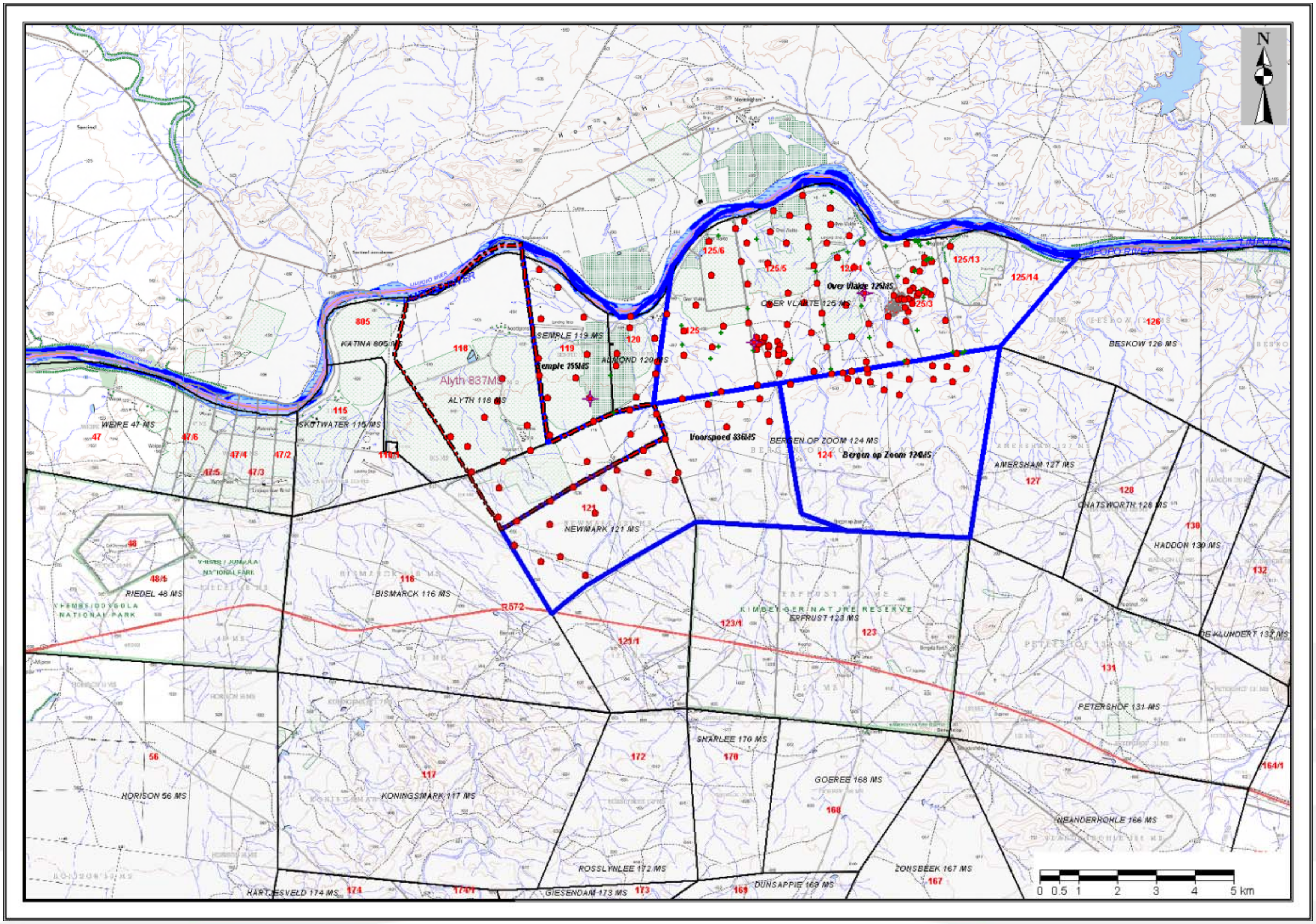
Avg Thick 2.1m



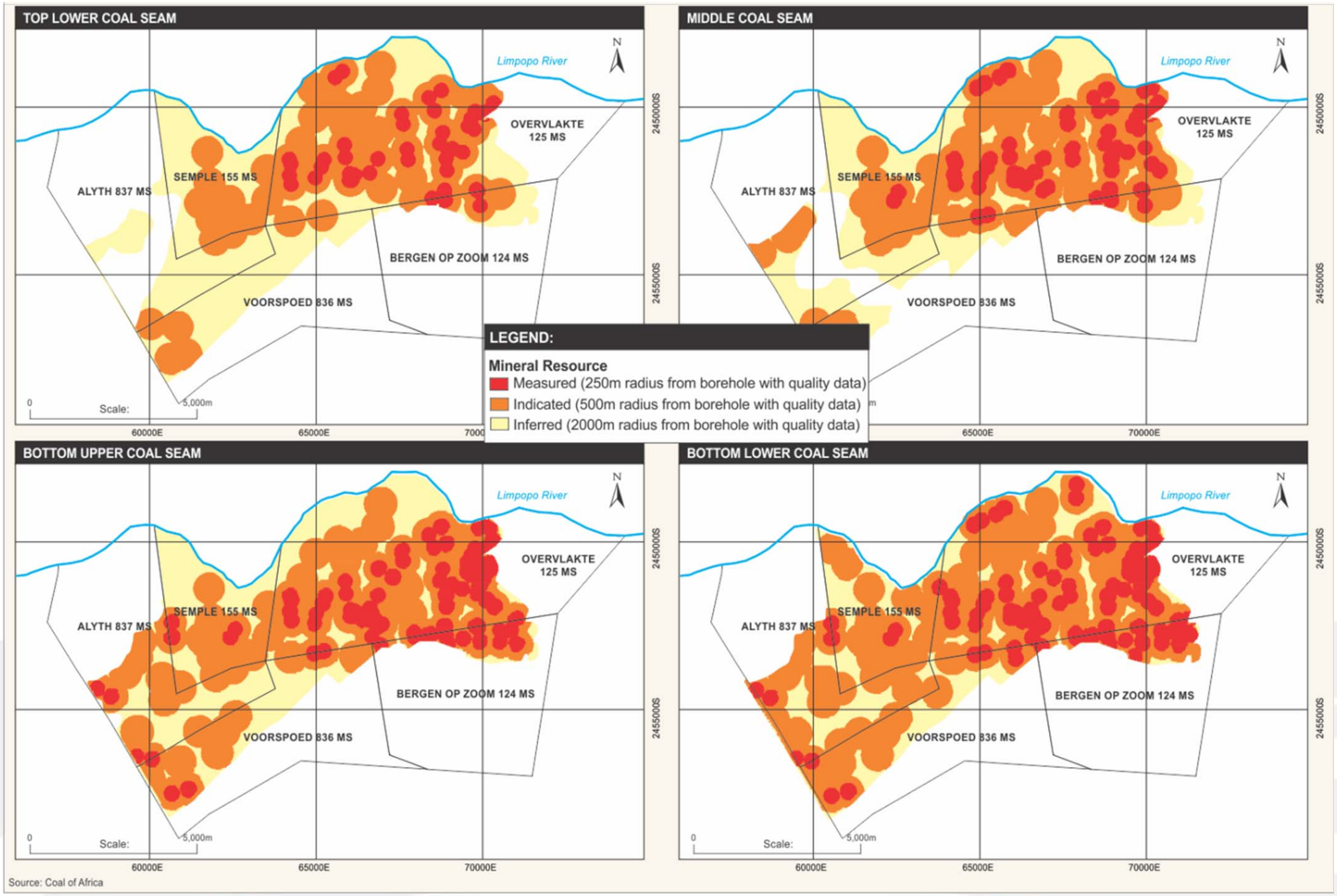
Avg Thick 3.89 m

Vele: resources

Vele: borehole locality plan



Vele: JORC resource



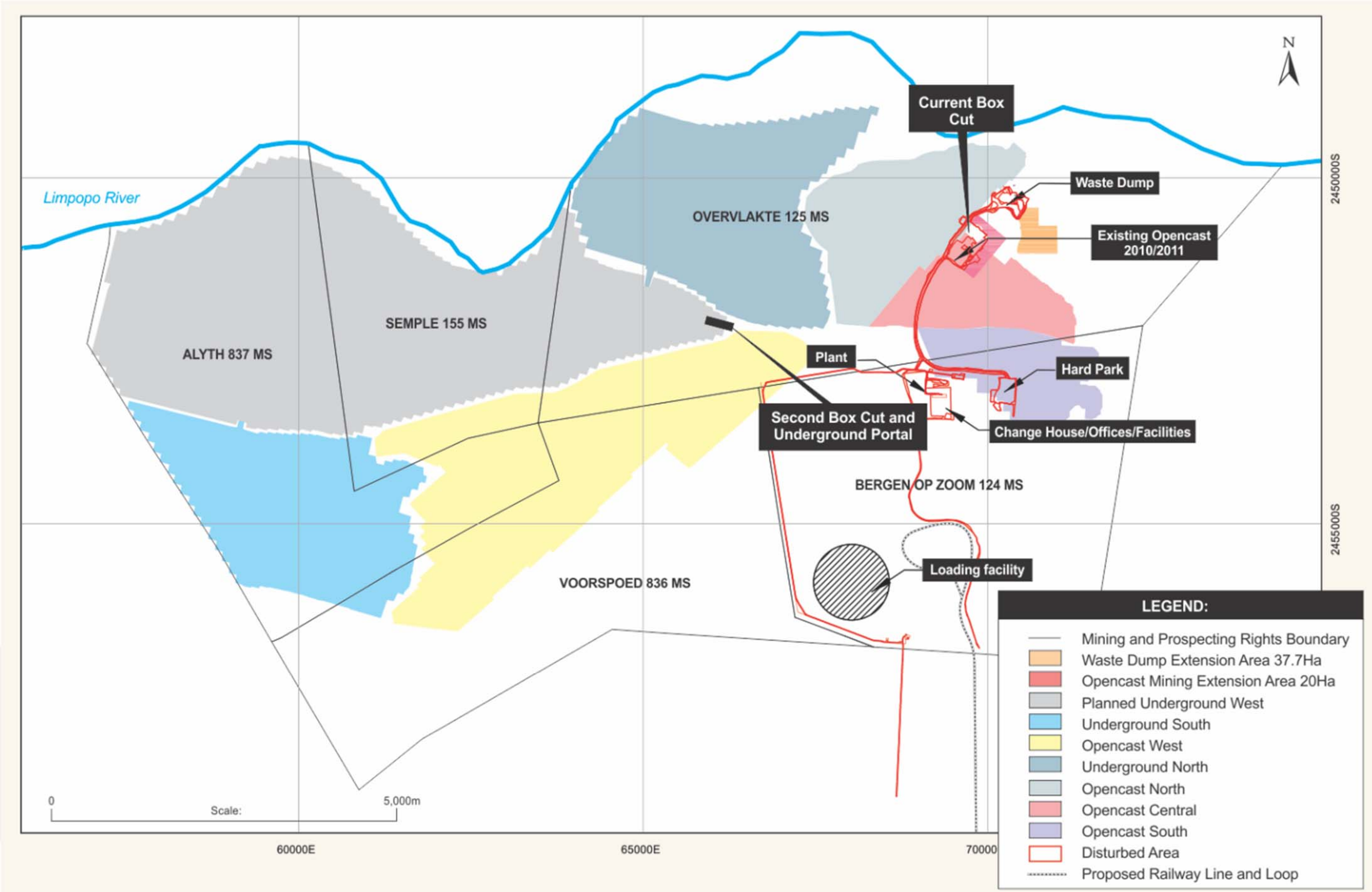
Vele: resources and reserves

	Resources (Mt)			Reserves (Mt)	
FARM	GTIS	TTIS	MTIS	MTIS	ROM
Alyth (NOPR)	128.5	107.1	55.9		
NOMR	667.2	565.8	306.6		
Opencast				194.0	206.0
Underground				131.5	85.8
Total	**795.7**	**672.9**	**362.5**	**325.6**	**291.8**
Modfying Factors	▪ All coal in selected horizons > 0.5m	▪ All coal in selected horizons > 0.5m and taking into account geological losses	▪ Selected horizons >0.5m from Limit of Oxidation to max 70m opencast ▪ Underground mining of B Lower min mining height 1.4m ▪ Max mining height 4.5m		▪ XPAC scheduling on mining layout

