1 February 2016

Coal of Africa Limited
Mineral Resources and Ore Reserves Update

Key Highlights

Makhado Project Resource and Reserve Update

- Coal Resources and Ore Reserves completed for Makhado:
  - *Measured, Indicated and Inferred Mineral Resource of 796Mt (Gross Tonnes in Situ)*
  - *Probable Ore Reserve estimate of 188 Mt (Mineable Tonnes in Situ)*
- All Coal Resources and Reserves reported in this Announcement are identical to 27 June 2013 estimations, which were reported in accordance with the JORC Code (2004 Edition).
- The estimation of the Makhado Mineral Resources and Ore Reserves was completed by The MSA Group (Pty) Ltd (MSA).

Vele Colliery Resource and Reserve Update

- Coal Resources and Ore Reserves completed for the Vele:
  - *Measured, Indicated and Inferred Mineral Resource of 794Mt*
  - *Proven Ore Reserve estimate of 24Mt and Probable Ore Reserve estimate of 301 Mt*
- Variation between the 2012 Coal Resource and Reserve statements (which were reported in accordance with the JORC Code (2004 Edition) and the Coal Resource and Reserve statements in this Announcement (which were reported in accordance with the JORC Code (2012 Edition) is the result of depletion that occurred during the operational period of Vele Colliery.
- The estimation of the Vele Colliery Mineral Resources and Ore Reserves was completed by VBKom Consulting (Pty) Ltd (VBKom).

Greater Soutpansberg Project (GSP) Resource Update

- Coal Resources completed for the GSP:
  - *Measured, Indicated and Inferred Mineral Resource of 7,161Mt (Gross Tonnes In Situ)*
- No changes have been made to the GSP Coal Resources since the 29 February 2012 statement, which was compiled in accordance with the JORC Code (2004 Edition)
- The estimation of the GSP Coal Resources on 29 February 2012 were independently signed off by Glanvill GeoConsulting (Pty) Ltd (Liz de Klerk), Group Geologist of CoAL (John Sparrow) and Venmyn Rand (Pty) Ltd.
- The updated 31 December 2015 Coal Resources in this Announcement have been presented by Venmyn Deloitte (Pty) Ltd (Venmyn Deloitte).

OVERVIEW

On 21 December 2015, Coal of Africa Limited (ASX: CZA) (CoAL or Company) announced that it had lodged an offer document in relation to its offer to acquire the entire issued and to be issued share capital of Universal (the Offer), with the Australian Securities and Investments Commission. Under the terms of the Offer, CoAL is offering to

acquire each Universal Share held, subject to eligibility, for A$0.20 in cash and 1 New CoAL Share or a non-converting, secured Loan Note with a principal amount of A$0.25 per Loan Note (the Acquisition).

The Acquisition, constitutes a reverse takeover for CoAL under the AIM Rules for Companies (AIM Rules) and in fulfilment one of the conditions precedent of the Acquisition CoAL will be releasing an admission document (Admission Document) and seeking shareholder approval for the Acquisition at a general meeting. The Company anticipates that the Admission Document will be published on 1 February 2016 and posted to shareholders on 2 February 2016.

The Admission Document necessitated the preparation of independent competent person's reports in relation to each of CoAL and Universal's material projects and as a result, the Company's Mineral Resources and Ore Reserves for its material projects (Makhado Project, Vele Colliery and GSP), have been updated from the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, 2004 Edition (JORC 2004) to Mineral Resources and Ore Reserves reported in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, 2012 Edition (JORC 2012), necessitating the need for this Announcement. The Abridged versions of the competent person's reports will be included in the Admission Document with full and unadjusted versions of the competent person's reports. The reports are available on the Company's website (www.coalofafrica.com) and this Announcement should be read in conjunction with those reports.

MAKHADO PROJECT MINERAL RESOURCE AND ORE RESERVE UPDATE

CoAL has completed a review and update to its Mineral Resource and Ore Reserve for the Makhado Project. The review was undertaken by the MSA, which was commissioned to prepare an independent competent person's report in accordance with the AIM Rules in connection with the Admission Document.

MSA reviewed the estimation procedures and independently validated the results. MSA agrees with the Coal Resources and Reserves and their classification as declared by CoAL. The Makhado Project contains 345Mt Mineable Tonnes in Situ (MTIS), 74% attributable to CoAL.

Resource categories totals – extract from resource statement

Makhado Project Resource Category	Gross Tonnes in Situ (GTIS) Mt	Total Tonnes in Situ (TTIS) Mt	Mineable Tonnes in Situ (MTIS) Mt	MTIS Attributable to CoAL (74%)
Total Measured Resources	402.78	362.50	265.02	196.12
Total Indicated Resources	298.59	253.81	76.74	56.79
Total Inferred Resources	94.23	75.39	3.00	2.22
Grand Total Resources	**795.61**	**691.69**	**344.77**	**255.13**

The total Run of Mine (RoM) Reserves, all in the Probable category, is 173Mt ROM, 74% attributable to CoAL.

Reserve categories totals – extract from reserve statement

Operation	Reserve Category	Mineable Tonnes in situ Reserve (Mt)	Run Of Mine Tonnes (ROM) (Mt)	ROM Reserves Attributable	Saleable Primary Product Tonnes (Mt)	Saleable Secondary Product Tonnes (Mt)

				to CoAL (74%)		
East Pit	Probable	94.59	86.80	64.23	14.77	24.33
Central Pit		53.47	49.07	36.31	6.75	10.56
West Pit		40.19	36.88	27.29	4.12	9.65
Grand Total Reserves		**188.25**	**172.76**	**127.83**	**25.64**	**44.54**

JORC 2012 Mineral Resource and Ore Reserve Summary for the Makhado Project
Mineral Resource Summary

Geology and Geological Interpretation

The Makhado Project area is located in the Tshipise South subdivision of the greater Soutpansberg Coalfield, South Africa. The Makhado Project is characterised by a number of seams which occur within a 30 to 40 metre thick carbonaceous zone of the Madzaringwe Formation. All seams comprise interbedded carbonaceous mudstones and coal. The coal component is usually bright and brittle and contains a high proportion of vitrinite. The seams dip northwards at approximately 12°. Six potential mining horizons or seams which were identified by CoAL namely: Upper Seam, Middle Seam, Middle Lower Seam, Bottom Upper Seam, Bottom Middle Seam and Bottom Lower Seam.

Sampling and Sub-Sampling Techniques

The source data that provided input into the Coal Resource include the following:

- 316 NQ-size diamond core holes drilled by Iscor before. 2007 No wireline logging was completed on these boreholes.
- 4 PQ3-size diamond core holes drilled by Rio Tinto between 2006 and 2007 with wireline logging data. These boreholes were excluded from the estimation.
- 172 PQ3-size triple tubed diamond cores holes and 24 large diameter drill (LDD) holes drilled by CoAL between 2008 and 2010. Both diamond core holes and the LDD have wireline logging data.
- 13 percussion holes drilled by CoAL in 2010 which have wireline logging information.

CoAL conducted whole core sampling and sample intervals were selected on the basis of the geophysical logs. Samples were numbered from the base upwards and correspond to the same stratigraphic interval in every borehole. CoAL has identified six potentially mineable seams within the Coal Zone.

Samples are submitted to the laboratory where quality assurance and quality control (QAQC) is checked at the laboratory by plotting ash versus calorific value (CV) and all samples with a correlation less than 0.90 are re-analysed.

Drilling Techniques

The first 25 boreholes drilled by CoAL were pre-collared to a depth of 10m with a tri-cone bit prior to diamond drill coring, in order to penetrate the bouldery regolith that characterises the area. From July 2009, this practice was abandoned in favour of coring from surface, with steel casing installed to the base of weathering, in order to investigate occurrences of surface regolith and calcrete. All boreholes were drilled using triple tube techniques in order to minimise loss of core, particularly of fines. The core size was changed from HQ3 to PQ3 after the initial 25 exploration boreholes in order to obtain more sample material and maximise core recovery. The only percussion

or open hole drilling conducted within the Makhado Project area is that by CoAL in 2010. This programme included 13 straight percussion holes within the area identified for the bulk sample (boxcut).

Criteria Used for Classification

The Resources were presented in the following standard manner for the Makhado Project:

- Gross Tonnes in Situ (GTIS), application of mineral tenure boundaries and a 0.5 m seam thickness cut-off.
- Total Tonnes in Situ (TTIS), application of geological losses to GTIS; and
- MTIS, application of basic mining parameters to TTIS. An example of this would be the application of a minimum seam cut-off for underground mining or the block layout losses for an opencast operation. The MTIS Resources have only considered potential open-cast coal mining to a maximum depth of 200 m.

A maximum spacing of 500m between points of observation has been used to determine a measured resource Category. A maximum spacing of 1,000m between points of observation has been used to determine an indicated resource Category. A maximum spacing of 4,000m between points of observation has been used to determine an inferred resource category for this estimation. A measured, indicated and inferred resource has been identified in the Makhado Project area reflecting the competent person's level of confidence in the seam structure and quality continuity, based on the data currently available.

Sample Analysis Method

Samples from the first 25 boreholes drilled by CoAL were sent to the South African Bureau of Standards (SABS) laboratory in Secunda. SABS is accredited (No T0230) through the South African National Accreditation System (SANAS) and SABS/ISO/IEC 17025:2005. However, due to delays in the reporting of analytical results, CoAL relocated all unprocessed samples from SABS to Inspectorate which is also a SANAS accredited laboratory (No T0313). Since July 2009, two laboratories have been used by CoAL. Core exploration samples have been sent to the CAM Analytical Laboratories (Pty) Ltd (CAM). CAM is accredited (No.T0476) through SANAS.

Estimation Methodology

All historical and previous exploration data has been collated, by CoAL, into a Sable™ database. This database was used, by CoAL, in the estimation of the coal resources of the Makhado Project. Both the physical and quality parameters of the various seams were modelled. Grids with a 20m mesh were estimated using the Minex™ general purpose gridding function using a 2.5km search radius.

The model of the physical parameters of the seam was cut along any significant structures, whilst the quality parameters were modelled across it. All physical and quality parameters were plotted and visually inspected to ensure they were acceptable for geological interpretation. In addition, the caking property of coke, phosphorous content and total sulphur content have been assessed across the deposit using results obtained from approximately 60% of the CoAL boreholes.

