



Investor Presentation

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Important Notice

Recipients of this presentation should refer to (1) the Independent Technical Statement for Coal of Africa as at 18 September 2011, and (2) the Independent Technical Statement for the Greater Soutpansberg for Coal of Africa Limited, 31st May 2012, each prepared by Venmyn Rand (Pty) Ltd, which are available on Coal of Africa'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

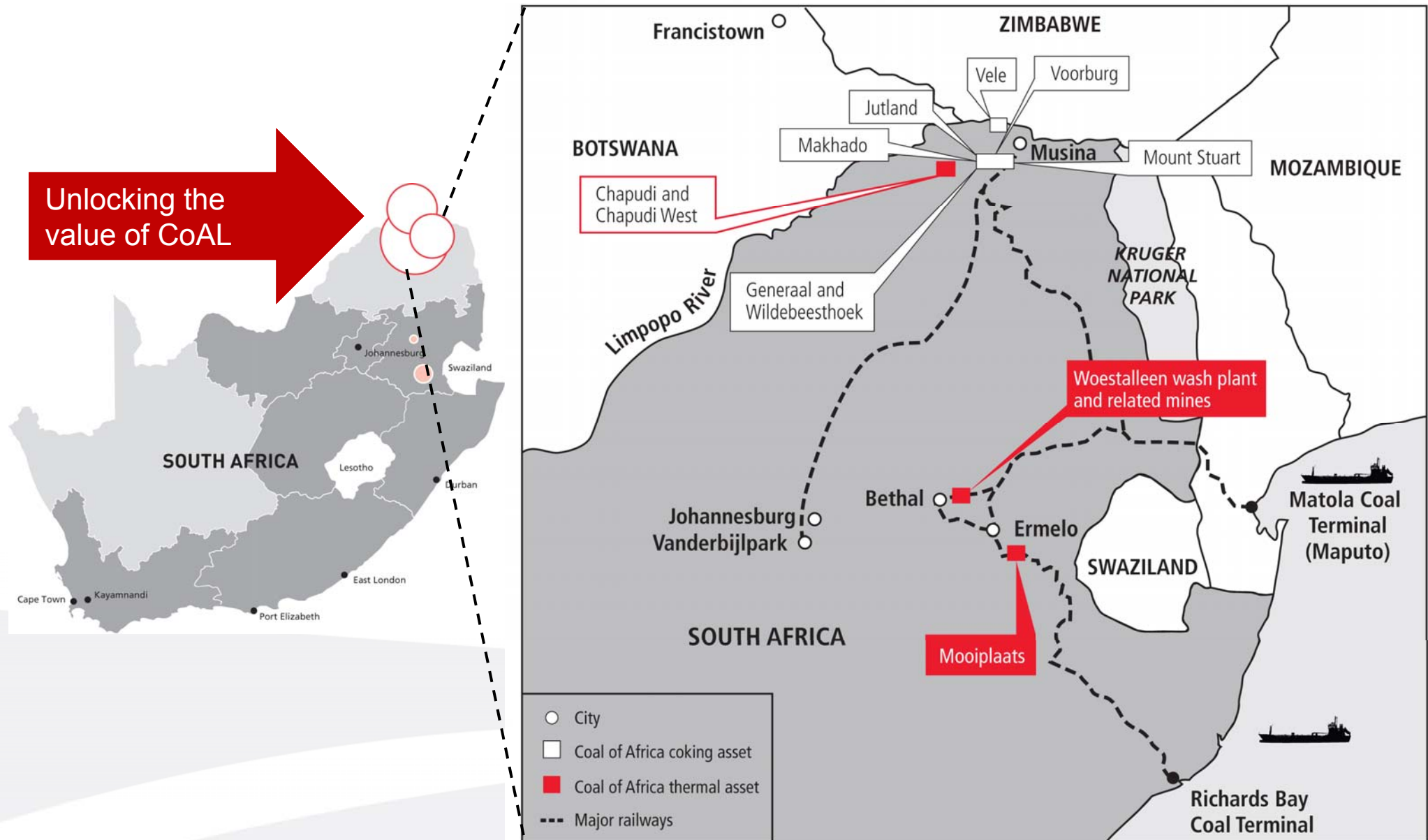
The information in these Presentation Materials that relates to mineral resources or ore reserves has been compiled by Ms C Telfer (B.Sc. Hons. (Geol.), (DMS) Dip Bus Man Pr. Sci. Nat., FGSSA, MAusIMM, M.Inst.D) and Mr G Njowa (M.Sc. (Min. Eng), MRM, B.Sc.Hons. (Min. Eng), Grad CIS, MSAIMM, Pr Eng, MIAS), 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.