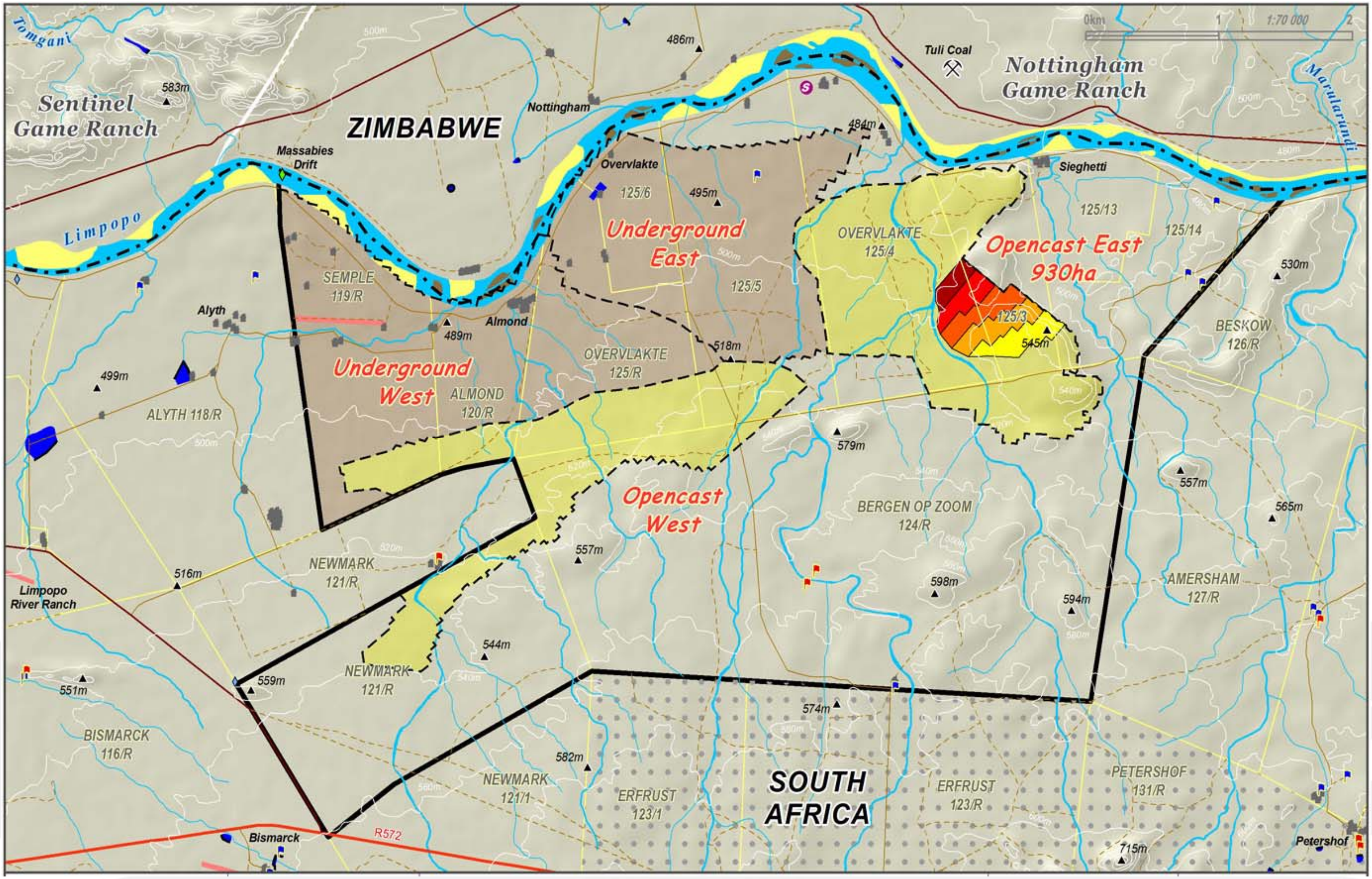
Source :Independent Geologist specialist report Venmyn-Delotte – 12 December 2012

Vele: mining

Vele: mine site plan and mining areas



Vele: 8 year mine plan



Mining: production

- Mining performed by MCC mining contractor
- Initial mining from Central open pit
  - BU and BL seams present
  - ML seam present but weathered in low lying areas
- Roll over mining commenced June 2012
- Current production at 80,000 ROM tonnes per month, ramping up to 225,000 ROM tonnes per month upon completion of full Phase 2 plant upgrade
- Strip ratio over LOM: 3.6
- Full electronic blasting
- Free-digging of coal horizons