Cut-Off Grade(s)

A 30 m depth cut-off was applied to remove any oxidised material. Only the ore within the pit shells was considered in the estimate. In addition all coal with Volatile content <20% (air dried) excluded from the estimate.

Mining and Metallurgical Methods and Parameters

The following cut-offs or limits are applied to the Resources:

- the Resource blocks are limited according to the boundaries of the respective NOPRs;

- the Resource blocks are limited to the seam sub-crop;
- the Resource blocks are limited to the Resource extrapolation limits;
- a minimum seam thickness limit of 0.5 m is applied prior to the reporting of GTIS;
- a limit of oxidation of 30 m, based on the actual results from the bulk sampling pit indicate 18m;
- a limit of 20% volatile matter. All material less than 20% volatiles were excluded;
- a limit of 50 m around all known geological structures and dykes;
- maximum depth of 200 m for open cast Resources in the calculation of MTIS; and
- geological losses of 10%, 15% and 20% are applied to Measured, Indicated and Inferred Resources, respectively, prior to the reporting of TTIS. These losses take into account any unforeseen geological features, such as dykes and faults, which have not been identified in the drilling and which may have a negative impact on the Coal Resources. The percentages applied increase with decreasing borehole spacing.

Mineral reserves summary

Material Assumptions, Outcomes from 2013 Feasibility Study and Economic Assumptions

A Definitive Feasibility Study (DFS) was completed by CoAL with the assistance of a number of leading independent industry consulting firms. The DFS defined a 16 year LOM with mining expected to take place at an average rate of 12.6Mtpa ROM in order to produce 2.3Mtpa of hard coking coal and 3.2Mtpa of thermal coal, at a steady state. The resource will be mined on an opencast basis with the potential for expansion into underground. The DFS recommendation is that the plant will be owner operated and the mining contractor operated.

An export/ domestic hard coking coal price of USD225 per tonne for the primary product, at an exchange rate of ZAR7 to the USD. A domestic thermal coal price of ZAR250 per tonne for the middlings product was not considered in the evaluation during the Whittle Pit Optimisation to define the pit size as this exercise was carried out prior to the decision to produce the middlings fraction. The inclusion of the middlings fraction would result in upside potential to the project. Commodity prices and exchange rates used to estimate the economic viability of Coal Reserves are based on long term forecasts applied at the time the estimate was completed. Even though the forecast coal prices have retreated in the short term, the significant depreciation of the South African Rand to ~ZAR14.1 to the USD results in no material changes. An average total cash operating cost of ZAR244 per RoM tonne was utilised in the DFS.

Criteria Used for Classification

The minimum requirements for the conversion of Coal Resources to Coal Reserves and the resultant declaration and signoff of a Reserve statement requires that a mine plan has been prepared and that the modifying factors have been considered and applied to the Resource for the conversion process. The modifying factors include consideration of the mining, processing, metallurgical, infrastructure, economic, marketing, legal, environment, social and government factors in order to derive an ore Reserve which is demonstrated to be economically extractable in present day conditions. The Coal Reserves were declared on the basis of the [2013] DFS on the Makhado Project.

In the case of the Makhado Project, the Competent Person has classified all the Makhado Reserves into the Probable category, although 85% of the Resources from which they are derived, are classified as Measured Resources. The reason for this classification relates to the uncertainty around the yields.

Mining Methods and Mining Assumptions

The Makhado Project will mine the coal from three opencast pits (referred to as the West Pit, Central Pit and East Pit) located east of the N1 National Road and to the south of Provincial Road D745. Intermediate crushers will be located to the south of each of these pits. The coal processing plant will be located to the south of the East Pit, so as to minimise the haulage distances. The East Pit will be the largest pit with the greatest portion of the Coal Reserves.

Processing Methods and Processing Assumptions

DRA Mineral Projects (Pty) Ltd (DRA) was contracted by CoAL to carry out the portion of the DFS covering the coal handling and processing plant (CHPP) for the Makhado Coal Project. The test work on the bulk sample was instrumental in determination that a consistent product with ash content closer to 10% ash can be achieved with a two stage DMS circuit comprising of high gravity (HG) wash followed by a low gravity (LG) wash. The HG wash in this configuration plays a destoning role prior to final separation in the LG washing stage. The test work was based on a single stage wash at a medium RD of 1.34, it is expected that a product with ash content closer to 10% ash can be achieved with a two stage DMS circuit comprising of high gravity (HG) wash followed by a low gravity (LG) wash. The HG wash in this configuration plays a destoning role prior to final separation in the LG washing stage.

Cut-Off Grade(s)

A 30 m depth cut-off was applied to remove any oxidised material. Only the ore within the pit shells was considered and all coal with Volatile content <20% (air dried) excluded.

Estimation Methodology

The Coal Reserves were based upon the block model prepared by Mr B Bruwer, VBKom's Senior Mining Engineer, the information to which was originally sourced from the Minex model dated 31st August 2011. The MTIS resources are notably larger than the MTIS reserves, due to the fact that the latter only considers coal that lies within the pit shells developed during the mine design. It excludes material that cannot be accessed due to economic or practical mining considerations, for example the resource situated below Mudimeli Village or within the 100yr floodline of the Mutamba River.

Material Modifying Factors and Approvals

The Makhado Project footprint is in an environmentally and ecologically sensitive area. Thus the necessary diligence was exercised when consideration was given to the location, placement and orientation of the mine infrastructure area facilities. Energy efficiency is considered when orientating and designing buildings. Office buildings are where possible, north-facing.

The Integrated Water Use License has been granted by the Department of Water and Sanitation.

Please refer to the abridged competent person's report included in the Admission Document and the full, unadjusted competent person's report on the Company's website and the detailed information given in the JORC Table 1 at the end of this Announcement in Appendix 1.

VELE COLLIERY MINERAL RESOURCE AND ORE RESERVE UPDATE

CoAL has completed a review and update to its Mineral Resource and Ore Reserve for Vele Colliery. The review was undertaken by VBKom, which was commissioned to prepare an independent competent persons report in accordance with the AIM Rules in connection with the Admission Document. The following technical discussion is extracted from the abridged Mineral Resource and Reserve estimate of the Vele Competent Person's Report (CPR)

which is contained in the Admission Document with the full, unadjusted competent person's report available on the Company's website. It starts off with the abbreviated Resource and Reserve tables below:

Resource categories totals (all tonnages reported is 100% attributable to CoAL) – extract from resource statement

Vele Colliery Resource Category	Gross Tonnes in Situ (GTIS) Mt	Total Tonnes in Situ (TTIS) Mt	Mineable Tonnes in Situ (MTIS) Mt
Total Measured Resources	148.17	133.35	86.11
Total Indicated Resources	426.85	362.83	200.3
Total Inferred Resources	218.93	175.15	75.15
Grand Total Resources	**793.95**	**671.32**	**361.57**

Variation between the 2012 Coal Resource statements and the Coal Resource statements in this Announcement is the result of depletion that occurred during the operational period of Vele Colliery.

Reserve categories totals (all tonnages reported is 100% attributable to CoAL) – extract from reserve statement

Operation	Reserve Category	Mineable Tonnes in situ Reserve (Mt)	Run Of Mine Tonnes (ROM) (Mt)	Saleable Primary Product Tonnes (Mt)	Saleable Secondary Product Tonnes (Mt)
Opencast	Proven	23.81	25.28	2.70	8.34
Opencast & Underground	Probable	301.37	266.11	28.47	87.82
Grand Total Reserves		**325.18**	**291.39**	**31.18**	**96.16**

JORC 2012 Mineral Resource and Ore Reserve Summary for the Vele Colliery
Mineral Resource Summary

Geology and Geological Interpretation
The Karoo age Limpopo Coalfield is generally fault bounded, with the southern extent of the basin controlled by erosion. The Main Coal Zone is present in the Madzaringwe Formation, which is approximately 15m thick. Three distinct coal horizons occur in the Middle Ecca Group, locally referred to the Top, Middle and Bottom Coal Horizons. All three coal horizons comprise interbedded coal and mudstone units with varying coal quantities and qualities.

The coal deposition of the Vele Colliery occurred within and intra-continental basin bounded by extensional faulting. Major faults have been interpreted, through field observations and geophysics, for the area. The faults divide the deposit in blocks with varying seam depths.

A serious of dolerite dykes trend predominantly east west across the project colliery area, the largest is estimated to be more than 15m thick. These dykes were emplaced during the extension tectonics that formed the intra continental basin. The dykes did not have significant displacement associated with their emplacement but have resulted in minor de-volatilisation of coal in the immediate contact.

The Top, Middle and Bottom seams were all intersected through drilling and mining activities within the Vele Colliery area. Top and Bottom seams can further be differentiated into a Top Lower, Top Middle, Top Upper, Bottom Lower and Bottom Upper. The Top Middle and Top Upper are not considered economic.

Sampling and Sub-Sampling Techniques

Sampling of whole core samples (in accordance to SANS10320:2004) was done in intervals of between 50cm and 150cm. Samples were initially sent to SABS laboratory in Secunda, then to Inspectorate M&L, and since December 2008, all samples have been sent to the CAM in Polokwane, Limpopo Province. All the laboratories are SANAS accredited for coal analyses. CoAL geologists do random validations of the results by doing basic tests on cumulative results and testing the values with neighbouring drill holes and the seam characteristics.

Drilling Techniques

Drill holes incorporated into the geological model are primarily diamond core drilling with secondary percussion drilling to verify the structure of the boxcut area, as well as understanding the structural and quality continuity. The last phase of drilling was LDD holes for metallurgical test work for the plant modification project. All logging of drill hole data was done in accordance to best practices and has been consistence since CoAL's involvement in the project. The data is capture on a SABLE^{TM} Database, which is checked by a competent geologist on a regular basis. All holes drilled during CoAL's involvement has down-hole geophysics for seam correlation and structural interpretations. A total of 573 drill holes have been used in the geological model and the Coal Resource estimation.

Criteria Used for Classification

The first Coal Resource classification was based on the spacing between points of observation (point with structural and / or quality data). This method stated that points of observation spaced at 500m are Measured Resources, Indicated Resources were spaced at 1000m and Inferred Resources the spacing was 3km.

Coal petrography was done on the coal seams from the Vele Colliery and it indicates that the coal is a medium rank, high vitrinite content, and C-grade bituminous coal. The coal falls into a semi-soft coking coal category. Figure 1 indicates the coal quality of the Vele Colliery in relation to petrographic images.