Future metallurgical coal producer

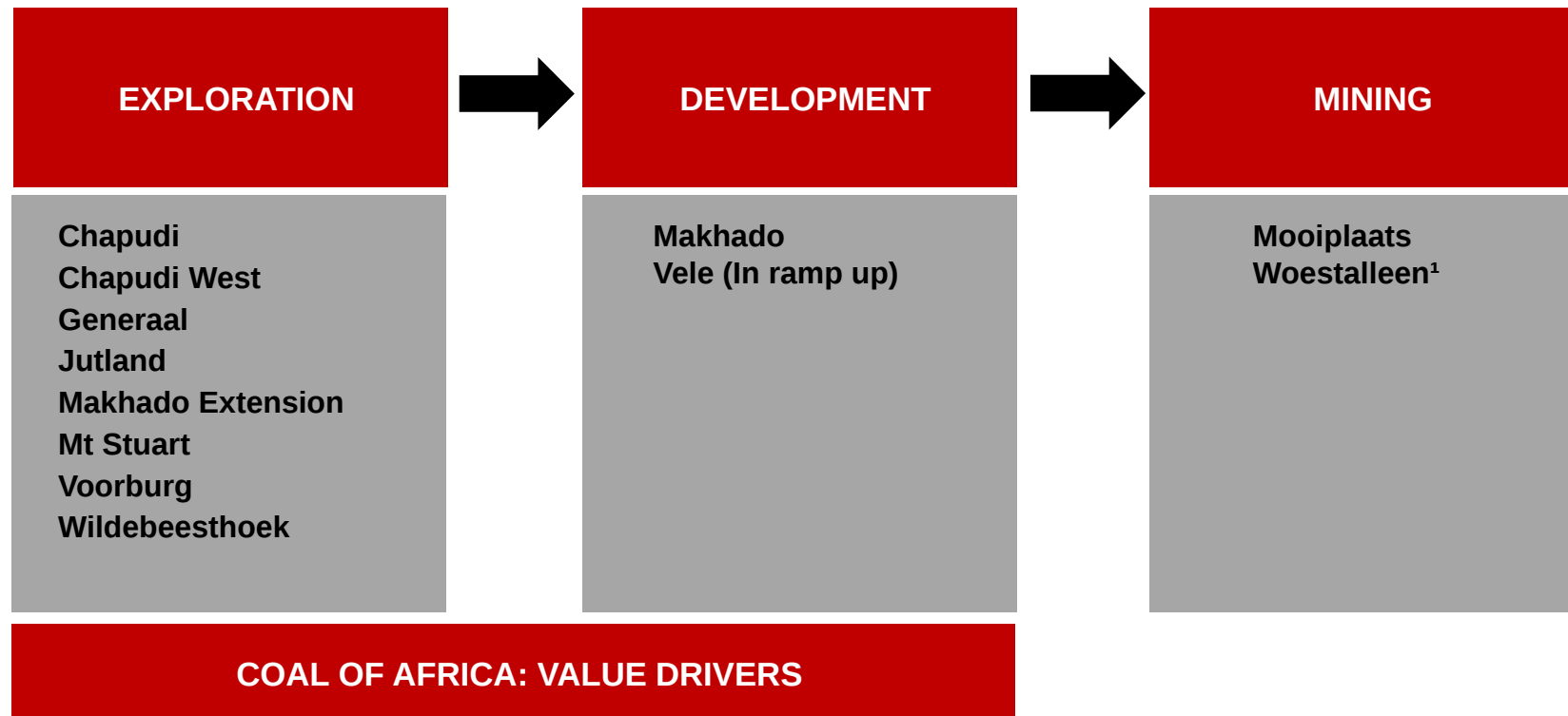
- **Vision to responsibly produce 10 million tonnes of coal per annum**
 - pipeline of good quality coking and thermal coal projects
 - identify strategic partners to develop projects
 - Secure the requisite regulatory licenses and authorisations
- **Key risks**
 - commodity cycle
 - South African socio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



CoAL assets location map



Projects and operations



- 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

Substantial resources and reserves across provinces



Abridged summary of JORC compliant resource and reserve statement – 31 May 2012	JORC-compliant resources (measured, indicated and inferred) ^{1,2}			JORC compliant reserves (proven and probable) ²	Strike length drilled to date (km)	Strike length to be drilled (km)
	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