COAL WASTE BLAST 7
22 MARCH 2012

Vele: plant layout and design

Vele: modular plant

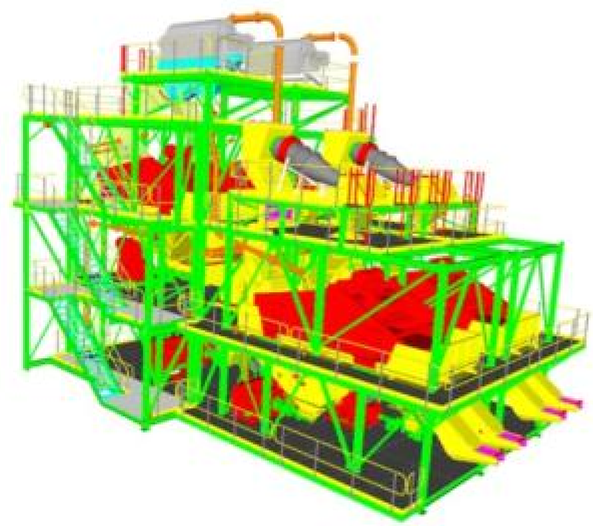
Destoning plant

Secondary Washing 2

Spiral plant

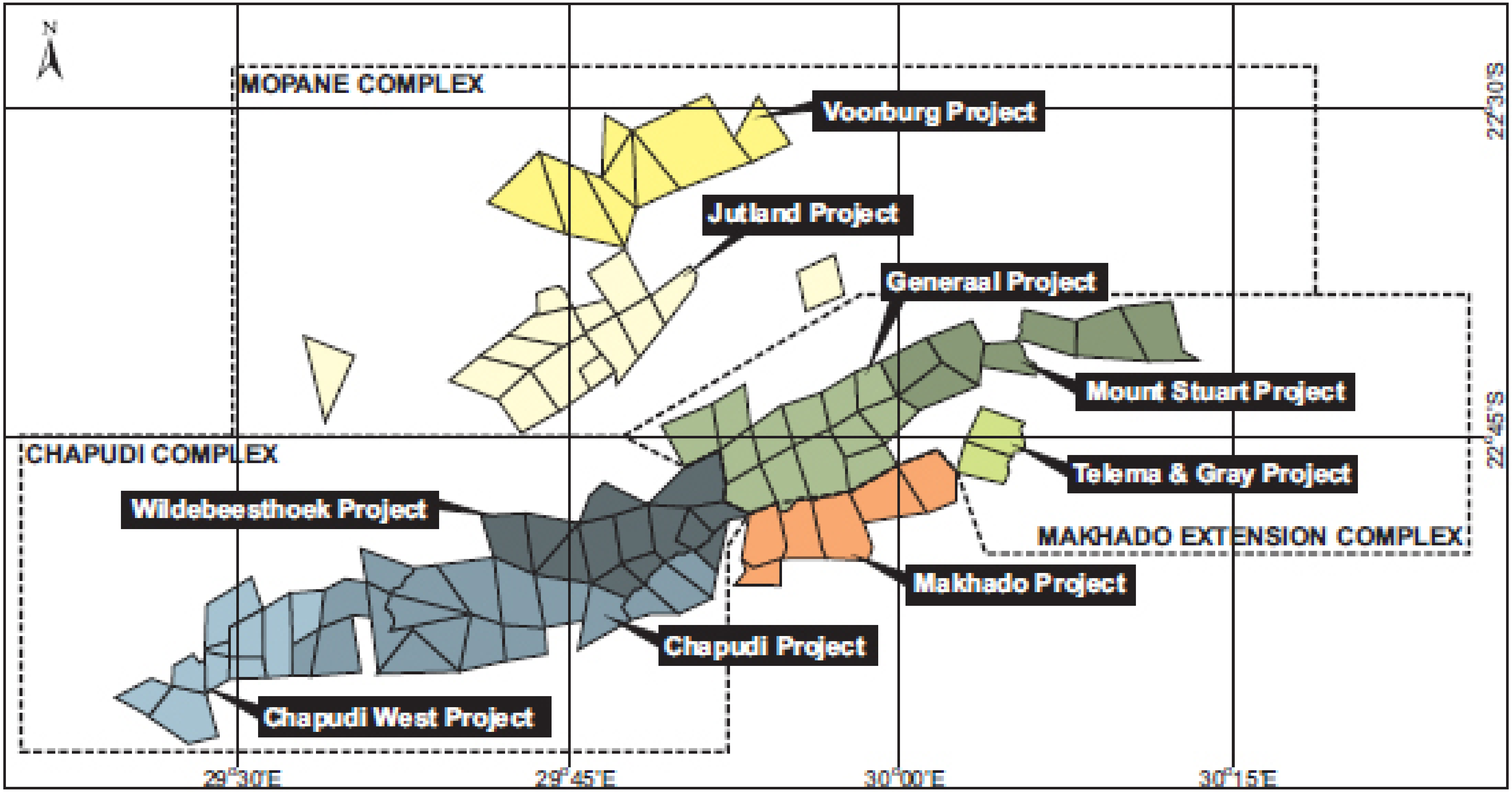
Processing plant: where we are today

- Processing commenced in January 2012
- Plant commissioning completed and handed over to production – February 2012
- Produced 126 k tonnes of thermal export coal : H1 FY 2013
- Product test work ongoing to finalise phase 2 plant design criteria
- FY 2013 production plan currently producing a thermal export product @ 6,000kcal



Coking coal assets: Makhado Project

Makhado and Soutpansberg Projects



Summary: Makhado Project

Key figures	
Resource	344.0 Mt MTIS (opencast area)
ROM production	10 – 12.6 Mtpa (from opencast mining)
Product	2.0 – 2.5 Mtpa coking coal and 2.0 – 2.7 Mtpa Eskom thermal coal (subject to DFS)
CoAL attributable	100%
Quality	Coking coal (CSR index >60) and Eskom thermal coal

Highlights

Q1 2011
- NOMR application submitted, formally accepted

Q3 2011
- DFS bulk sample testing completed

Q4 2011
- Discussions commenced with ArcelorMittal on off-take agreement and related commercial terms
- Letter of Intent already signed

Q4 2012
- DFS Completed
- Board review and approval of Project
- Bulk sample testing by ArcelorMittal completed; independent testing and reports in progress
- Hard coking coal confirmed.

Q2 2013
- Upgrade of DFS in progress (incorporating middlings)

