



COAL OF AFRICA AND COALITION SIGN MOU AND COMMIT TO 'WORK TOGETHER'

ASX ANNOUNCEMENT

24 November 2011

Coal of Africa Limited ("CoAL" or "the Company") advises that the Company and the Save Mapungubwe Coalition ("the Coalition"), consisting of the Endangered Wildlife Trust, BirdLife South Africa, Wilderness Foundation South Africa, World Wide Fund for Nature South Africa, Mapungubwe Action Group and the Association of Southern African Professional Archaeologists have signed an historic Memorandum of Understanding (MOU), today, 24 November 2011.

In terms of the MOU, the parties commit to 'work together' and strengthen cooperation in the interest of sustainable development and the preservation and protection of the Mapungubwe cultural landscape.

CoAL has undertaken to share all information relevant to the impacts of the Vele Colliery on the environment, including water and heritage resources. The negotiations will address, amongst others, further research, monitoring and modeling of the potential impacts of mining at the Vele Colliery and requisite amendments and improvements to Limpopo Coal's approved EMP and water use license as may be agreed by the parties.

The Coalition has agreed to stay the legal proceedings and the administrative appeals against the New order Mining Right (NOMR), the EMP, the IWUL and the section 24G authorisation subject to the signature of the Memorandum of Agreement (MOA) by 31 January 2012. Pursuant to the conclusion of the MOA, the legal proceedings and administrative appeals against Vele Colliery will be withdrawn.

The parties will endeavour to facilitate participation by the Coalition regarding the terms of the biodiversity off-set agreement to be concluded between CoAL, the Department of Environment and South African National Parks.

Coal of Africa CEO John Wallington welcomes the opportunity to engage with the Coalition, and reinforced the company's commitment to 'do the right thing' and to 'engage openly and regularly' with stakeholders.

In the next step of this process, the parties will seek to conclude the MOA which will contain further detail concerning their commitments in managing the sustainable development of the Mapungubwe cultural landscape. Both parties agree to progress their discussions in good faith, with the aim of setting a new best practise benchmark for managing and mitigating the impacts of mining and related activities at the Vele Colliery on the environment.



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