Rule 5.3

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001, 01/06/10.

Name of entity

Coal of Africa Limited

ABN	Quarter ended ("current quarter")
98 008 905 388	30 September 2012

Consolidated statement of cash flows

		Current quarter US$'000	Year to date (3 months) US$'000
	Cash flows related to operating activities		
1.1	Receipts from product sales and related debtors	45,023	45,023
1.2	Payments for (a) exploration & evaluation	(4,926)	(4,926)
	(b) development	(13,607)	(13,607)
	(c) production	(41,382)	(41,382)
	(d) logistics	(14,840)	(14,840)
	(e) administration	(10,106)	(10,106)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	192	192
1.5	Interest and other costs of finance paid	(328)	(328)
1.6	Income taxes paid	-	-
1.7	Other (provide details if material)	-	-
	Net Operating Cash Flows	**(39,974)**	**(39,974)**
	Cash flows related to investing activities		
1.8	Payment for purchases of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	(4,355)	(4,355)
1.9	Proceeds from sale of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other (provide details if material)	(296)	(296)
	Net investing cash flows	**(4,651)**	**(4,651)**
1.13	Total operating and investing cash flows (carried forward)	(44,625)	(44,625)

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(44,625)	(44,625)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	51,673	51,673
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	5,000	5,000
1.17	Repayment of borrowings	(736)	(736)
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	-
	Net financing cash flows	**55,937**	**55,937**
	Net increase (decrease) in cash held	11,312	11,312
1.20	Cash at beginning of quarter/year to date	19,523	19,523
1.21	Exchange rate adjustments to item 1.20	(516)	(516)
1.22	**Cash at end of quarter**	**30,319**	**30,319**

Payments to directors of the entity and associates of the directors Payments to related entities of the entity and associates of the related entities

		Current quarter US$'000
1.23	Aggregate amount of payments to the parties included in item 1.2	668
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Financing facilities available

Add notes as necessary for an understanding of the position.

		Amount available US$'000	Amount used US$'000
3.1	Loan facilities	-*	37,500
3.2	Credit standby arrangements	- **	- **

*At 30 June 2012 the Company breached certain Total Equity covenants relating to the Deutsche Bank facility resulting in the remaining US$12.5 million of the facility being unavailable.

** The Company has not been able to draw down against the US$40.0 million JP Morgan Limited facility and the facility will expire on 3 November 2012. The Company will not renew this facility.

Estimated cash outflows for next quarter

		US$'000
4.1	Exploration and evaluation	6,800
4.2	Development	17,471
4.3	Production	29,131
4.4	Logistics	9,267
4.5	Administration	3,101
	Total	**65,770**

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current quarter US$'000	Previous quarter US$'000
5.1	Cash on hand and at bank	19,372	19,479
5.2	Deposits at call	10,947	44
5.3	Bank overdraft	-	-
5.4	Other (provide details)	-	-
	Total: cash at end of quarter (item 1.22)	**30,319**	**19,523**

Changes in interests in mining tenements

		Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed	Refer note 7			
6.2	Interests in mining tenements acquired or increased				

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

		Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	**Preference +securities** *(description)*	Nil			
7.2	Changes during quarter				
7.3	**+Ordinary securities**	800,951,034	800,951,034		
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	134,627,206	134,627,206		
7.5	**+Convertible debt securities** *(description)*	Nil			
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	**Options** *(description and conversion factor)*	20,429,562	Nil	*Exercise price* See Note 6	*Expiry date* See Note 6
7.8	Issued during quarter	Nil	Nil	See Note 6	See Note 6
7.9	Exercised during quarter	Nil	Nil	See Note 6	See Note 6
7.10	Expired during quarter	1,650,000	Nil		

+ See chapter 19 for defined terms.

7.11	**Debentures** *(totals only)*	Nil	
7.12	**Unsecured notes** *(totals only)*	Nil	

Compliance statement

1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).

2 This statement does give a true and fair view of the matters disclosed.

31 October 2012

Sign here: .... Date: ....
(Company secretary)

SHANNON COATES

Print name: ....

Notes

1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.

2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.

3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.

4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.

5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

+ See chapter 19 for defined terms.

6 Issued and Quoted Options as at 30 September 2012:

Number Issued	Number Quoted	Exercise Price	Expiry Date	Lapsed Since End of quarter
7,000,000	-	A$1.25	30 September 2012	-
1,000,000	-	A$1.90	30 September 2012	-
818,500	-	A$1.90	30 June 2014	-
5,000,000	-	A$2.74	30 November 2014	-
2,500,000	-	A$1.20	9 November 2015	-
1*	-	GBP0.60	1 November 2014	-
1,441,061	-	A$1.40	30 September 2015	-
2,670,000	-	ZAR7.60	14 February 2017	-
	-			-

*1 Option to subscribe for 50 million ordinary shares for 60 pence each between 1 November 2010 and 1 November 2014 as approved by shareholders on 22 April 2010

7 Interests in mining tenements relinquished, reduced or lapsed

Tenement Reference		Nature of interest	Interest at the beginning of the quarter	Interest at the end of the quarter
Kanowna West*	M27/41	Refer note 7.1 below	23.68%	9.47%
	M27/47		23.68%	9.47%
	M27/59		23.68%	9.47%
	M27/72,27/73		23.68%	9.47%
	M27/114		23.68%	9.47%
	M27/196		23.68%	9.47%
	M27/414,27/415		23.68%	9.47%
	P27/1826-1829		23.68%	9.47%
	P27/1830-1842		23.68%	9.47%
	P27/1887		23.68%	9.47%
Kalbara*	M27/181	Refer note 7.1 below	21.31%	8.52%
Abbotshall Royalty	ML63/409,410		Royalty	Royalty
Kookynie Royalty	ML40/061		Royalty	Royalty
	ML40/135,136		Royalty	Royalty

Note 7.1: Tenements are the subject of a joint venture (JV) arrangement with Barrick (PD) Australia Limited. On 28 August 2012, Barrick confirmed it had met certain criteria required to earn a 60% interest in the tenements, reducing CoAL's interest to a fully diluted position of 9.47% in respect to the Kanowna West JV and 8.52% in respect to the Kalbara JV.

== == == == ==

+ See chapter 19 for defined terms.