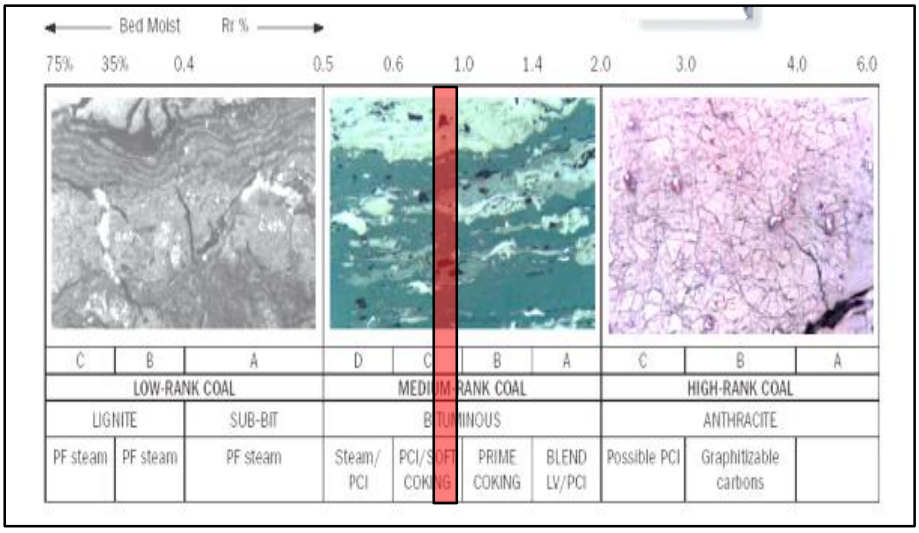


Figure 1

Sample Analysis Method

All analytical test work and associated sample preparation is performed to internationally acceptable standards. All standard procedures are available on request. In short, the following processes were followed by the laboratories for the preparation and analysis of slim core samples:

- Air dry samples received
- Determine the raw relative density (RD) of the sample
- Crush sample to -25mm and screen out the -0.5mm
- Preform a raw coal proximate analysis, CV and total Sulphur (S) on the +0.5mm and -0.5mm size fractions
- Analyse the +0.5mm to -25mm fraction for phosphorous (P_2O_5)
- Conduct float/sink analyses on the +0.5mm to -25mm size fraction at densities ranging from 1,30t/m^3 to 1.80t/m^3 in increments of 0.05t/m^3.
- Preform proximate analyses, CV, total sulphur and phosphorous for each float fraction and the sink product from the 1.80 RD fraction
- The float fractions at RD 1.30, 1.35, 1.40 and 1.45 the Free Swelling Index (FSI) and Roga Index was determined

Drop shatter tests and wet tumble tests are methods to simulate the breakage that occurs in coal processing, prior to classification (separation into different size fractions) and washing in the preparation plant. The process applies repeated dropping of lump coal to establish a RoM size description, followed by a wet tumbling phase where the RoM coal is tumbled in a drum with steel blocks and water to simulate the breakage, which occurs in pumping, cycloning, and screening phases in the preparation plant. The procedure is as follows:

- Standard 20 drops of unbroken coal from two meters
- Dry tumble broken coal with 10 steel cubes for three minutes
- Wet tumble coal with 18 steel cubes (for a 50kg sample mass) for five minutes

Thereafter the resulting coal package was screened into a +0.25mm to -2mm, +2mm to -12.5mm, +12.5mm to -25mm and +25mm to -50mm size fractions. Each fraction was submitted for float/sink analyses. The float/sink analyses was performed on the following RD's (t/m^3); 1.35, 1.38, 1.40, 1.42, 1.45, 1.50, 1.60, 1.80, 2.00 and 2.30. Proximate analyses were performed on each float fraction.

Estimation Methodology

Over the existence of the project, various coal deposit models have been prepared for the Vele Colliery. In September 2010, The Mineral Corporation constructed a 3D Minex ™ digital model. Mr J Sparrow, a competent geologist, prepared the current model used for resource estimation and mine planning and designs. Mr Sparrow is CoAL's chief consulting geologist and has been involved in the project since 2011. The latest geological model was created in Minex ™ software. The model incorporates all available historical and recent drilling and other geological information up to January 2015. The model is based on the Mineral Corporation's model of 2010, with minor changes based on geological information collected subsequently to the completion of the Mineral Corporation's model. From previous audits and reviews by reputable independent consultants, there is a high level of confidence in the geological model. The upper surface of the model is a digital terrain model (DTM) based on the light detection and ranging (LIDAR) survey conducted with a high level of spatial accuracy. Figure 2 provides the topography as a DTM. Dolerite dykes and fault planes were incorporated in the 3D structural model. The structural model assisted in identifying areas for opencast mining and underground mining.

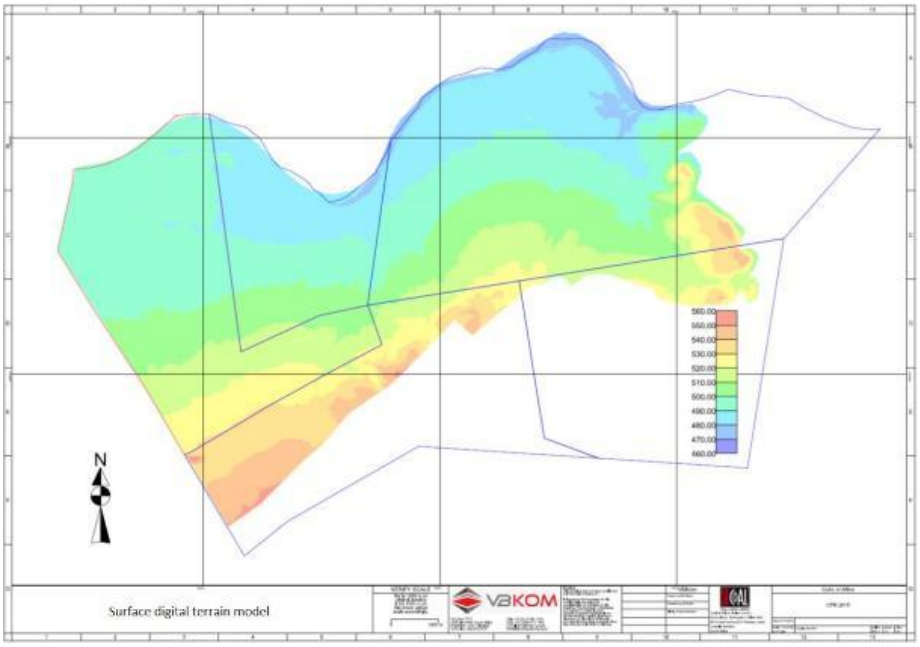


Figure 2

Cut-Off Grade(s)

The following cut-offs were applied before the GTIS were calculated for the Vele Colliery:

- The coal was reported separately for the mining right and prospecting right respectively
- The Coal Resource Blocks were limited to the Mineral Right boundaries
- The Coal Resources are limited to the seam sub-crop
- Coal Resource blocks are limited to the extrapolation limits in the model
- Boundary pillars of 50m wide on either side of geological structures and dykes
- Coal Resource blocks are limited to the base of oxidation
- Coal Resource blocks are limited to the 100m year flood line for the Limpopo River
- A seam thickness cut-off of 0.5m are applied
- Volatiles less than 18% (dry ash free) to ensure devolatilised coal was excluded

The following cut-off was applied to calculate TTIS:

- Geological losses (confidence in structural continuity and oxidation profiles) of 10%, 15% and 20% are applied to Measured, Indicated and Inferred Coal Resources respectively.

The following cut-off was applied to calculate MTIS resources:

- A minimum seam height of 1.4m and a maximum seam height of 4.5m have been applied to the Bottom Lower Seam for the underground resources.

Mining and Metallurgical Methods and Parameters

Mining, Processing and Environmental factors as per the studies discussed under Technical studies have been applied to determine the reasonable and realistic prospects for eventual economic extraction. No resources were excluded based on these criteria.

Mineral reserves summary

Material Assumptions, Outcomes from various feasibility studies and Economic Assumptions

CoAL has done various studies to different degrees of detail (comparable with pre-feasibility study levels), and it is the opinion of VBKom that the studies are sufficient in detail to warrant the conversion of Coal Resources to Coal Reserves.

Vele Colliery is an existing operation with Coal Reserves reported for an opencast mine plan and an underground mine plan. It is important to note that the current business case is only considering a portion of the opencast reserve blocks (16 years life of mine (LOM)) for financial modelling. The additional Coal Reserves outside the 16-year period does not significantly influence the NPV of the project. The current business case scenario is referred to as the Plant Modification Project (PMP).

A high-level financial model was completed where the mining areas that were additional RoM reserve tonnes (excluded from the financial model). The additional reserves were scheduled consecutively and the results indicated viability with long-term price forecasts. Due to the planned mining rate, mining the additional reserve tonnages will be only after the Plant Modification Project's 16 year LOM.

Criteria Used for Classification

The first Coal Resource classification was based on the spacing between points of observation (point with structural and / or quality data). This method stated that points of observation spaced at 500m are Measured Resources, Indicated Resources were spaced at 1000m and Inferred Resources the spacing was 3km.

In order to bring the Coal Resource statement in line with the guidelines of the JORC Code 2012 a correlation cross was drilled to determine the optimal spacing between drill holes to determine lateral continuity. It was determined that 500m is sufficient for structural estimation and 1000m for quality estimations. No variography was done, but resource estimation were done at different grid spacing, which indicated little change to the resource tonnage and quality within the advised spacing. This indicates that the current classification used by Vele Colliery is a conservative approach and is acceptable for the current Resource Reporting cycle.

Other criteria was also considered for the Coal Resource Classification criteria, i.e. confidence in drill hole position, confidence in coal analyses and confidence in structural interpretation of a drill hole. The reserve includes 23.81Mt proven and 301.37 Mt probable in-situ coal [TTIS]

Mining Methods and Mining Assumptions

After various trade-of studies between only opencast mining, combination of opencast and underground mining and underground mining the best option was the combination of the two methods. The opencast mining was seen as a concern in such an environmentally sensitive area, but was opted for due to the economics of the opencast reserves. Underground mining will target the Bottom Lower Seam only, using a board and pillar mining pattern. Underground mining has only been considered suitable in those areas where the depth of the roof of the Lower Seam generally exceeds 60m in depth due to the weak coal strength and poor overburden stability. The board and pillar mining layout should be achieving a relatively high extraction rate of approximately 65% by virtue of the low seam height to depth ratio.