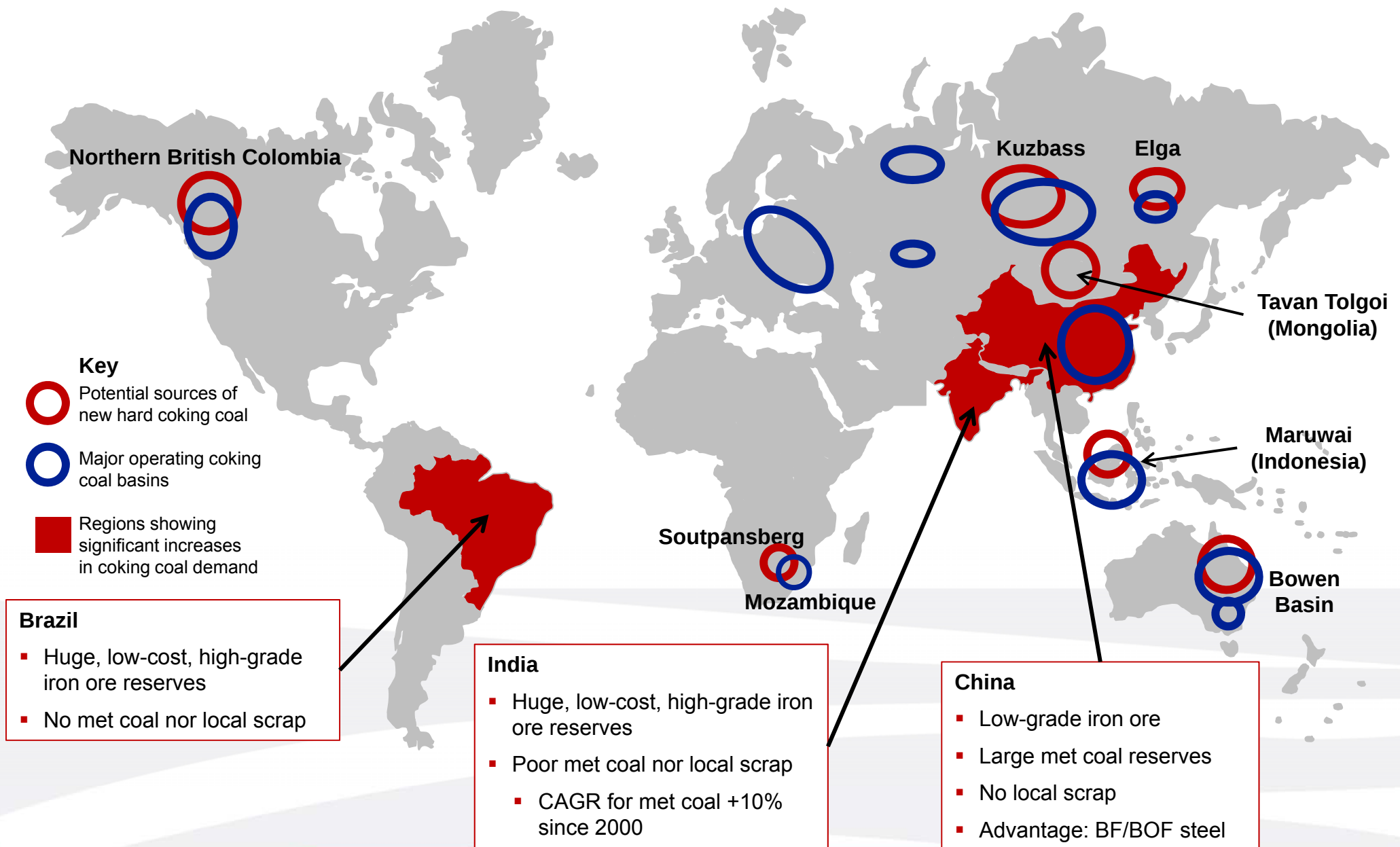
- Represent ~90% of South Africa's accessible hard coking coal resources and ~10% of total remaining domestic coal resources
- Similar in size and range of coking coals to Russia's Elga and Kuzbass Coalfields
- Southern portions of coal field: prime hard coking coals
- Significantly simpler infrastructure 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)