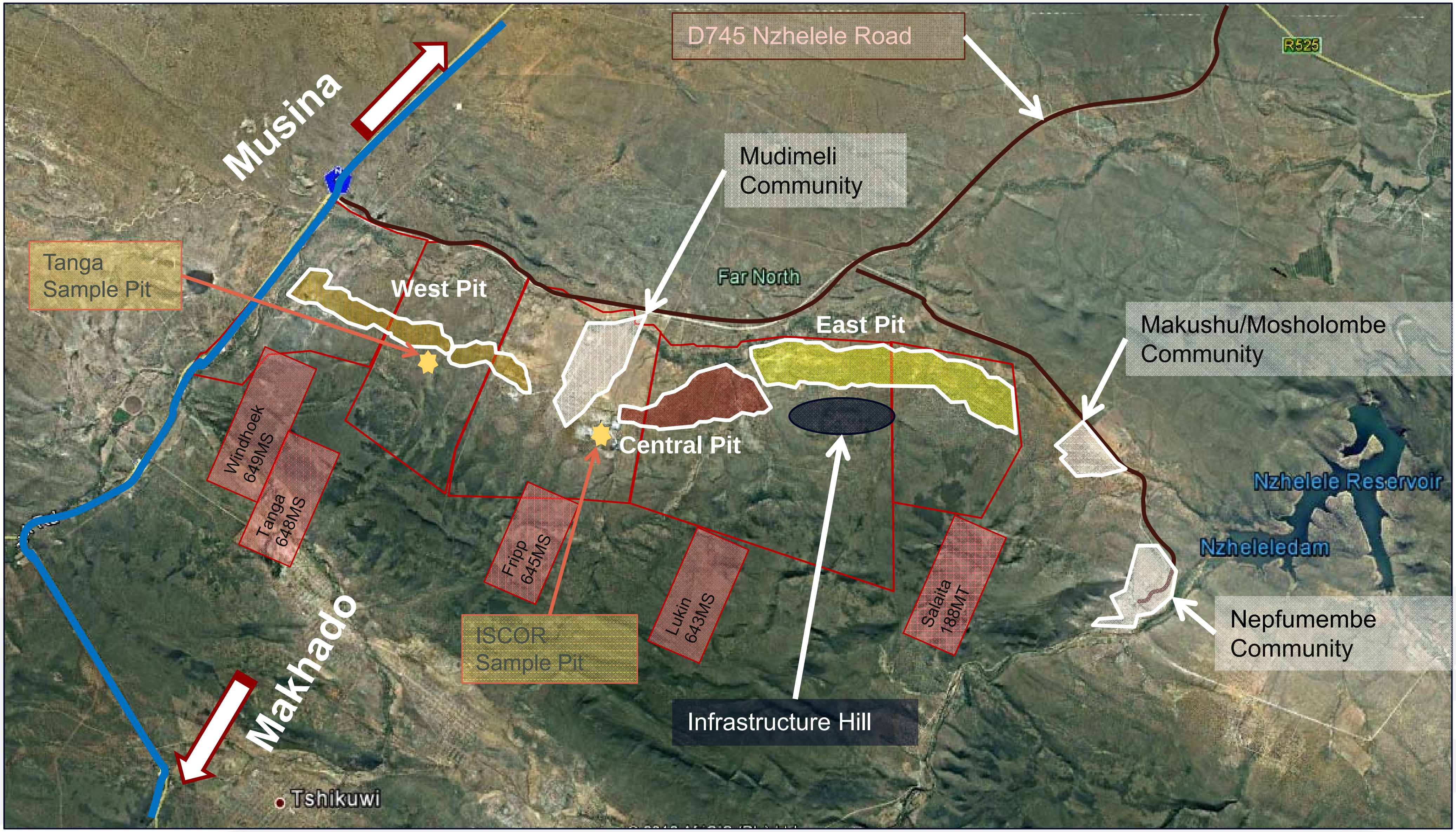
Bulk sample pit on Tanga

Waste pad with material from bulk sample after processing

Makhado Project: value proposition

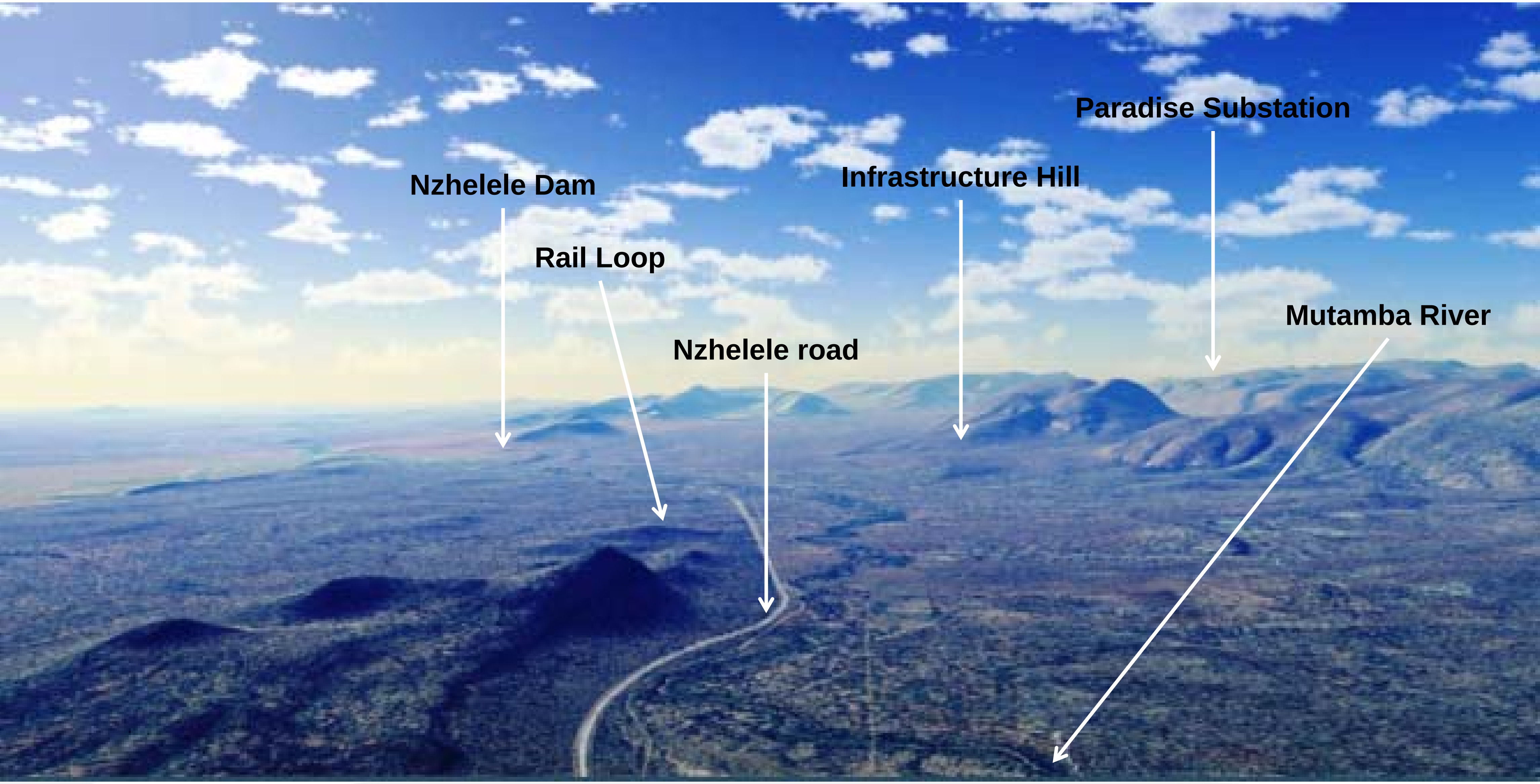
- **Project Dynamics**
  - 16 years Life of Mine (Phase 1) with strike length of 14.4km; increase to approximately 30 years (Phase 2)
  - Synergy with Generaal project to the north (Phase 2)
  - Improved financial and operational metrics with enlarged project and greater flexibility
- **Product**
  - Primary product: hard coking coal (HCC)
  - Secondary product: high quality thermal export grade and/or Eskom middlings product
- **Infrastructure**
  - Farms secured for rail link (23km); access to railway line to Matola Terminal
  - Secured 5MVA of power for construction phase of project
- **Further Upside Potential**
  - Gas and carbon credits from fugitive methane
  - Contiguous resources (shared infrastructure and resources within close proximity)
  - Equalisation of rail rates between General Freight Business (GFB) and Coal line

Makhado Project: location and planned lay-out



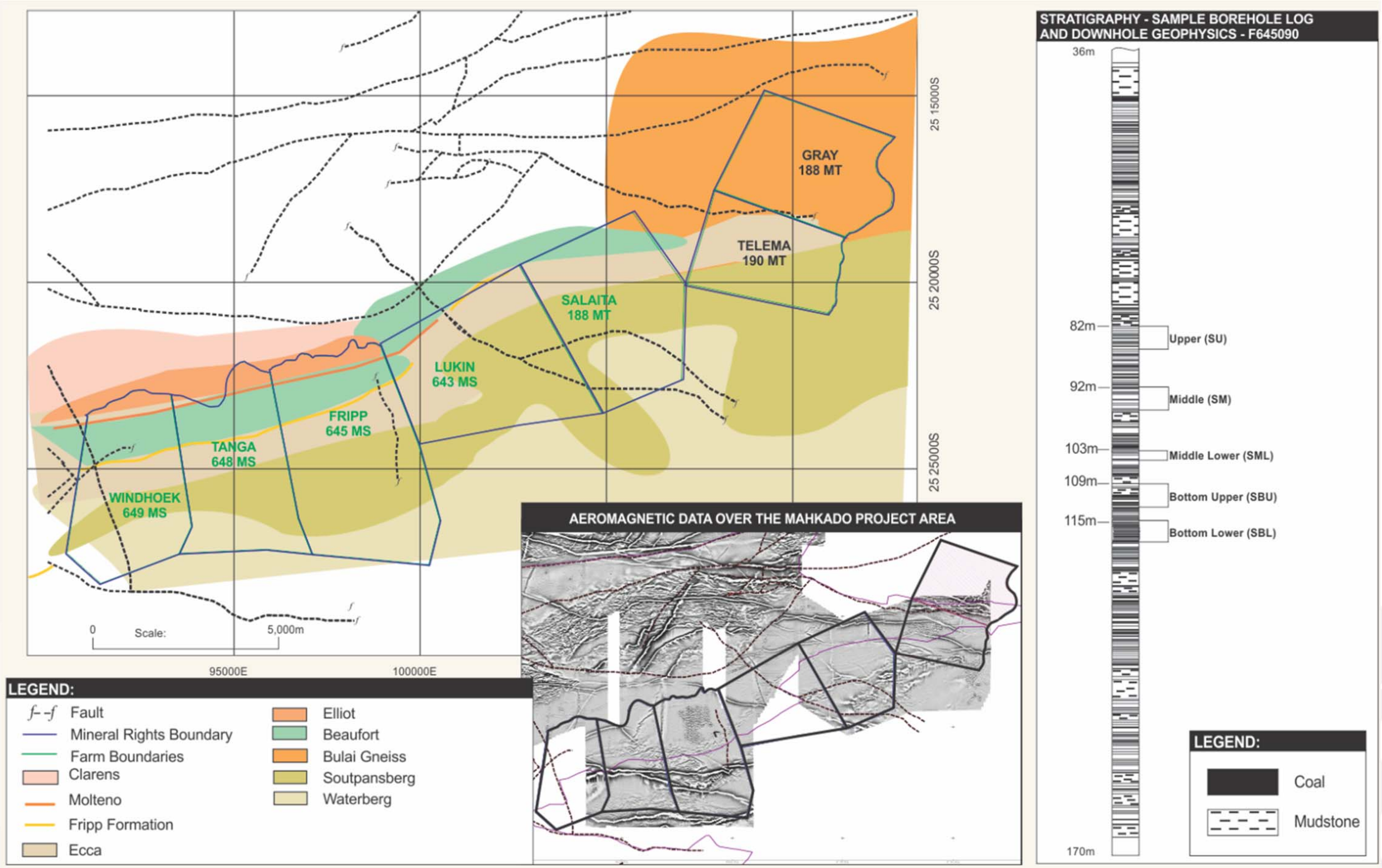
Nzhelele Dam

Makhado Project: location overview ('flyover')