The opencast mine will be accessed through two separate boxcuts, one in the central pit and one in the northern pit. The opencast mining process as designed will not significantly differ or change after the plant modification process is implemented.

- Base case after Plant Modification Project is 2.6Mtpa of RoM at an average strip ratio of 3.6 over a period of 16 years

- The Top Lower, Middle, Bottom Upper and Bottom Lower seams will be extracted
- Mining is based on a truck and shovel operation (contract mining) with the following equipment (as used for the boxcut):

Processing Methods and Processing Assumptions

The current process plant and the proposed modification to the plant is well known technology in the coal mining industry. The metallurgical test work is based on drop shatter and wet tumble test. The yield distribution per sink fraction was used to optimise the product mix and the coal preparation plant. The samples tested are representative for the PMP project. The current plant consists of the following main sections:

- Temporary crushing and screening plant;
- de-stoning plant (modular);
- secondary washing plant (modular);
- spiral plant (modular); and
- product and discard stockpiles
- general plant services and
- a slurry pond

The efficiency of the spiral plant, the size distribution produced by the crusher section and the higher revenue available by producing a dual stream product is the basis for the Plant Modification Project.

A Front End Engineer & Design (FEED) study was performed by Sedgman to modify the existing coal handling and processing (CHPP) plant to process 500tph RoM and produce a semi soft coking coal and a thermal coal product. The plant upgrade study included:

- A new RoM dual tip hopper, with an 800mm top size,
- A new feeder breaker to size the RoM coal to nominal 50mm
- New and extending conveyors to transport coal between new plant modules, discard and stockpiles,
- A feed bin for surge capacity
- Upgrading of the de-stoning plant
- New discard bin and discard extraction system
- Tertiary screening plant for nuts & peas as well as stacking system
- Modification to coking coal plant feed system (larger openings, vibrating feeder chutes)
- Upgrading the existing metallurgical DMS cyclone
- New thermal coal stockpile facilities
- The upgrade for the fines beneficiation by incorporation of reflux classifier and flotation circuit, and
- Dewatering using a high frequency screen for thermal coal and screen bowl centrifuge for coking coal.
- Dust and fire suppressing systems as well as integrated control and communication system.

Cut-Off Grade(s)

The conversion of Coal Resources to Coal Reserves includes the application of cut-offs. The cut-offs can be geological, mining related or related to the processing plant. Mining related cut-offs are as follows for the underground mine at Vele Colliery:

- Bord and pillar dimensions (65% coal extraction) and bottom lower seam targeted only
- Minimum seam thickness of 1.4m and a maximum seam thickness of 4.5m

Most of the cut-off grades were applied to the Coal Resource in the calculation MTIS resources. The only other mining cut-off applied is that the Bottom Lower Seam has to be more than 60m underground to be extracted. This is required to extract the Coal Reserves safely.

Cut-offs related to the opencast mining:

- Mining layout

Estimation Methodology

The Coal Resource estimation is done by the gridding algorithm that is part of the MINEXtm, which is a well-established method for estimation in the coal industry. No domaining was done for the quality estimate, but was applied with the seam thickness estimation based on faults and dykes

The Mineral Resource estimate was previously done by the Mineral Corporation and Venmyn Rand and was reviewed by VBKom. The mine extracted 144kt of coal and this was considered in the estimation of the Coal Resources.

It is noted:

- There is no by-products present in the coal deposit.
- Sulphur and phosphorous was analysed for and is estimated within the geological model. Sulphur is reported in the Coal Resource Statement, but phosphorous is excluded due to the low concentrations present.
- The model is based on a grid and not blocks.
- All units i.e. seams are modelled based on drill hole seam intersections and down-hole geophysical survey.
- There is a correlation between ash and CV in the deposit and is used as verification of estimated results.
- All estimations were constrained within the defined coal seams.
- Coal is defined as material below 60% ash content. This is the only form of capping applied.
- The data is validated through cross sections and various coal quality plots.

Material Modifying Factors and Approvals

Regulatory Approvals

The application and approval of mineral rights falls under the Department of Mineral Resources and is governed by the Mineral Resources and Petroleum Development Act 28 of 2002 (MRPDA). Entities (individuals or companies) apply through regional offices for Prospecting or Mining Rights. Prospecting Rights are granted for an initial five year period where after is can be renewed for an additional three years. Mining Rights are applied for the period of operation up to final closure for a maximum period of 30 years.

Mineral and Petroleum Resources Development Act, 28 of 2008 (MPRDA)

Vele Colliery was granted its New Order Mining Right (NOMR) on 19 March 2010, on the following farms:

- Overvlakte 125 MS (Portions 3, 4, 5, 6, 13 and Remaining Extent)
- Bergen Op Zoom 124 MS
- Semple 145 MS
- Voorspoed 836 MS

Vele Colliery is in possession of an approved Environmental Management Programme (EMPr) in terms of Section 39 of the MPRDA.

National Environmental Management Act, 109 of 1998 (NEMA)

In July and October 2011, Vele Colliery was granted Section 24G Environmental Authorisations, in terms of the NEMA. In 2014 the company applied for an amendment to the Environmental Authorisation, which was approved as granted on 16 January 2015, and subsequently appealed. On 19 November 2015, the Minister dismissed the appeal lodged against the Vele Colliery's amended Environmental Authorisation.

National Water Act, 36 of 1998 (NWA)

In terms of the NWA, On 13 Jan 2015 the water use licence was renewed (for a further 20 years) and amended. Furthermore, the IWUL has been amended in line with the requirements for the Plant Modification Project (PMP) at the Colliery. During H2 2015, the Company commenced a process to obtain approval relating to a non-perennial stream diversion. This decision is anticipated in H2 2016. Once this regulatory approval in respect of the Colliery has been received, the final decision to proceed with the PMP will be placed before the board, which will include an assessment of forecast global coal prices.

National Environmental Management Waste Act, 59 of 2008 (NEMWA)

The DEA has confirmed that no NEMWA authorisations are required for Vele Colliery. All licences and permits are in place at Vele Colliery, and the colliery continues to meet all its regulatory obligations while during operations and under the current care and maintenance scenario, while the upgrade to the plant via the PMP is being planned.

Continues Environmental programs, monitoring, meetings, test studies and assessments

Notwithstanding that Vele Colliery was placed on Care & Maintenance in October 2015, the colliery continues to meet all its regulatory obligations as it would under operational status. As such, continuous assessments, inspections and monitoring and site visits continue as required. A number of continuous studies, assessments, inspections and monitoring meetings are currently conducted/undertaken by specialists/appointed teams and reported to the relevant licencing and permitting authorities, where required, and are kept updated and maintained.

Mining Dilution Factors

The Practical yield includes organic plant efficiencies and yield reduction due to dilution for the different streams to be produced.

Mining recovery factors used (DCF mining layout only)

Additional Geological losses of 5% was subtracted from resource tonnes in the Plant Modification Project opencast layout plan, as coal affected by small dykes and faults has been identified and removed from the plan, as well as possible oxidised coal mining strips near the sub-outcrop. A mining recovery of 92% was used in the Phase 1 opencast plan, as an existing opencast exists, with proven extraction. The high recovery is also possible due to free digging of the coal using a backhoe excavator, enabling lower losses and dilution from blasting.

Calculation of RoM in designed mining blocks of DCF model:

Description:	Factor	Value	Unit
In Situ Tonnes (> 0.5m seam width):		**100**	**t**

Description:	Factor	Value	Unit
After geological losses:	× 0.95	95	t
After mining losses:	× 0.92	87.4	t
RoM:		**91.8**	**t**
Primary product:		**9.8**	**t**
Primary Product effective yield:		**10.7**	**%**
Secondary Product:		**30.3**	**t**
Secondary Product effective yield:		**33**	**%**

Minimum mining widths used

A minimum mining width of 0.5m of coal seam was used, as multiple layers of seam exist, and blasting of waste and selective loading methods, enabled the selectivity in seam mining. The PMP LOM schedule accommodated multiple active coaling seams, requiring more active strips, and the extra waste stripping required to achieve this is included in the mining plan. Mining strips of varying length were divided into blocks with a width of 50m and length varying between 50-100m. Blasting blocks were identified based on seam contacts, and no SMU or bench height or bench elevation was traded off. The underground mine tonnages that was reported by CoAL applied a minimum 1.4m mining height and 4.5m maximum mining height for underground mining of Bottom Lower coal seam.

Infrastructure requirements

Vele Colliery is an existing opencast operation, currently under care and maintenance. Coal is delivered to customers through the existing infrastructure, available in Musina, which is able to support the operation. The nearest town is Musina, which is the seat of the local Municipality with a history of mining activity and there are active mines in the region. Services include schools, rail linkage, a hospital, wide tar roads and electricity from the national grid. Distribution and transport of coal include Trucking to siding, FEL (Front End Loader) load train trucks. The product investigated was selling a SSCC product to a local (South African client) where transport is provided to the siding at Musina, and Thermal export coal (Free on Board (FOB) at Maputo harbour).

GSP MINERAL RESOURCE UPDATE

CoAL has completed a review and update to its Mineral Resource for GSP. The review was undertaken by Venmyn Deloitte (Pty) Ltd, which was commissioned to prepare an Independent Competent Persons report in accordance with the AIM Rules in connection with the Admission Document.

