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CoAL SETS RECORD STRAIGHT ON PROPOSED RAILWAY SPUR

The article by Elise Tempelhoff in Beeld on Friday titled **"CoAL railway line on the way"** contains, characteristically, a number of factual inaccuracies which are misleading and detrimental to Coal of Africa Limited (CoAL).

CoAL is proposing construction of a 22.5-kilometre railway 'spur', linking its Makhado coking coal mining project in Limpopo to the existing Transnet Freight Rail line between Musina and Makhado town, at the existing Huntleigh siding.

The anticipated cost of the spur is R330 million. CoAL believes this to be a significant and very specific contribution towards infrastructural development in Limpopo to further the province's minerals potential.

Indeed, permission will be sought for the removal of some 400 trees on the protected list, to accommodate the railway spur. However, Ms Tempelhoff neglected to mention – as was explained to her – that the intention is to re-locate as many of these trees as possible. Size will be a factor in how many can be re-located, and this has yet to be determined.

Some 80ha of land will be required for the railway spur – not 2 000ha, as reported by Ms Tempelhoff.

It is peculiar that Ms Tempelhoff claims game farm owners allege the proposed railway spur will impact negatively on animal migration patterns. None of the interested and affected game farm owners with whom CoAL has engaged in terms of its public participation process has raised this as a concern.

In fact, interested and affected game farm owners specifically requested of CoAL that game fences – as opposed to conventional five-strand wire fences – be installed on either side of the railway line as a precaution against poaching, and CoAL has factored in this request, together with installation on some properties of underpasses to allow for animal movement.

In any event, animal migration is already affected by the Huntleigh road and existing game fencing.

Contrary to Ms Tempelhoff's report, threats of legal action from disgruntled individuals or groupings have not deterred CoAL from responsibly pursuing the necessary processes to attain the regulatory permits. CoAL remains committed to continuing engagement with all genuine interested and affected parties and to arriving at solutions to differences and concerns through consultation and accommodation.

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About CoAL:

CoAL is an AIM/ASX/JSE listed coal exploration, development and mining company operating in South Africa. CoAL's key projects include the Vele Colliery (coking and thermal coal), the Makhado Project (coking coal) and the Mooiplaats and Woestalleen Collieries (both thermal coal).

The Mooiplaats Colliery commenced production in 2008 and is currently ramping up to produce 2 Mtpa. The Woestalleen Colliery, acquired through the acquisition of NuCoal Mining (Pty) Limited in January 2010, currently processes approximately 2.5Mtpa of saleable coal for domestic and export markets. The Woestalleen Complex also incorporates three beneficiation plants with a total processing capacity of 350,000 run of mine feed tonnes per month.

CoAL's Vele Colliery started production in Q1 2012. During the initial phase, the operation is targeting 2.7 Mtpa ROM production to produce 1.0Mtpa of saleable coking coal. The Makhado Project, CoAL's flagship project in the Soutpansberg coalfield, is well into the feasibility stage. An application for a New Order Mining Right for the Makhado Project was submitted in January 2011.

In November 2010, CoAL agreed to acquire the Chapudi coal project and several other coal exploration properties in the Soutpansberg coal basin in South Africa from the previous owners, including Rio Tinto. Upon completion, the acquisition of these projects will significantly extend the scale and scope of certain of CoAL's existing projects in the region and will more than double the resource of the existing Makhado Project.