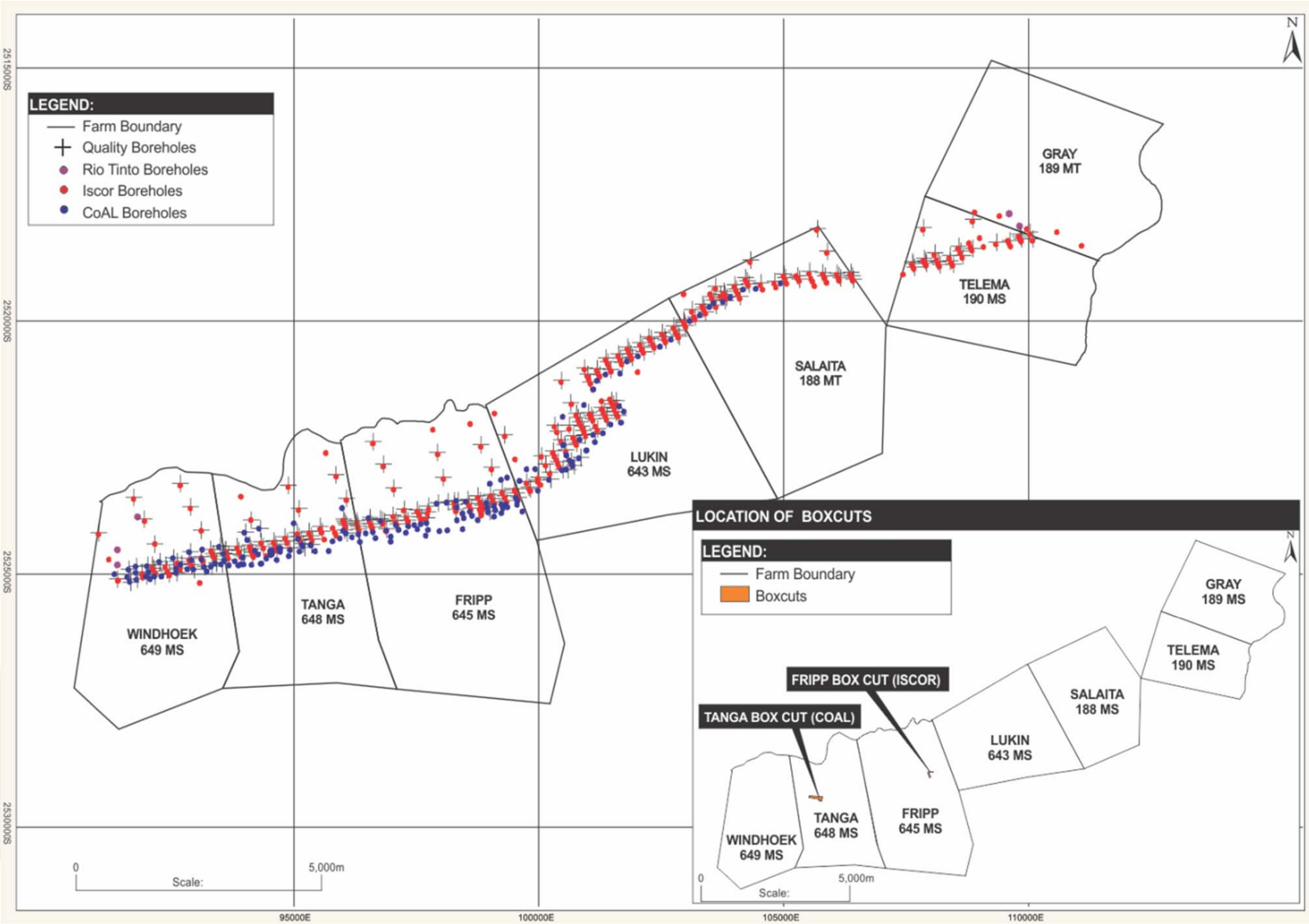


Makhado Project: geology

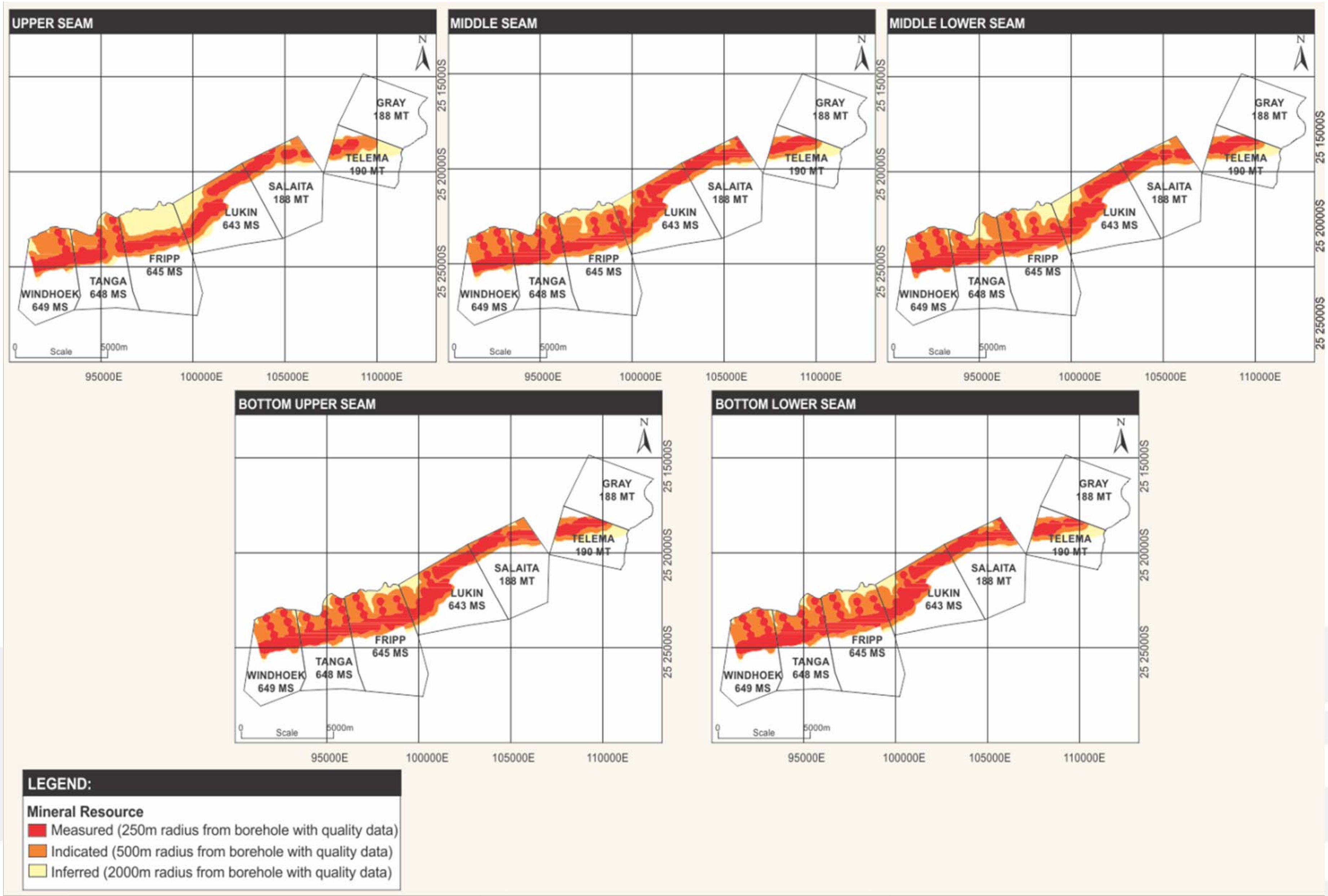
Makhado Project: stratigraphy and structure