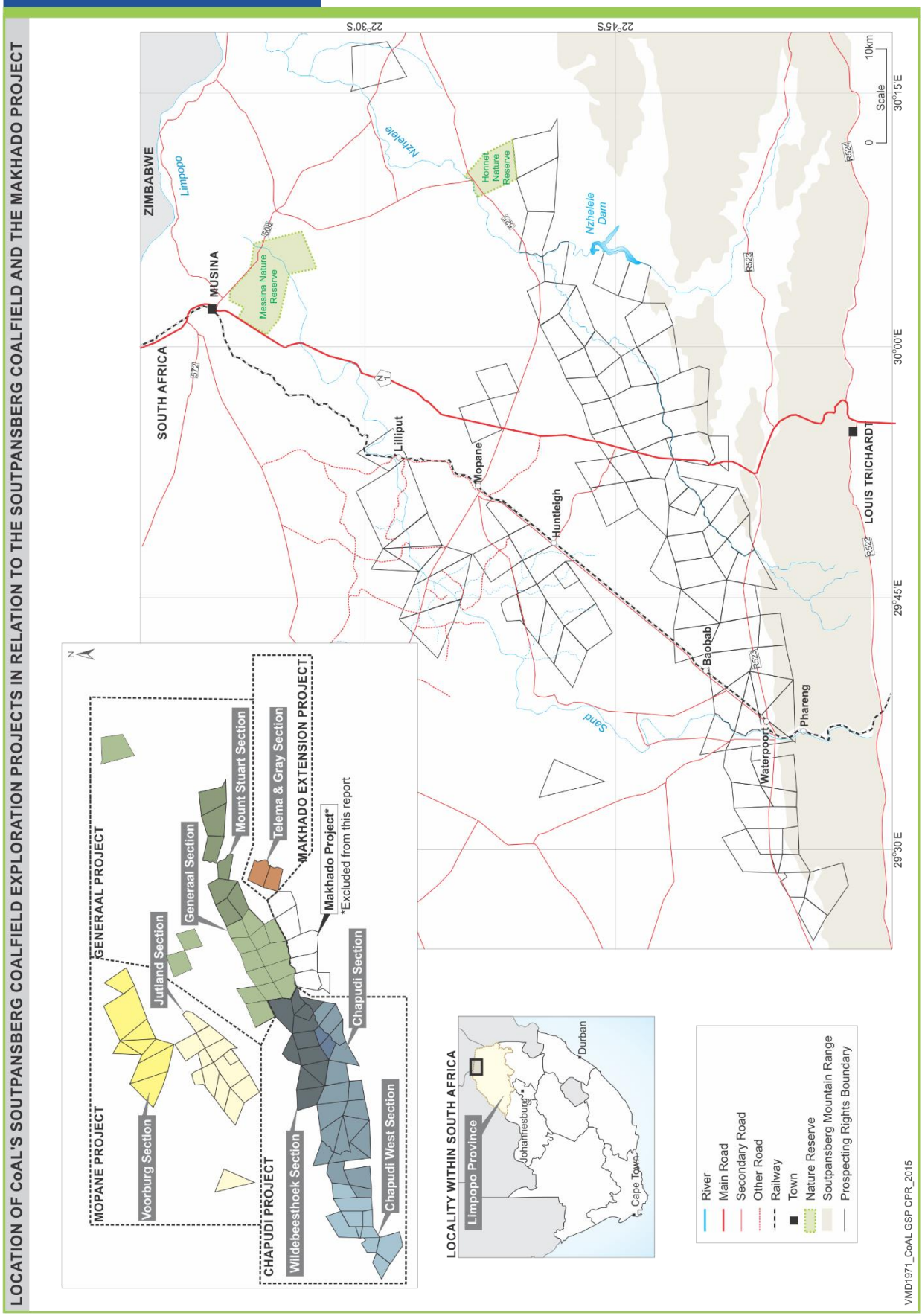
The GSP assets are divided into four groups of projects that are further divided into individual sections, all of which are located in the Limpopo province, South Africa:-

- the Mopane Project, comprising the Voorburg and Jutland sections;
- the Generaal Project, comprising the Generaal and Mount Stuart sections;
- the Chapudi Project, comprising the Chapudi, Chapudi West and Wildebeesthoek sections; and
- the Telema and Gray project, comprising Telema and Gray (formerly Makhado Extension).

The Coal Resources for the GSP assets were originally estimated and signed off by CoAL's Competent Person, Mr J Sparrow (Pr.Sci.Nat.) (CoAL's Group Geologist), Venmyn Rand (Pty) Ltd and independent contractor Liz de Klerk (Pr.Sci.Nat) (Glanvill Geoconsulting) on 29 February 2012.

.

VenmynDeloitte. Coal of Africa



There has been no material change in the Coal Resource statement since 29 February 2012 and it has accordingly been re-presented without change in this 2015 CPR.

JORC 2012 Mineral Resource Summary for the GSP Assets

PROJECT	SECTION	RESOURCE CATEGORY	GROSS TONNES IN SITU (GTIS)	TOTAL TONNES IN SITU (TTIS)	MINEABLE TONNES IN SITU (MTIS)	COAL ATTRIBUTABLE %	COAL ATTRIBUTABLE (GTIS)
Mopane	Voorburg	Measured	109,435,158	98,491,000	94,915,200	*74-100%	105,669,749.86
Makhado Ext.	Telema and Gray		42,244,854	38,020,200	36,240,800	100%	42,244,854.00
TOTAL/WT. AVE MEASURED			**151,680,012**	**136,511,200**	**131,156,000**	***74-100%**	**147,914,603.86**
Mopane	Voorburg	Indicated	125,033,852	106,271,000	100,500,000	74-100%	119,624,989.06
Makhado Ext.	Telema and Gray		29,581,152	25,141,000	23,225,000	100%	29,581,152.00
TOTAL/WT. AVE INDICATED			**154,615,004**	**131,412,000**	**123,725,000**	***74-100%**	**149,206,141.06**
Mopane	Voorburg	Inferred	36,238,997	28,920,000	23,940,000	*74-100%	31,651,715.60
Generaal	Mount Stuart		407,162,828	325,690,000	55,460,000	100%	407,162,828.00
Makhado Ext.	Telema and Gray		12,301,228	9,820,000	7,320,000	100%	12,301,228.00
Chapudi	Chapudi		6,399,023,436	5,119,130,000	1,318,420,000	74%	4,735,277,342.64
TOTAL/WT. AVE INFERRED			**6,854,726,489**	**5,483,560,000**	**1,405,140,000**	***74-100%**	**5,186,393,114**
GRAND TOTAL RESOURCES			**7,161,021,505**	**5,751,483,200**	**1,660,021,000**	***74-100%**	**5,483,513,859**

*CoAL has a 100% interest in all right holders(s) except those acquired as part of the Chapudi acquisition transaction. In these right holders CoAL has a 74% interest.

Mineral Resource Summary

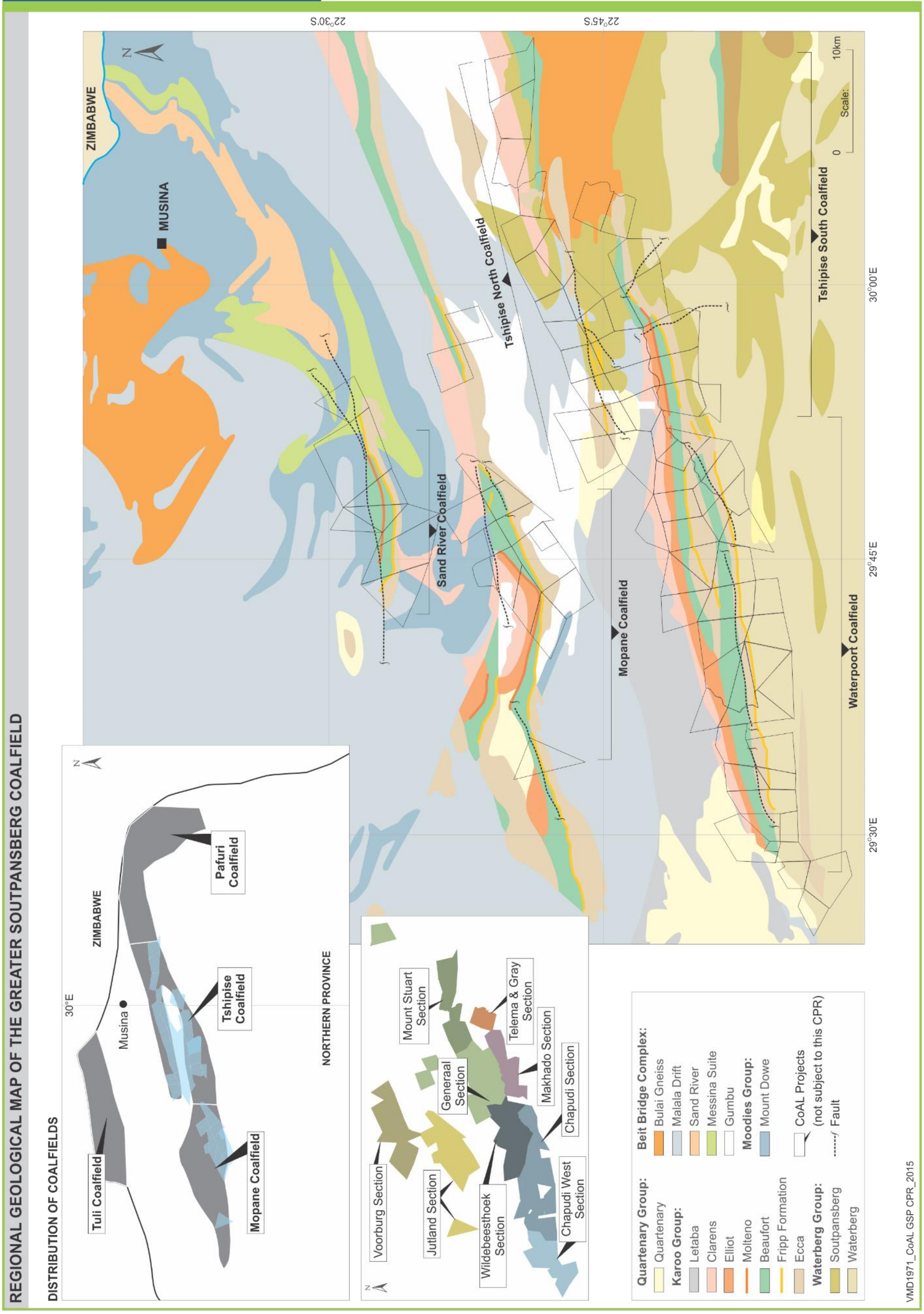
Geology and Geological Interpretation

The Soutpansberg Coalfield is preserved within a down-faulted, graben structure, at the north-eastern edge of the Kaapvaal Craton. The Karoo-aged coal bearing sediments occur as alternating mudstone laminae and coal bands within the Middle Ecca or Madzaringwe Formation, dipping between 3° and 20° northwards. Coal horizons are divided into six potentially economic seams, namely the Upper, Middle Upper, Middle Lower, Bottom Upper Bottom Middle and Bottom Lower seams.

The region is faulted, becoming more severe in the far east, and has throws of between 60m and 200m, leading to the formation of horst and graben structures. A further subordinate set of faults, orientated at right angles to that mentioned above, subdivides the eastern portion of the Soutpansberg Coalfield region into a set of irregular blocks.