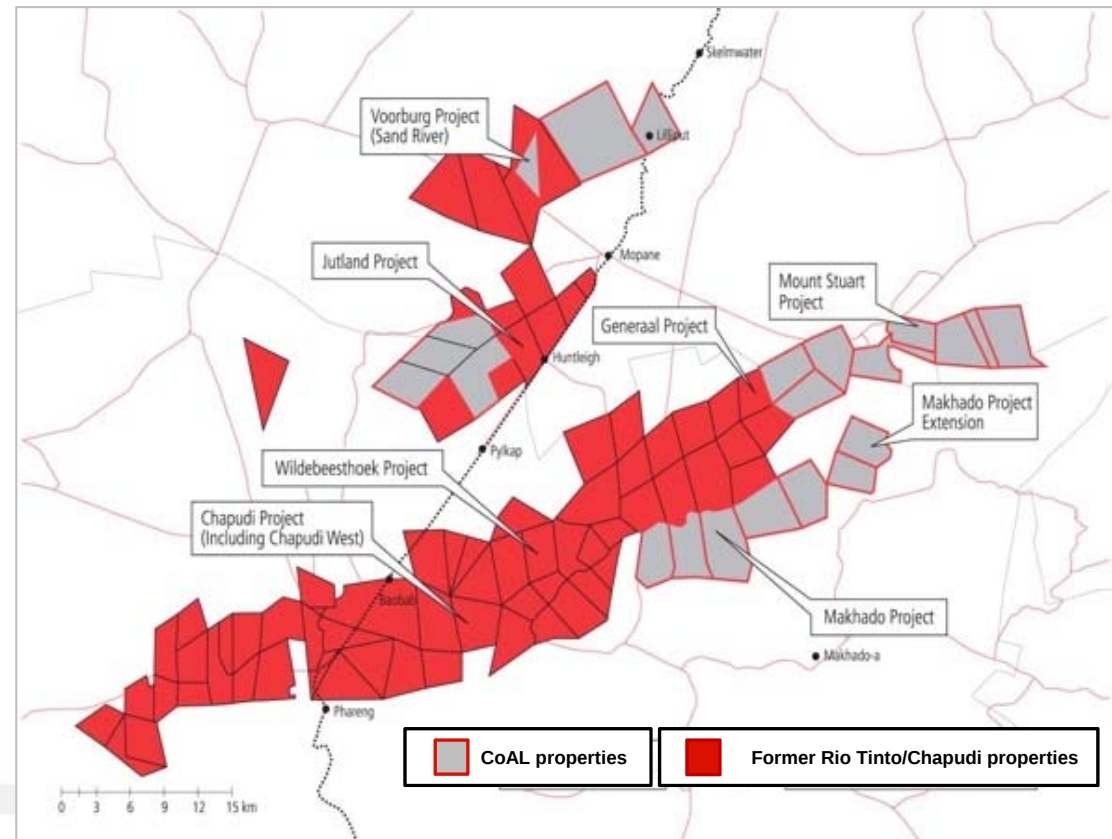
Location of underdeveloped hard deposits and greatest growth regions for coking coal



Contiguous Limpopo properties offer future value



- **Highlights: enhanced position**
 - establishes CoAL in the Limpopo region (Limpopo and Soutpansberg coalfields)
 - consolidation of tenements and resource to improve mine planning optionality, flexibility and economies of scale
- **Significant resource**
 - significant resource base of potential coking and thermal coal products >8.0bn tonnes
 - strategic position in the Soutpansberg coalfield covering a significant portion of the available strike length
- **Logistics**
 - access to domestic and export markets with installed rail capacity and access to Matola Terminal
 - option to increase port throughput capacity through proposed expansion



Makhado coking coal project



Value proposition

- Life-of-mine: 16 years for Phase 1 with significant potential for expansion and LOM extension
- Flexibility for both open-cast and potential underground expansion
- Test work completed at AMSA to date:
 - pilot coking tests: 10% ash product performed well and categorised as hard coking coal
 - bulk coking tests: confirmed pilot coking tests results
- Upside potential
 - thermal product
 - gas and carbon credits
 - contiguous resources (shared infrastructure and resources within close proximity) with the Greater Soutpansberg Project (MbeuYashu)

Highlights

- Advancing steadily
 - definitive feasibility study being updated to a bankable study to be released H1 FY2013
 - independent tests commissioned
 - ▶ product classified as hard coking coal
 - democratically elected community forum
 - ▶ 35 members representing seven local communities
 - regulatory applications advanced
 - ▶ final EMP/EIA documents submitted
 - ▶ bulk water sources finalised and IWULA submitted
 - infrastructure
 - ▶ construction power (5MVA) in progress
 - ▶ land and servitudes for railway line secured