Makhado Project: borehole and bulk sample



Makhado Project: compliance and confidence



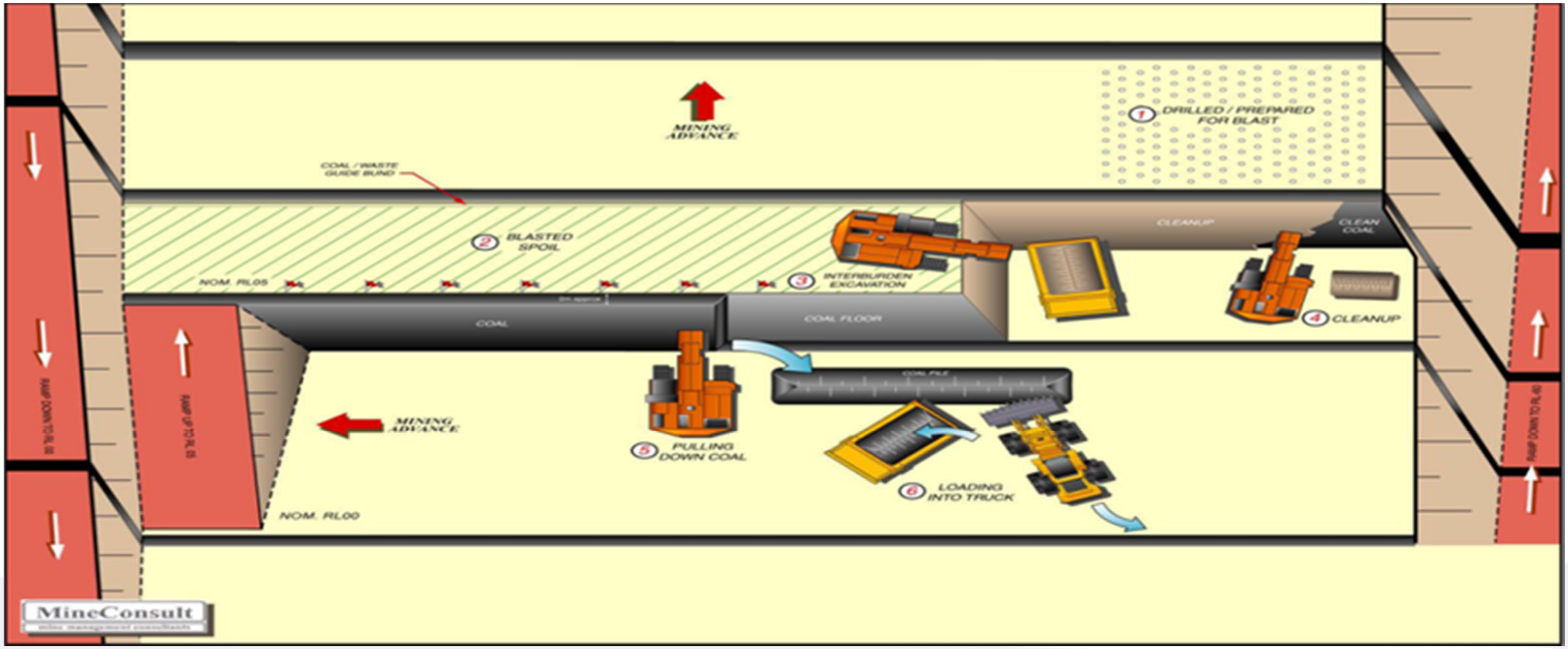
Makhado Project: resources

		Resources (Mt)			Reserves (Mt)	
FARM	**PIT**	GTIS	TTIS	MTIS	MTIS	ROM
Windhoek 649MS	west	146.1	127.3	41.8		
Tanga 648MS	west	148.8	129.8	43.0		
Fripp 645MS		220.6	189.8	79.4		
Lukin 643MS	central and east	190.6	165.9	116.9		
Salaita 188MT	central and east	89.5	78.8	63.4		
Telema 190MT		84.1	72.9	66.8		
Total		**879.7**	**764.4**	**411.2**		
Modfying Factors		▪ All coal in selected horizons > 0.5m	▪ All coal in selected horizons > 0.5m and taking into account geological losses	▪ Selected horizons >0.5m from Limit of Oxidation to max 200m >20% volatile content at RD 1.40		▪ Whittle optimisation at 10% ash ▪ Social and environmental constraints included

Source :Independent Geologist specialist report Venmyn-Delotte – 12 December 2012

Makhado Project: mining

Makhado Project: proposed loading method



Processing

Key results of bulk sample test work

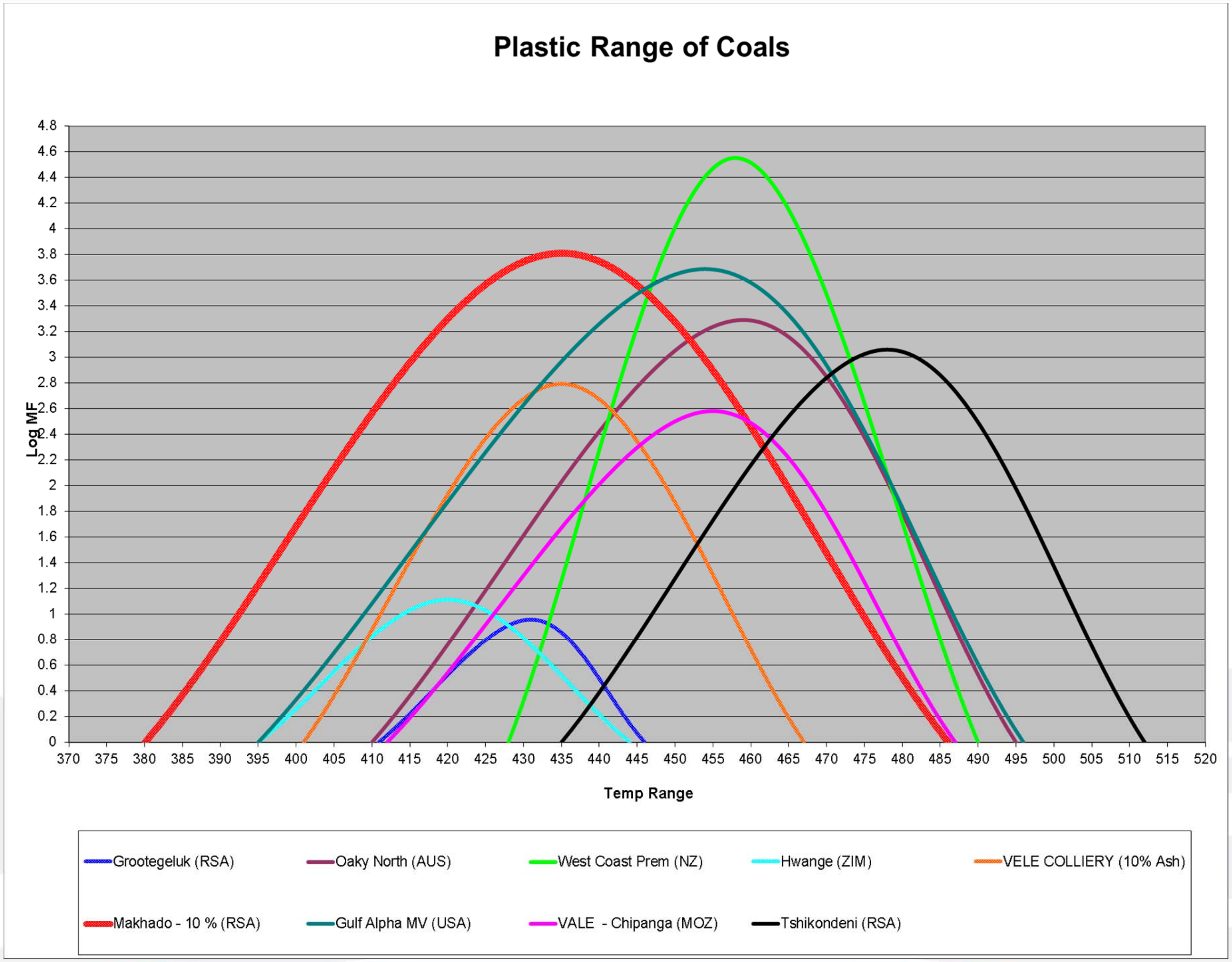
PROCESS

- Coking coal is predominantly in the finer size fractions (<12mm)
- Fines and ultra-fines beneficiation critical to yield and product quality
- The coarser fraction, up to 50mm (80% of ROM), adds substantially to a secondary middlings product

PRODUCTS

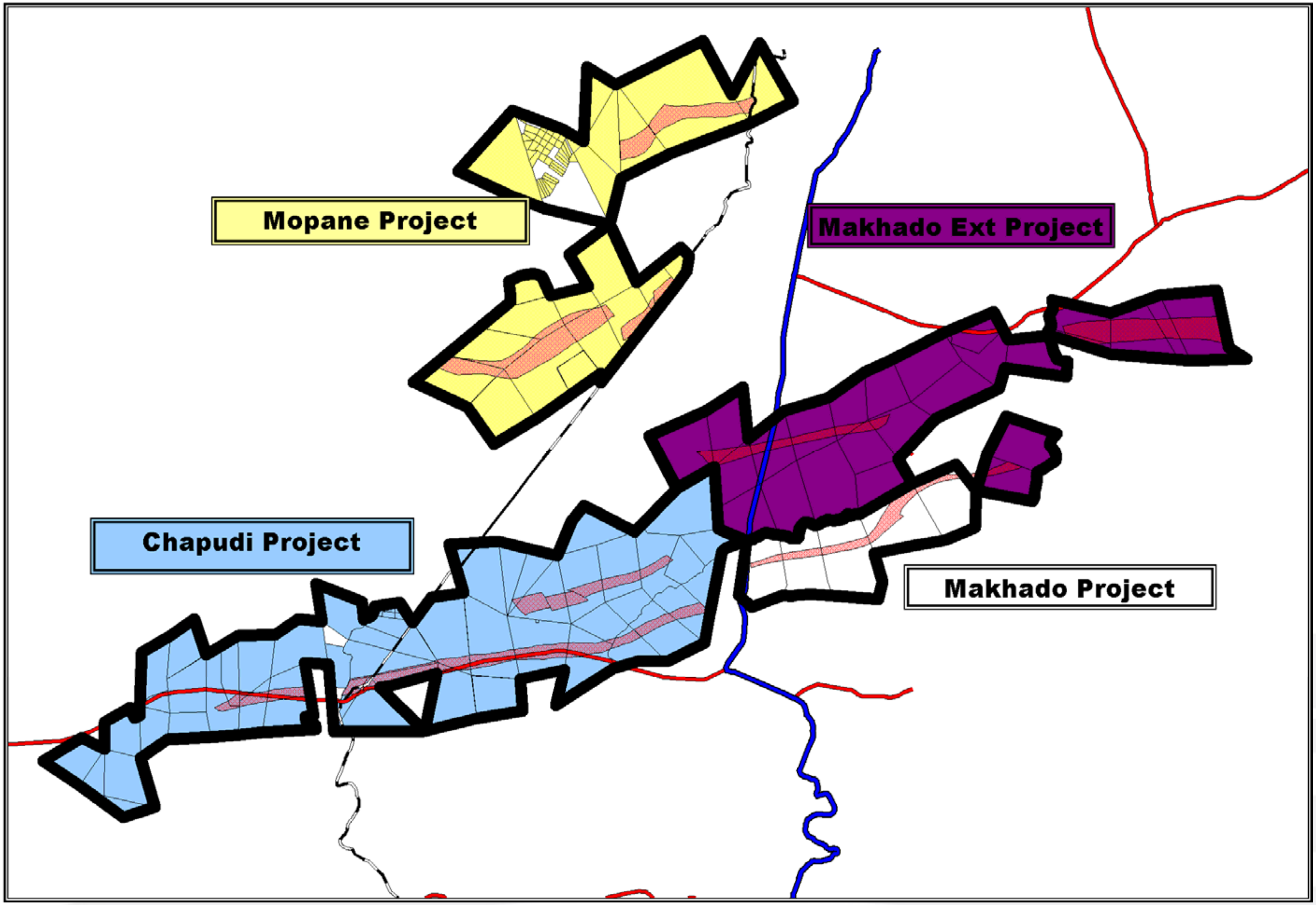
- The 10% ash product performs well relative to other coking coals:
  - Coke Strength after Reaction >60
  - Coke Reactivity Index ~ 19
  - Reflectance around ~ 1
- Domestic or export thermal product proven