The greater Soutpansberg Coalfield has been divided into three subdivisions:-

- the Mopane Coalfield, between the towns of Mopane and Waterpoort in the west that hosts the Voorburg and Jutland Sections;
- the Tshipise Coalfield, stretching east of Mopane in the area of the town of Tshipise that hosts the Telema and Gray Section in the Tshipise South Coalfield and the Mount Stuart Section in the Tshipise North Coalfield. The Generaal, Chapudi, Chapudi West and Wildebeesthoek Sections are located within an extension of the Tshipise Coalfield, also known as the Waterpoort Coalfield; and
- the Pafuri Coalfield, terminating at the northern limit of the Kruger National Park in the east.



REGIONAL GEOLOGICAL MAP OF THE GREATER SOUTPANSBERG COALFIELD

Sampling and Sub-Sampling Techniques

The majority of borehole quality data available for the GSP assets has been obtained from historical drilling databases. As such the drilling, logging, sampling and surveying methods and standards used is predominantly unknown.

From the information that is available, it is evident that the different companies adopted different sampling methods depending on the agenda and only partial coal quality data is available.

Iscor typically took 13 samples from the top to the base of the coal bearing strata, which were numbered consecutively in this order. Rio Tinto sampled on a ply-by-ply basis.

More detailed information is available for the Seam 6 coking sampling at Chapudi carried out by Rio Tinto. Initially waste bands and associated coal horizons <50cm were omitted. This methodology then changed where Seam 6 was sampled over its entire thickness including partings. Finally a more modern and conventional sampling technique was adopted where all coal and waste intervals were sampled separately allowing recombination of the samples into a bulk seam, or alternatively into selected mining horizons.

Reverse Circulation (RC) chips were not sampled.

Drilling Techniques

Historically drilling on the GSP assets has been performed by:-

- Rapburn (1970s) – early exploration and reconnaissance;
- Iscor (1939-1981) – early exploration and reconnaissance;
- Trans Natal Mining Company (1970s) – reconnaissance;
- Rio Tinto (2002-2009) – reconnaissance and confirmatory; and
- CoAL (2009-2012) – confirmatory, infill and resource definition.

Numerous borehole types and sizes have been utilized including NQ (Iscor), 8-inch (Rio Tinto), PQ3 (CoAL), T6146 (CoAL) and RC (Rio Tinto and CoAL). Little is known about the drilling techniques employed during the historical exploration phases, however, it is assumed that the drilling methods were conventional and pre-date the more efficient triple-tube wireline techniques that are commonly employed today.

No core recovery information is available for the historical boreholes (except Chapudi).

It is believed that except for deflections all boreholes were drilled vertically and downhole geophysical data is available for the more recent Rio Tinto drilling programmes and the CoAL boreholes.

Venmyn Deloitte believe that the drilling techniques used historically would have been to a professional standard considering the companies involved, however cognisance has been taken regarding the lack of information regarding protocols and core recoveries.

More information is known about the drilling techniques used by Rio Tinto on the Chapudi Project, which was conducted from 2005 to 2009 on Seam 6 for coking potential. The diamond drilling (PQ3 and large diameter) was undertaken in four stages and geotechnical and initial lithological logging was carried out whilst the core was in the split inner tube. Detailed lithological logging was carried out once the depths were finalised after reconciliation with the geophysical wireline logs and during the sampling process. The detailed coal logging was carried out at the refrigerator.

For all exploration procedures followed by CoAL for the 2012 drilling programmes the reader is referred to the protocol document prepared by Venmyn Rand (Pty) Ltd for CoAL on 10 April 2012 named “Coal Exploration Best Practise Guideline for GSP Prepared for Coal of African Limited (COAL)”, Venmyn Deloitte reference number D1140.

Criteria Used for Classification

The classification, by CoAL, into the various resource categories is primarily based upon the relative spacing of points of observation with both quantitative and qualitative results. Venmyn Deloitte is confident, having reviewed the data, that the logging, sampling, data density and distribution are suitable for the Coal Resource estimation.

Resources have been categorised, by CoAL, as Measured, Indicated or Inferred according to observation point halos in accordance with JORC reporting standards. The resources have not been sub-divided into the proposed underground and opencast sectors. In order to classify the coal resources, a halo diagram is prepared using only the boreholes with quality and quantity results. Whilst the halo diagrams are considered when determining resource classification, cognisance is also taken of the lack of sample information and where deemed appropriate the resource classification has been restricted to Inferred.

Sample Analysis Method

Historical samples were predominantly analysed for washability at a float density of 1.40 and only a few boreholes contain raw analyses. The Iscor holes were sampled and sent to their in-house laboratory for analysis. Samples from the Rio Tinto drilling campaign were analysed at ALS Brisbane (ISO 17025 accredited) and the accredited SABS laboratory in Secunda (No T0230).

All of the samples taken from the CoAL drilling programmes were sent to Inspectorate's SANAS accredited laboratory in Polokwane (No T0476). The ISO and South African National Standard (SANS) has a standard set of tests and methods that are used for coal analyses by South African laboratories.

An array of different analytical methods have been used across the GSP assets on a mixture of both raw and washed coal samples, including:

- proximates, CV, TS;
- ultimate analysis;
- forms of sulphur;
- ash fusion temperature ;
- chlorine;
- Hardgrove Grindability Index;
- Free Swelling Index;
- Grey King Index;
- Roga Index;
- ash analysis;
- petrographic analysis;
- dilatation;
- fluidity;
- vitrinite reflectance; and
- drop shatter tests.

Estimation Methodology

The orebody models for the GSP assets have been prepared by Mr. J. Sparrow (Pr.Sci.Nat.), CoAL's Competent Person in MinexTM Software. The models take into account all available historical and recent drilling and other geological information as of the 29th February 2012.

The upper surface of the models were sourced from the surveyed Digital Terrain Models. Both the physical and quality parameters of the various seams were modelled. Grids with a 25m or 20m mesh depending on borehole

spacing and structural complexity, were estimated using Minex'sTM general purpose gridding function, using a 3km search radius.

The floor elevation of the bottom-most seam for each section was been modelled, by CoAL, in order to identify any abrupt elevation changes which would indicate the presence of faulting and also to identify the dip across the project area. The depth from surface for the top-most seam was also modelled as this will have an impact on potential mining method.

Due to the lack of raw analytical data for the historical boreholes, the most appropriate and common parameter available for both sets of data that could be modelled was the analyses of a washed product at a relative density of 1.40.

The model of the physical parameters of the seam was cut along any significant structures, such as dolerite dykes and faults, whilst the quality parameters were modelled across it. All physical and quality parameters were plotted and visually inspected to ensure they were acceptable for geological interpretation.

Cut-Off Grade(s)

The Coal Resources for the GSP assets have all been reported at a seam thickness cut-off of >0.50m. In addition only potential opencast resources have been reported using a maximum depth cut-off of 200m.

In order to exclude devolatolised coal in proximity to dolerite intrusions a volatile matter cut-off was applied to some projects, as follows:

- <20% volatile matter – Voorburg Section and Telema & Gray Section; and
- <18% volatile matter – Mount Stuart Section.

For the Chapudi Section the quality results were reported as the -63mm+0.075mm fraction.

Mining and Metallurgical Methods and Parameters

This section does not apply to the GSP assets.

Please refer to the abridged competent person's report on the GSP contained in the Admission Document and the full, unadjusted competent person's report available on the Company's website as well as the detailed information given in the JORC Table 1 at the end of this Announcement in Appendix 3.

ENDS

Enquiries:

David Brown	Chief Executive Officer	Coal of Africa	+27 10 003 8000
De Wet Schutte	Chief Financial Officer	Coal of Africa	+27 10 003 8000
Celeste Riekert	Investor Relations	Coal of Africa	+27 10 003 8000
Tony Bevan	Company Secretary	Endeavour Corporate Services	+61 08 9316 9100
Company advisors:			
Matthew Armitt/Ross Allister	Nominated Adviser and Broker	Peel Hunt LLP	+44 20 7418 8900
Jos Simson/Emily Fenton	Financial PR (United Kingdom)	Tavistock	+44 20 7920 3150
Charmane Russell/Jane Kamau	Financial PR (South Africa)	Russell & Associates	+27 11 880 3924 or +27 82 372 5816
Robert Smith/ Tanya Cesare	Nominated JSE Sponsor	Investec Bank	+2711 286 7000

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 Greater Soutpansberg Project, including CoAL's Makhado Project (coking and thermal coal).

Competent Person's Statements

Makhado Project - Mineral Resources and Ore Reserves

Mr Philip Mostert and Mr André Johannes van der Merwe, confirm that they are the Competent Persons for the Makhado Project Mineral Resources and Ore Reserves summarised in this Report and have read and understood the requirements of the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code, 2012 Edition). Mr Philip Mostert and Mr André Johannes van der Merwe are both Competent Persons as defined by the JORC Code, 2012 Edition, having more than five years' experience that is relevant to the style of mineralisation and type of deposit described in the Report and to the activity for which he is accepting responsibility. Mr Philip Mostert is a Registered Professional Natural Scientist (Pr.Sci.Nat No. 400442/11) with The South African Council for Natural Scientific Professions and a Member of the Geological Society of South Africa (both being a Recognised Professional Organisation included in a list posted on the ASX website from time to time). Mr André Johannes van der Merwe is a Member of the Australasian Institute of Mining and Metallurgy, a Fellow of the Geological Society of South Africa and a Registered Professional Natural Scientist (Pr.Sci.Nat No. 400329/04) with The South African Council for Natural Scientific Professions (with the latter two organisations both being a Recognised Professional Organisation included in a list posted on the ASX website from time to time). Mr Philip Mostert and Mr André Johannes van der Merwe have reviewed the Report to which this Consent Statement applies. Mr Philip Mostert and Mr André Johannes van der Merwe are both full time employees of MSA Group (Pty) Ltd. Mr Philip Mostert and Mr André Johannes van der Merwe verify that the Makhado Project Mineral Resources and Ore Reserves section of this Report is based on and fairly and accurately reflects in the form and context in which it appears, the information in their supporting documentation relating to the Makhado Project Mineral Resources and Ore Reserves.