Value proposition

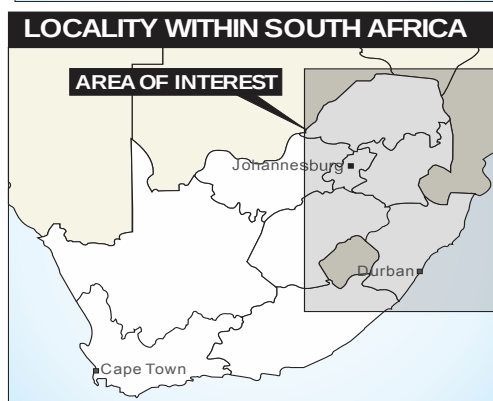
- Life-of-mine: >30 years
- Resources/reserves¹: 369.629Mt/332.709Mt MTIS
- ROM production for initial phase: 2.7Mtpa
- Flexibility to simultaneously generate both semi-soft coking and thermal product
 - plant modification designs completed
 - funding secured through BHE partnership to:
 - ▶ enhance fines recovery, increase yield and reduce cost
 - ▶ increase throughput to 2.7Mtpa
- Proximity to Mactransco siding at Musina (~45km) to connect to the Matola port in the Maputo (Mozambique) rail corridor

Highlights

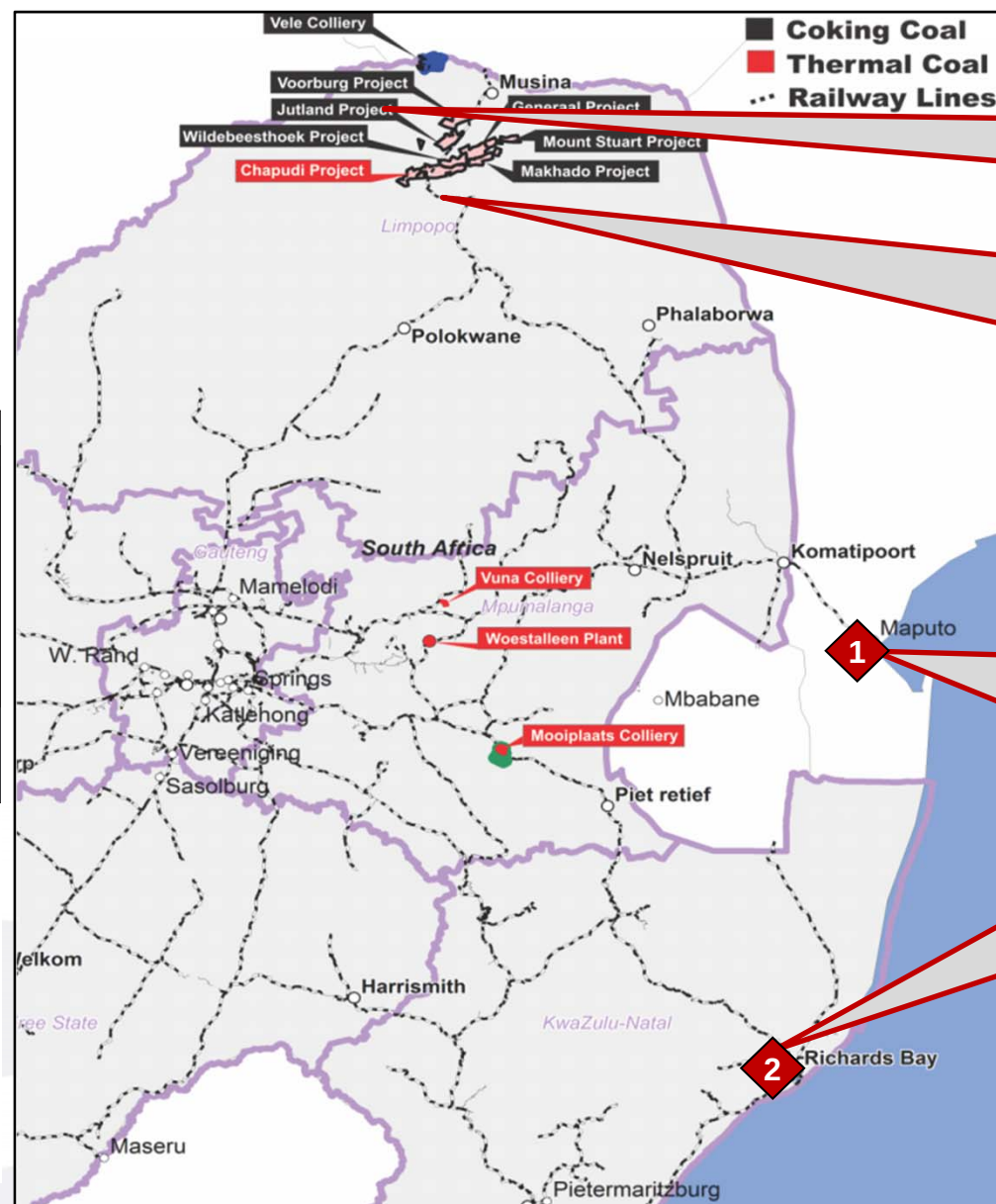
- Commencement of production
 - July 2011: environmental authorisation granted
 - September 2011: MoA with SANParks and DEA
 - February 2012: plant commission, processing of material begins
 - April 2012: first delivery of thermal coal to Musina siding for export via Matola Terminal (Mozambique)