Fluidity : good blending capability

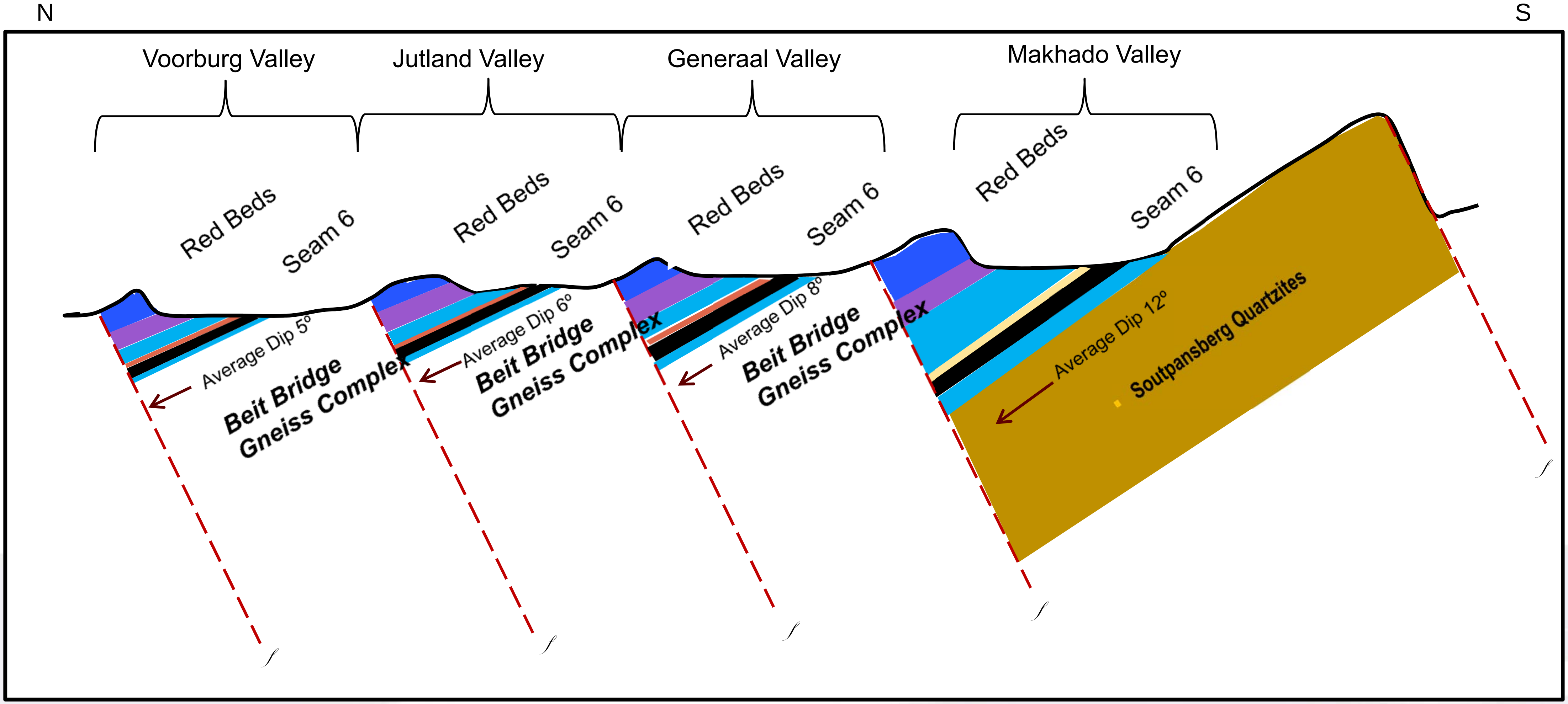


Greater Soutpansberg Project (GSP)

GSP consolidated mining area (highlighting O/C areas)



Soutpansberg: schematic North-South cross-section



Substantial resources and reserves across provinces

Abridged summary of JORC compliant resource & reserve statement – 31 May 2012	JORC-compliant resources (measured, indicated and inferred)[1,2]			JORC compliant reserves (proven & probable)[2]	Strike length drilled to date (km)	Strike length to be drilled (km)
Project name (Coalfield)	**Gross tonnes in situ** (Mt)	**Total tonnes in situ** (Mt)	**Mineable tonnes in situ** (Mt)	**Reserves** (Mt)		
Makhado Project (Soutpansberg)	795.6	691.5	344.4	-	16.5	0.0
GSP (Soutpansberg)	7,161.0	5,751.5	1,660.0	-	51.4	66.1
Vele Colliery (Limpopo)	795.7	672.9	362.5	325.6	-	-
Mooiplaats Colliery (Ermelo)	86.8	80.8	45.1	30.1	-	-
Woestalleen Colliery(Witbank)	1.6	1.5	1.4	1.4	-	-
Total	**8,840.7**	**7,198.2**	**2,413.4**	**357.1**	**67.9**	**66.1**

- Represent ~90% of South Africa's accessible hard coking coal resources and ~10% of total remaining domestic coal resources
- Similar in size and range of coking coals to Russia's Elga and Kuzbass Coalfields
- Southern portions of coal field: prime hard coking coals
- Significantly simpler infrastructure routes compared to new fields outside Australia namely Russia, Mongolia, British Columbia, and Moatise

1 Resources are stated inclusive of reserves
2 Independent Technical Statement for the GSP (30 September 2012)
3 Competent Person's Report (12 December 2012)

Thermal assets: Mpumalanga

Summary: Woestalleen & Vuna

Key figures	
Resources/Reserves[1]	1.399/1.399 Mt MTIS
ROM production	1.84 Mt (H1 FY2013)
CoAL attributable	100%
Quality	Export, Eskom
Plant capacity	350,000 tpm

(1) Resources are inclusive of reserves as at 30 September 2012

Logistics

- RBCT compliant siding with 4.34 Mtpa loading capacity
- FOR contracts to supplement rail capacity to Matola
- Balance of export product shipped via Matola

View of Woestalleen wash plant

Summary: Mooiplaats

Key figures	
Resources/Reserves[1]	45.061/30.1 Mt MTIS
ROM Production	0.38 Mt (H1 FY2013)
CoAL attributable	100%
Quality	Thermal Export, Eskom
Plant capacity	220,000 tpm

(1) Resources are inclusive of reserves as at 30 September 2012

Logistics and other recent highlights

- Nearby Umlabu siding used on interim basis
- Logistical advantage in supplying coal to Eskom (Camden Power Station) - 10km by road from Mooiplaats
- IWULA for Mooiplaats North submitted for processing

Aerial view of Mooiplaats Colliery

The way forward

Strategic objectives: delivered/to be delivered

August to December 2012

1. Strong portfolio of coking coal assets:
   - first phase of capex for Vele approved and being rolled out
2. Deal signed with Beijing Haohua Energy Resource Co. Ltd
3. Matola Port and marketing
   - strong relationship with Vitol (owns 35% of port)
     - port and marketing agreement finalised
     - Matola port option for subsequent expansion without funding obligation
4. Financial asset restructuring
   - cash generated: ~$14m

January to June 2013

1. Decision to be ratified that the thermal operations are non-core subject to viable turn-around strategy :
   - Woestalleen and Mooiplaats disposal /restructuring options being considered
2. Significant extension options exist around Makhado in the form of the Greater Soutpansberg (MbeuYashu) properties
   - regulatory approvals and funding
3. Reduction of take or pay liability
4. Release of Makhado BFS and coal quality reports
5. Introduction of BEE partners at asset level

Investment highlights

1	▪ Multiple large-scale coking-coal projects with significant resource base (>2bn mineable tonnes in situ)
2	▪ Strategy to create a series of regionally optimised mines through the consolidation of the GSP coking-coal portfolio
3	▪ GSP tenements provide optionality, flexibility and economies scale across contiguous and adjacent resources
4	▪ Key strategic relationships such as BHE and Vitol
5	▪ Domestic demand for both coking and thermal coal
6	▪ Strategically located assets close to logistics infrastructure
7	▪ Right to participate in any future expansion of throughput capacity at Matola Terminal