Vele Colliery - Mineral Resources and Ore Reserves

Mr Brendan Botha and Mr Ben Bruwer, confirm that they are the Competent Persons for the Vele Colliery Mineral Resources and Ore Reserves summarised in this Report and have read and understood the requirements of the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code, 2012 Edition). Mr Brendan Botha and Mr Ben Bruwer are both Competent Persons as defined by the JORC Code, 2012 Edition, having more than five years' experience that is relevant to the style of mineralisation and type of deposit described in the Report and to the activity for which he is accepting responsibility. Mr Botha is a registered Professional Natural Scientist with the South African Council for Natural Scientific Professions (being a Recognised Professional Organisation included in a list posted on the ASX website from time to time). Mr Ben Bruwer is a Member of the South African Institute of Mining and Metallurgy (being a Recognised Professional Organisation included in a list posted on the ASX website from time to time). Mr Brendan Botha and Mr Ben Bruwer have reviewed the Report to which this Consent Statement applies. Mr Brendan Botha and Mr Ben Bruwer are both full time employees of VBKom Consulting (Pty) Ltd. Mr Brendan Botha and Mr Ben Bruwer verify that the Vele Colliery Mineral Resources and Ore Reserves section of this Report is based on and fairly and accurately reflects in the form and context in which it appears, the information in their supporting documentation relating to the Vele Colliery Mineral Resources and Ore Reserves.

Greater Soutpansberg Project - Mineral Resources

Mrs Liz de Klerk and Ms Tarryn Claire Orford, confirm that they are the Venmyn Deloitte Competent Persons responsible for compilation of the 2015 Greater Soutpansberg Project independent Competent Persons Report and that they have read and understood the requirements of the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code, 2012 Edition). The 2015 GSP Coal Resources are summarised in this Report The 31 December 2015 Coal Resources have not changed since last reported on 29 February 2012 when Mrs Liz de Klerk was an independent contractor working under Glanvill GeoConsulting. Mrs Liz de Klerk and Ms Tarryn Claire Orford are both Competent Persons as defined by the JORC Code, 2012 Edition, having more than five years' experience that is relevant to the style of mineralisation and type of deposit described in the Report and to the activity for which they are accepting responsibility. Mrs Liz de Klerk is a Fellow of the Geological Society of South Africa, a member of the South African Institute for Mining and Metallurgy and is a Professional Natural Scientist of the South African Council for Natural Scientific Professions a (all being a Recognised Professional Organisation included in a list posted on the ASX website from time to time). Ms Tarryn Claire Orford is a Member of the Geological Society of South Africa, South African Institute for Mining and Metallurgy and is a Professional Natural Scientist of the South African Council for Natural Scientific Professions (all being a Recognised Professional Organisations included in a list posted on the ASX website from time to time). Mrs Liz de Klerk and Ms Tarryn Claire Orford have reviewed the Report to which this Consent Statement applies. Mrs Liz de Klerk and Ms Tarryn Claire Orford are both full time employees of Venmyn Deloitte (Pty) Ltd. Mr Brendan Botha and Mr Ben

Bruwer verify that the Greater Soutpansberg Project Mineral Resources section of this Report is based on and fairly and accurately reflects in the form and context in which it appears, the information in their supporting documentation relating to the Greater Soutpansberg Project Mineral Resources.

Forward-Looking Statements

This Announcement, including information included or incorporated by reference in this Announcement, may contain "forward-looking statements" concerning CoAL that are subject to risks and uncertainties. Generally, the words "will", "may", "should", "continue", "believes", "expects", "intends", "anticipates" or similar expressions identify forward-looking statements. These forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from those expressed in the forward-looking statements. Many of these risks and uncertainties relate to factors that are beyond CoAL's ability to control or estimate precisely, such as future market conditions, changes in regulatory environment and the behaviour of other market participants. CoAL cannot give any assurance that such forward-looking statements will prove to have been correct. The reader is cautioned not to place undue reliance on these forward looking statements. CoAL assumes no obligation and does not undertake any obligation to update or revise publicly any of the forward-looking statements set out herein, whether as a result of new information, future events or otherwise, except to the extent legally required.

APPENDIX 1

JORC 2012, Table 1 Report for the Makhado Project

1.1 SECTION 1 SAMPLING TECHNIQUES AND DATA

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	• A 3 m drill run was drilled and reduced if poor recoveries or difficult drilling conditions were experienced. • Core recovery within individual coal plies was measured with reference to the geophysical logs and, if found to be acceptable, logging commenced. Core was not split prior to logging in order to minimise the effects of oxidation. Lithological depths were finalised after reconciliation with the geophysical wireline logs. • Field logs were generated using printed logging forms and are archived at the CoAL offices in Johannesburg. The logging data was subsequently captured in a dedicated Sable™ database. • Borehole core photography using a hand-held digital camera was initiated in January 2009 and was sporadic until November 2009. Since that time, all cores have been photographed. • CoAL defined seams or selected mining cuts by firstly selecting intervals comprising predominantly coal and then by identifying the sample names associated with those intervals and automatically allocating them to the seam. • Whole core sampling was conducted and sample intervals were selected on the basis of the geophysical logs. Samples were numbered from the base upwards and correspond to the same stratigraphic interval in every borehole. Six potentially mineable seams was identified within the Coal Zone.
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• The first 25 boreholes drilled by CoAL were pre-collared to a depth of 10m with a tri-cone bit prior to diamond drill coring, in order to penetrate the bouldery regolith that characterises the area. From July 2009, this practice was abandoned in favour of coring from surface, with steel casing installed to the base of weathering, in order to investigate occurrences of surface regolith and calcrete. • All boreholes were drilled using triple tube techniques in order to minimise loss of core, particularly of fines.

		• The core size was changed from HQ3 to PQ3 after the initial 25 exploration boreholes in order to obtain more sample material and maximise core recovery. • The only percussion or open hole drilling conducted within the Makhado Project area is that by CoAL in 2010. This programme included 13 straight percussion holes within the area identified for the bulk sample (boxcut).
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• The core recovery was measured within each individual coal ply with reference to the geophysical logs, if found to be acceptable, logging commenced • A minimum recovery of 98% within coal horizons and 95% in non-coal sediments was enforced.
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• Core was not split prior to logging in order to minimise the effects of oxidation. Lithological depths were finalised after reconciliation with the geophysical wireline logs. Field logs were generated using printed logging forms and are archived at the CoAL offices in Johannesburg. The logging data was subsequently captured in a dedicated Sable™ database. • Borehole core photography using a hand-held digital camera was initiated in January 2009 and was sporadic until November 2009. Since that time, all cores have been photographed. • Geotechnical logging has only been incorporated in the last 15 boreholes on Lukin 643MS and Salaita188MT.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• Samples were double-bagged with each bag sealed with cable ties and labelled. Bagged samples were stored in a locked refrigerated container prior to transportation to the laboratory in a closed truck. • Samples are submitted to the laboratory where QAQC is checked at the laboratory by plotting ash versus CV and all samples with a correlation less than 0.90 are re-analysed.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory*	• Samples from the first 25 boreholes drilled by CoAL were sent to the SABS laboratory in Secunda. SABS is accredited (No T0230) through the South African National Accreditation System (SANAS) and SABS/ISO/IEC 17025:2005. However, due to delays in the reporting of analytical results, CoAL relocated all unprocessed samples from SABS to Inspectorate which is also a SANAS accredited laboratory (No T0313). • Since July 2009, two laboratories have been used

	checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.	by CoAL. Core exploration samples have been sent to the CAM Laboratory in Polokwane. CAM is accredited (No.T0476) through SANAS.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• Laboratories are required to calibrate their coal analytical equipment daily and are also required to partake in round robin proficiency tests to ensure a high standard of results. All result reports are verified by the laboratory manager and any inconsistencies or variations about the laboratory's specifications are reanalysed. • CoAL has specifically requested that the laboratories plot ash versus CV curves for all samples. Any samples with a correlation of less than 0.90 are reanalysed. • CoAL has validated all results in SableTM, by doing basic tests on cumulative results and checking of logs. • No adjustments have been made to the coal quality data, other than the correction of Relative Density to insitu moisture basis
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• For structural modelling purposes, the reported collar positions for the Rio Tinto boreholes were adjusted to the LIDAR survey. • The Rio Tinto boreholes were not used for resource estimation purposes. • Boreholes drilled by CoAL were generally initially sited in the field using a hand-held Garmin™ GPS device. • Following completion of the boreholes, the collar positions were accurately surveyed using Leica™ GPS equipment by P Matibe and Associates, which is registered (No PLS0915) with the South African Council for Professional and Technical Surveyors (PLATO).
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• The classification of the Resources into Inferred, Indicated and Measured was based on the recommended distances defined in the Australian Guideline for Estimating and Reporting of Inventory Coal, Coal Resources and Coal Reserves. The Guideline is referring to the technical parameters as set out in Section 4.3 • Data points are spaced between 150m and 1000m • In most instances the borehole spacing for the Measured Resources is less than what is recommended in the Guideline
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• The coal deposit is considered to dip at approximately 4 – 18 degrees to the north, with an average of 12 degrees • All drill holes are vertical to provide the best intercept angle to achieve an unbiased sample
Sample security	• *The measures taken to ensure sample security.*	• Samples were double-bagged with each bag sealed with cable ties and labelled. Bagged

		samples were stored in a locked refrigerated container prior to transportation to the laboratory in a closed truck. • Sample security was ensured under a chain of custody between CoAL personnel on site and various laboratories
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• The sample data has been extensively QA/QC reviewed internally.