1: Resources are inclusive of reserves

Logistics: main export corridors



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 (RBCT)

- 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

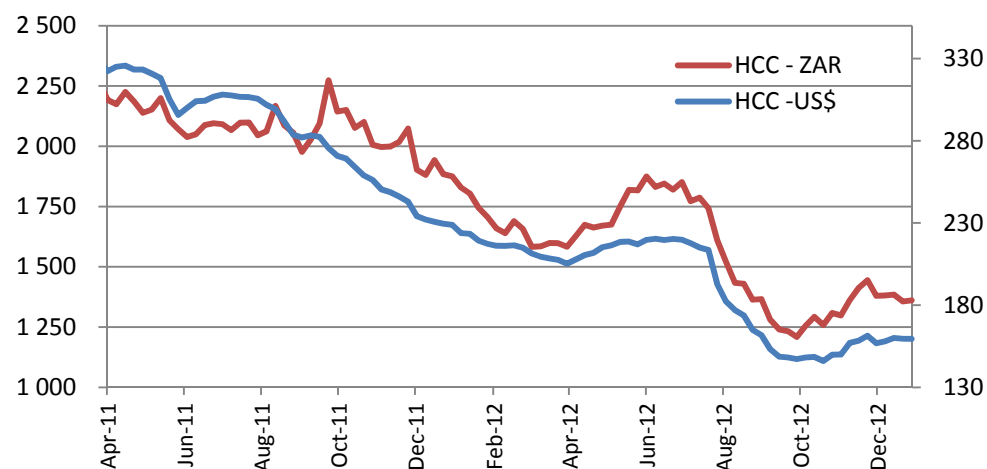


Matola dry bulk terminal, Maputo (Mozambique)

Price history analysis

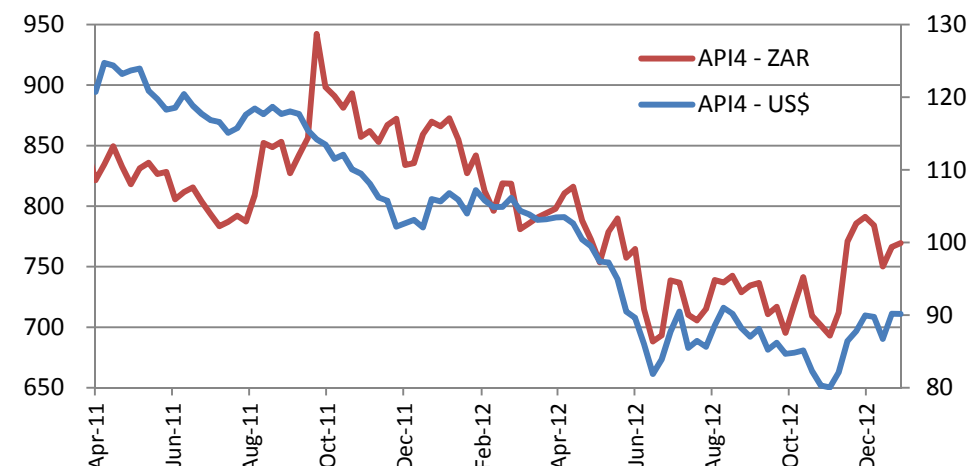


Coking coal



- HCC: ↓51% to US\$159 in December 2012
 - from peak of US\$324 in April 2011
 - ZAR weakness mitigated impact: ↓37%
- Marginal producers: current prices below production cost
 - risk of supply reduction from North America and Australia