WELL-DEFINED PATH FOR LONG-TERM GROWTH

Annexures

Vele: key environmental requirements

- Environmental management committee (EMC)
  - monitors and oversees compliance
  - comprises relevant state departments, NGOs, municipalities, farming communities and other stakeholders
  - chaired by an independent person
  - Coal of Africa provides administrative support
  - Committee established and is functional
- Independent Environmental Control Officer and Environmental Manager
  - monitors and oversees Vele environmental compliance
  - reports quarterly to the DEA
- MOA between Coal of Africa, DEA and SANParks to protect and conserve the integrity of the Mapungubwe Cultural Landscape

Vele - Environmental achievements and challenges

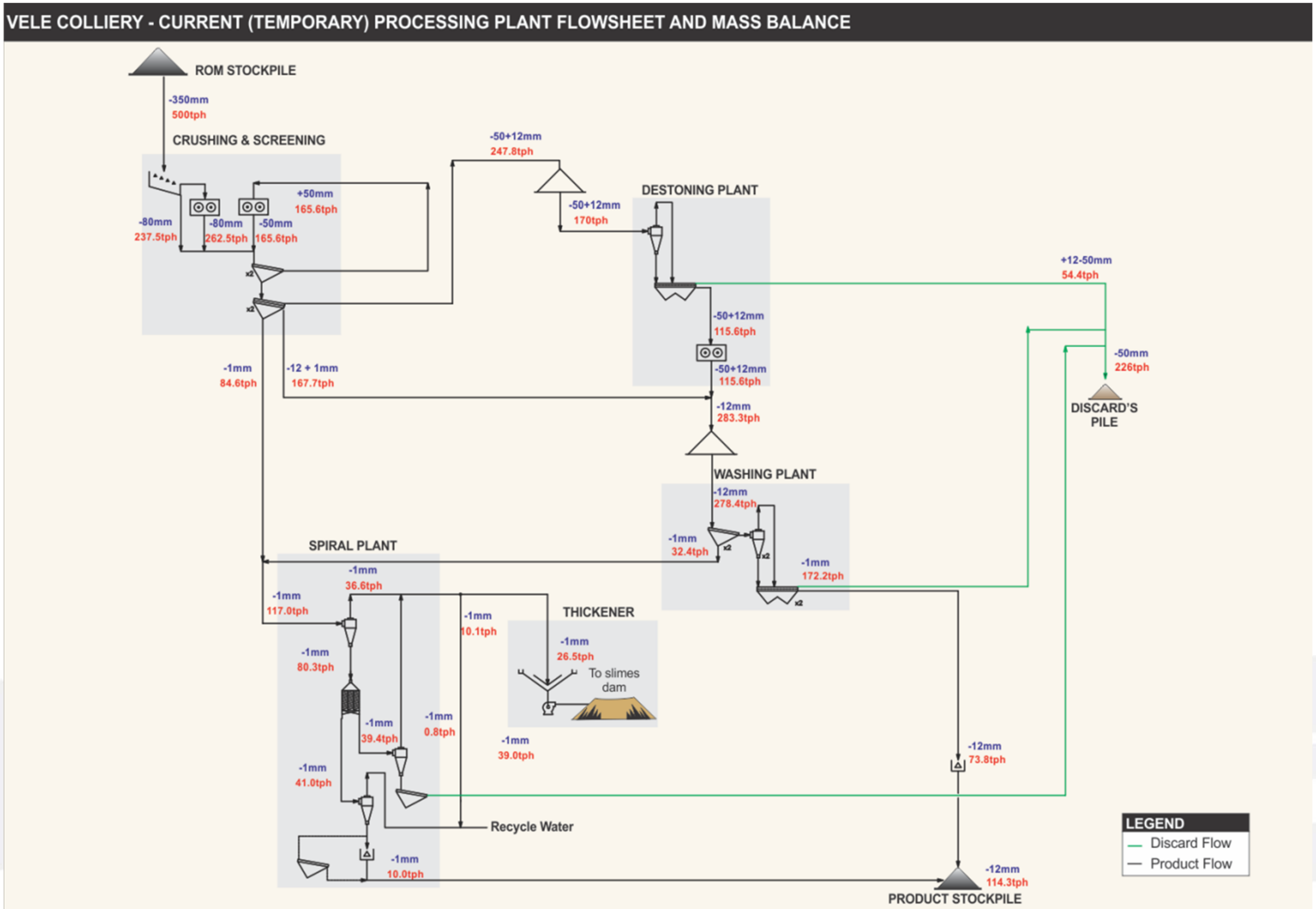
- Working with different stakeholders with different needs and expectations
- Information sharing, transparency and trust
- 5 x Environmental Compliance reports submitted by the ECO to DEA – in line with requirements
- Establishment of Mopani experiment and riverine forest rehabilitation trials
- Acceptance of the Vele HIA by the UNESCO World Heritage Committee that the mine will have a minimal impact on the OuV which can be mitigated
- Site audits by Green and Blue Scorpions (DWA and DEA) – compliance noted

Vele: beneficiation process

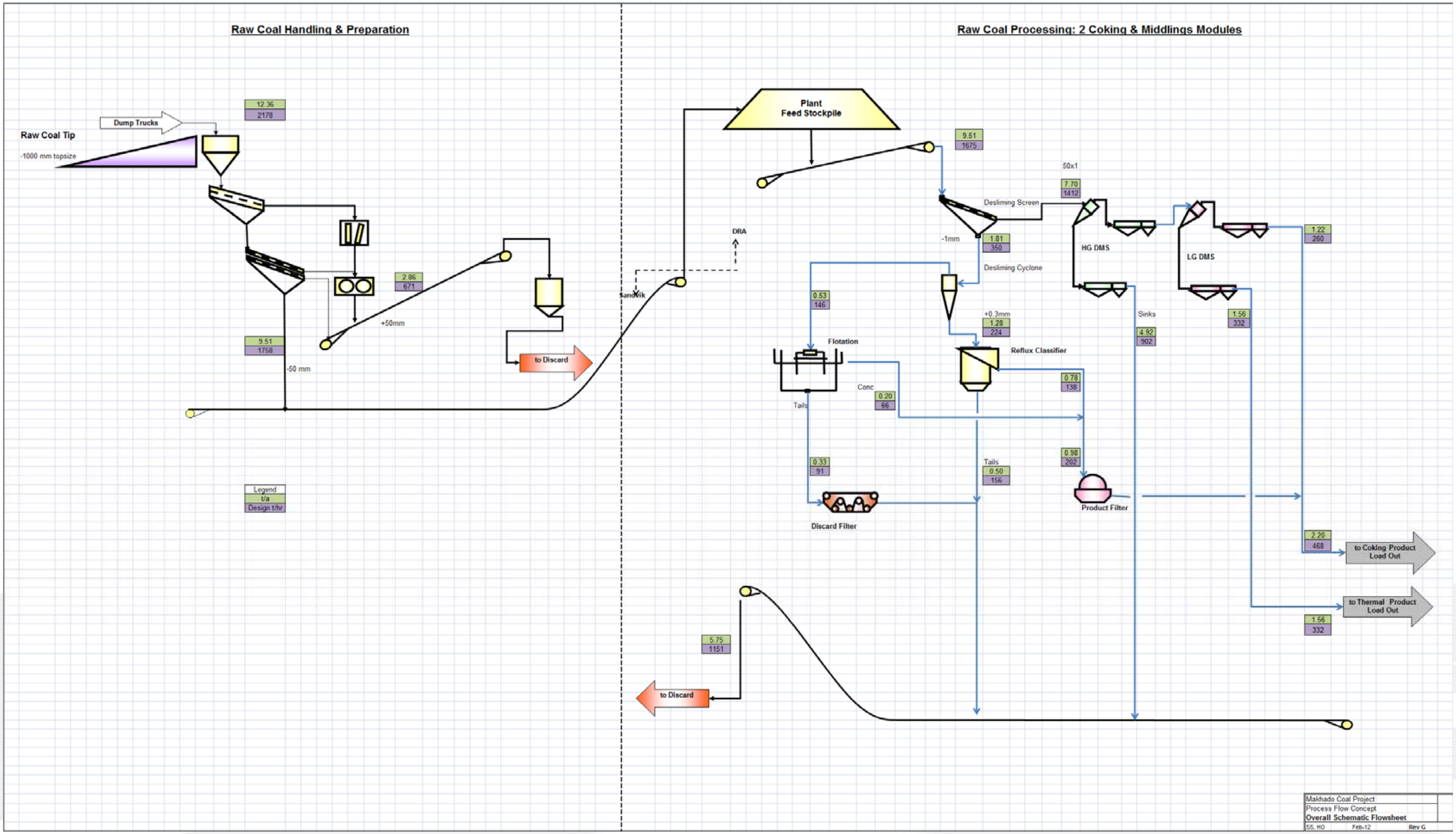
- The beneficiation plant design is environmentally friendly:
  - zero-effluent plant
  - high efficiency low-noise equipment
  - colour and height blends into the existing environment
  - optimum water consumption
  - focused and low-glare lights
  - effective dust suppression

- Optimal product recovery
- Optimal process and product quality control

Vele process: flow sheet



Makhado Project: metallurgical process flow



Coal of Africa Limited
2nd Floor, Gabba Building, The Campus
57 Sloane Street, Bryanston, 2021
Tel: +27 11 575 4363
sakhile@coalofafrica.com
www.coalofafrica.com