Thermal coal



- API4: ↓28% to US\$89 in December 2012
 - from ~US\$123 in April 2011
 - ZAR weakness mitigated impact : ↓21%
- Current export coal prices: ↓6% to US\$84 since December 2012

Source: Argus Media

Outlook for hard coking coal to 2015



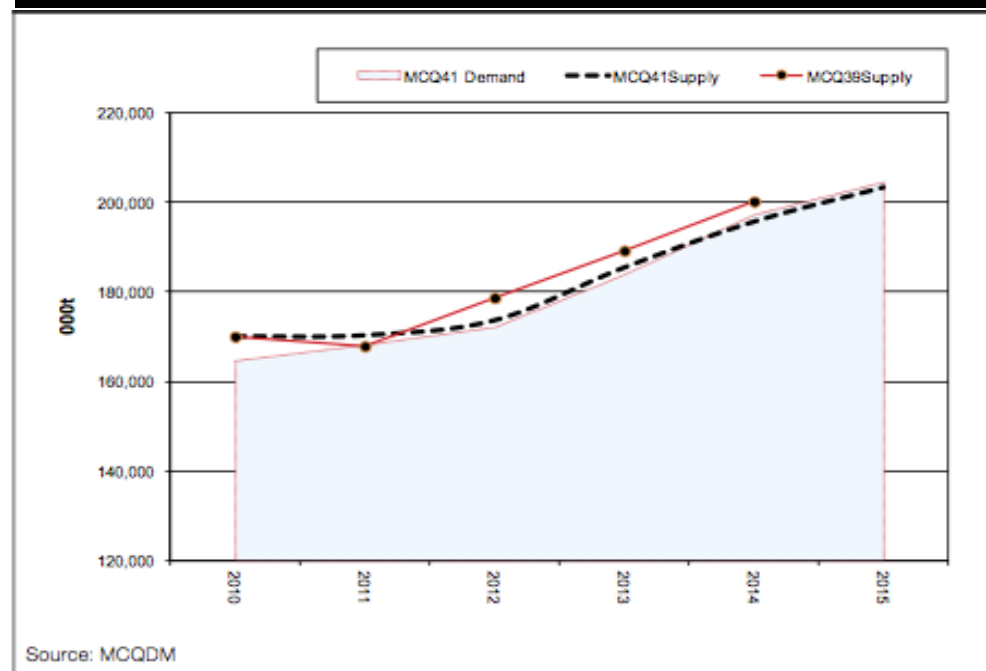
Supply-side

- Global supply largely dependent on Australia (Queensland)
 - ~80% seaborne export growth by 2017
- Supply gap anticipated in China
- Emerging sources of supply: Mongolia and Mozambique

Demand-side

- Emerging markets expected to drive demand
 - despite lower per-capita steel consumption in India and China than OECD countries
 - South East Asia and Brazil economic development: further potential demand drivers

Hard coking coal supply-demand balance to 2015



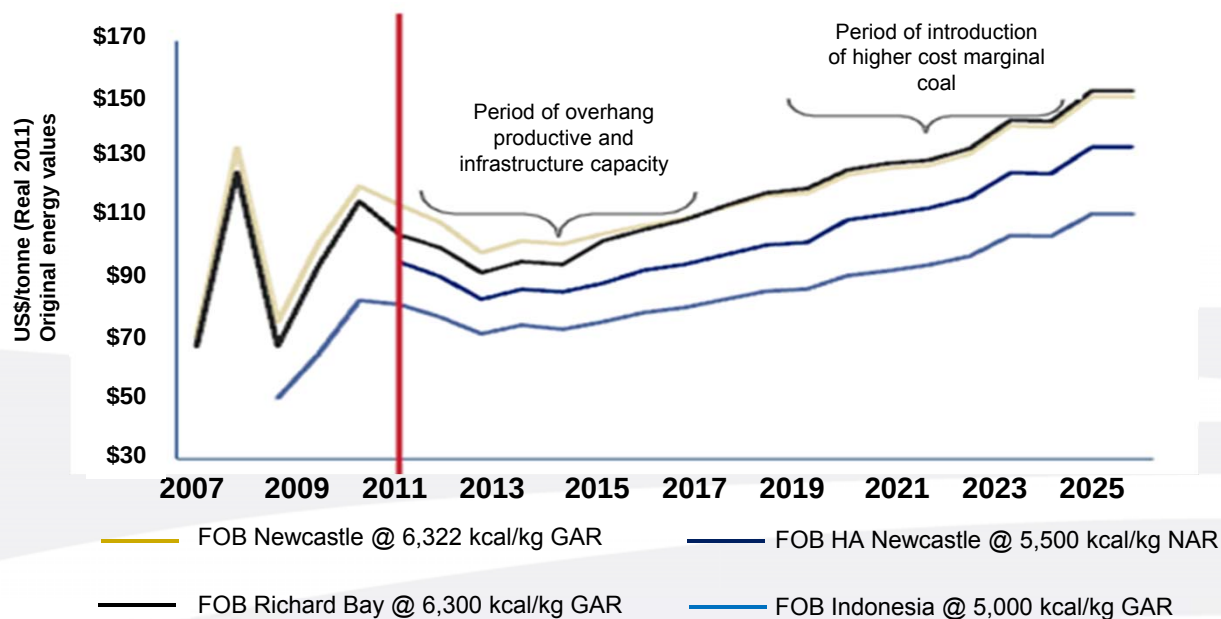
Supply-demand balance: hard coking coal ('000t)

	2010	2011 (Est.)	F2012	F2013	F2014	F2015
Seaborne demand	164,648	168,174	172,130	183,876	197,239	204,547
Seaborne supply	170,062	170,314	173,653	185,450	195,710	203,418
Unmet demand	-5,415	-2,140	-1,523	-1,574	1,530	1,130

Oversupply situation expected to reverse during 2014

Stabilisation of long-term thermal coal pricing

- Longer-term fundamentals: demand trend expected to continue
- Rebound driven by China and India:
 - economic growth heavily reliant on coal
 - limited alternatives to expand coal use in power sector
- Potential demand growth contingent on new reserves coming on stream in more remote regions
 - potential for price pressure across global supply chain
 - current pricing levels and capital intensity impacts feasibility of new coal projects



Source: BHP Billiton

CoAL's positioning in the Limpopo mining landscape



Limpopo mining landscape

- Current contribution of ~ 4% of coal mining in South Africa with potential to grow to ~40% within next three decades
- Estimated to contain about 75 billion tonnes of coal
- Significant good quality thermal and metallurgical coal deposits

Critical factors for unlocking potential

- Regional stakeholder alignment between Eskom, TFR and the Department of Water Affairs to develop and integrate globally competitive rail, road and water infrastructure
- Promoting the industry, attracting investment and achieving both industrial growth and transformation

CoAL's positioning

- Uniquely placed to contribute significantly and responsibly to developing Limpopo's mineral wealth
- Collaborating with government and provincial authorities to protect the environment and the welfare of local communities e.g. MoA with the DEA and SANParks at Vele Colliery
- Engaging with host communities to ensure broad-based benefits: jobs, skills and social infrastructure e.g. Makhado Colliery Community Consultative Forum with 35 democratically elected members representing seven communities

Mining in South Africa: the current reality

- A key employment driver in the new growth path: provides 1.3 million jobs (500 000 direct and 800 000 indirect)*
- Major contributor to domestic economy: accounts for ~ 19% of GDP (9% direct, 10% indirect and induced) and 12% direct investment in South Africa*
- 94% of South Africa's electricity generated from coal powered plants*
- Unlocking value of country's mineral wealth: 17.7% (R26bn) of corporate tax receipts and R5.5bn in royalties in 2011*
- Government intention to specify certain minerals as strategic creating uncertainty with investors
- Investment required in national logistics infrastructure key to successfully operating mines: power, water and transport
- Impact of the legislative environment on the development of new projects: NOMR, NEMA and IWUL

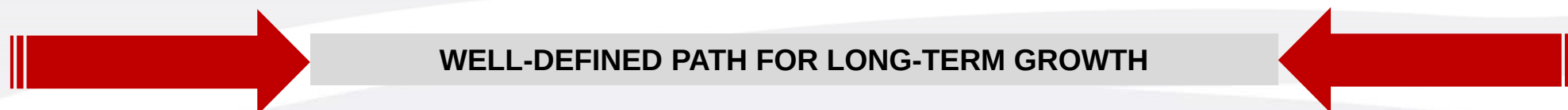
** Chamber of mines : 'South African Mining – Managing the challenges' presentation, 12 October 2012*



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 of 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





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