1.2 SECTION 2 REPORTING OF EXPLORATION RESULTS

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• CoAL holds an New Order Prospecting Right (NOPR) (LP 30/5/1/1/2/38 PR) over all or sections of the farms Overwinning 713MS, Mutamba 668MS, Windhoek 649MS, Daru 848MS, Tanga 849MS, Fripp 645MS and Lukin 643MS • New Order Mining Right application by CoAL on the farms Mutamba 668MS, Windhoek 649MS, Daru 848MS, Tanga 849MS, Fripp 645MS, Lukin 643MS and Salaita 188MT on the 25th February 2011 and granted in 15 May 2015 • There are no known impediments • The tenure is good standing, all work and expenditure commitments are in compliance.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Previous exploration takes into account all exploration undertaken from 2006 to 2011. This exploration was conducted by both Rio Tinto South Africa (Rio Tinto) and CoAL. • The Rio Tinto boreholes were not used for resource estimation purposes, but for structural modelling purposes
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The Makhado Project area is located in the Tshipise South subdivision of the greater Soutpansberg Coalfield, South Africa. The Project is characterised by a number of seams which occur within a 30 to 40 metre thick carbonaceous zone of the Madzaringwe Formation • All seams comprise interbedded carbonaceous mudstones and coal. The coal component is usually bright and brittle and contains a high proportion of vitrinite. The seams dip northwards at approximately 12°. • Six potential mining horizons or seams which were identified by CoAL namely: Upper Seam, Middle Seam, Middle Lower Seam, Bottom Upper Seam, Bottom Middle Seam and Bottom Lower Seam.
Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* o *easting and northing of the drill hole collar* o *elevation or RL (Reduced Level – elevation above*	• All drill holes have been modelled from vertical and hole deviation (from vertical) has been recorded and used in the model. • Drill hole positions and spacing is graphically presented in the report and follow the requirements ad stipulated in the Guidelines

	sea level in metres) of the drill hole collar o *dip and azimuth of the hole* o *down hole length and interception depth* o *hole length.* • *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• Both the physical and quality parameters of the various seams were modelled by CoAL. Grids with a 20m mesh were estimated using the MinexTM general purpose gridding function using a 2.5km search radius • The MinexTM modelled (gridded) weighted average raw apparent density (on an air dried basis) was used to calculate the tonnage from the volume. • The model of the physical parameters of the seam was cut along any significant structures, whilst the quality parameters were modelled across it.
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	• All drilling is conducted in vertical holes, thus all coal intersections and down-hole geophysics are vertical thickness, as the seam dips are sub-10 degrees this thickness is considered true thickness.
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• Appropriate Maps and diagrams are included in the Resource Report and ASX announcement presented.
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• All available exploration data for the Makhado Project area has been collated and reported. All data from all holes has been reported.
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• Bulk sampling test pit was completed to test the following: • obtain a 10% ash product sample from the Makhado Coal Resource for coke testing at ArcelorMittal operations; • obtain a product sample from the Makhado Coal Resource for coking coal product characterisation; • obtain RoM, product and discard samples from the Makhado Coal Resource to test for mining and metallurgical process design, equipment selection and sizing; and • observe the Makhado coal in the various stages of extraction and processing: blasting, extraction, crushing, screening and

		beneficiation and materials handling.
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• Further exploration and Resource definition work will be conducted on the down dip extension for potential underground mining. • This work is not seen as material to the project at this stage and could be deferred to after to commencement of commercial operations.

1.3 SECTION 3 ESTIMATION AND REPORTING OF MINERAL RESOURCES

(Criteria listed in section 1, and where relevant in section 2, also apply to this section.)

Criteria	JORC Code explanation	Commentary
Database integrity	• *Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes.* • *Data validation procedures used.*	• The source data are stored in a Sable™ database which is managed and maintained by the CoAL CP. • Sable™ has been set up to run validations on the analytical data on import into the programme. • The integrity of the washability data is validated by visually ensuring that the ash content is increasing when compared to an increasing wash density, increasing CV and volatile matter. Further validation is completed by comparing ash content versus RD and ash versus CV through scatter plots.
Site visits	• *Comment on any site visits undertaken by the Competent Person and the outcome of those visits.* • *If no site visits have been undertaken indicate why this is the case.*	• A site visit was conducted by Mr Philip Mostert, on 19 August 2015 as part of the high-level due diligence review of the geology and Coal Resources
Geological interpretation	• *Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.* • *Nature of the data used and of any assumptions made.* • *The effect, if any, of alternative interpretations on Mineral Resource estimation.* • *The use of geology in guiding and controlling Mineral Resource estimation.* • *The factors affecting continuity both of grade and geology.*	• MSA has a high level of confidence with respect of the current model and associated resource estimates. A summary of the geological modelling methodology and results are described below: • The Upper, Middle, Middle Lower, Bottom Upper and Bottom Lower Seam floor elevations have been modelled in order to identify any abrupt elevation changes that would indicate the presence of faulting and also to identify the general dip across the project area. • The abrupt floor elevation differences clearly illustrate the positions of a number of faults within the project area, most notably over the farm Lukin 643 MS, where a large fault is present, resulting in the upthrow of the Eastern Block of coal, limiting its aerial extent relative to the coal in the Western Block. • Dolerite dykes, as well as fault planes, were incorporated into the 3D structural model. • Both the physical and quality parameters of the various seams were modelled. • The model of the physical parameters of the seam was cut along any significant structures, whilst the quality parameters were modelled across it. All physical and quality parameters were plotted and visually inspected to ensure

		they were acceptable for geological interpretation. • All boreholes with seam intersection data were used, to generate the physical seam models on which the estimates of seam volumes were based.
Dimensions	• *The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.*	• The seams dip northwards at approximately 12°. • a limit of oxidation of 30 m, based on the actual results from the bulk sampling pit indicate 18m; • The coal within opencastable areas generally occurs at depths to a maximum of approximately 200m from surface. • The Makhado Project stretches across a distance of approximately 17km along strike.
Estimation and modelling techniques	• *The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used.* • *The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.* • *The assumptions made regarding recovery of by-products.* • *Estimation of deleterious elements or other non-grade variables of economic significance (eg sulphur for acid mine drainage characterisation).* • *In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.* • *Any assumptions behind modelling of selective mining units.* • *Any assumptions about correlation between variables.* • *Description of how the geological interpretation was used to control the resource estimates.* • *Discussion of basis for using or not using grade cutting or capping.* • *The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.*	• All historical and previous exploration data has been collated, by CoAL, into a SableTM database. This database was used, by CoAL, in the estimation of the coal resources of the Makhado Project. • Both the physical and quality parameters of the various seams were modelled. • Grids with a 20m mesh were estimated using the MinexTM general purpose gridding function using a 2.5km search radius. • The model of the physical parameters of the seam was cut along any significant structures, whilst the quality parameters were modelled across it. • All physical and quality parameters were plotted and visually inspected to ensure they were acceptable for geological interpretation. • In addition, the caking property of coke, phosphorous content and total sulphur content have been assessed across the deposit using results obtained from approximately 60% of the CoAL boreholes. • The yields estimated from the boreholes may be different to what will occur during processing through the CHPP, but are considered as the best estimate using the currently available information.
Moisture	• *Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.*	• The air dried density used to calculate the tonnage may be different to the in situ moisture density which may have a resultant effect on the tonnage calculations. • The relationship between these two parameters was established for the Soutpansberg coalfield from four samples taken on a nearby project. The difference between the two parameters is negligible (1.5%) and therefore it is deemed acceptable to use the apparent or air dried density for tonnage

		calculations.
Cut-off parameters	• *The basis of the adopted cut-off grade(s) or quality parameters applied.*	• The following cut-offs or limits are applied, by CoAL, to the Resources: o the Resource blocks are limited according to the boundaries of the respective NOPRs; o the Resource blocks are limited to the seam sub-crop; o the Resource blocks are limited to the Resource extrapolation limits; o a minimum seam thickness limit of 0.5 m is applied prior to the reporting of GTIS; o a limit of oxidation of 30 m, based on the actual results from the bulk sampling pit indicate 18m; o limit of 20% volatile matter. All material less than 20% volatiles were excluded; o a limit of 50 m around all known geological structures and dykes; o maximum depth of 200 m for opencastable Resources in the calculation of MTIS; and o geological losses of 10%, 15% and 20% are applied to Measured, Indicated and Inferred Resources, respectively, prior to the reporting of TTIS. These losses take into account any unforeseen geological features, such as dykes and faults, which have not been identified in the drilling and which may have a negative impact on the Coal Resources. The percentages applied increase with decreasing borehole spacing.
Mining factors or assumptions	• *Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.*	• The coal within opencastable areas generally occurs at depths to a maximum of approximately 200m from surface.
Metallurgical factors or assumptions	• *The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous.*	• Various metallurgical testwork programmes, which include both washing and coking, have been conducted by CoAL with a view to establish the metallurgical parameters of the Makhado coal. • An average yield of 14.4% was used for the Primary Product (10% ash) and 19.9% of the Secondary Product (30% ash)

	Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.	
Environmental factors or assumptions	• *Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.*	• At this stage of the project there are not any limiting environmental factors. • The Integrated Water Use License has been granted by the Department of Water and Sanitation.
Bulk density	• *Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples.* • *The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc), moisture and differences between rock and alteration zones within the deposit.* • *Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.*	• Dry bulk density determination of the -50 mm fraction, from a 60tonne bulk sample in 2011 by the Research and Development Division of Exxaro Resources Limited (Exxaro) in South Africa
Classification	• *The basis for the classification of the Mineral Resources into varying confidence categories.* • *Whether appropriate account has been taken of all relevant factors (ie relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data).* • *Whether the result appropriately reflects the Competent Person's view of the deposit.*	• The Resources were presented in the following standard manner for the Makhado project: o Gross Tonnes In Situ (GTIS), application of mineral tenure boundaries and a 0.5 m seam thickness cut-off. This is the simplest form of Resource declaration; o Total Tonnes In Situ (TTIS), application of geological losses to GTIS; and o Mineable Tonnes In Situ (MTIS), application of basic mining parameters to TTIS. An example of this would be the application of a minimum seam cut-off for underground mining or the block layout losses for an opencast operation. The MTIS Resources have only considered potential opencastable coal to a maximum depth of 200 m. • Additional interpretive data, supporting the structural (but not quality) continuity of seams includes, open holes with geophysics. • A maximum spacing of 500m between points of observation has been used to determine an measured resource Category A maximum

		spacing of 1,000m between points of observation has been used to determine an indicated resource Category. A maximum spacing of 4,000m between points of observation has been used to determine an inferred resource category for this estimation. • A measured, indicated and inferred resource has been identified in the Makhado Project area reflecting the competent person's level of confidence in the seam structure and quality continuity, based on the data currently available.
Audits or reviews	• *The results of any audits or reviews of Mineral Resource estimates.*	• The Makhado Project Coal Resource was previously reviewed by Venmyn Deloitte (Pty) Ltd in 2013 and the MSA Group in 2015. • No adverse finding were recorded.
Discussion of relative accuracy/ confidence	• *Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate.* • *The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.* • *These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.*	• The MSA Group Pty Ltd have assigned a measured, indicated and inferred resource category to the Coal Resource Estimate, reflecting the level of confidence in the seam structure and quality continuity. This category is considered to be appropriate, given the current amount of data available.

1.4 SECTION 4 ESTIMATION AND REPORTING OF ORE RESERVES

(Criteria listed in section 1, and where relevant in sections 2 and 3, also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral Resource estimate for conversion to Ore Reserves	• *Description of the Mineral Resource estimate used as a basis for the conversion to an Ore Reserve.* • *Clear statement as to whether the Mineral Resources are reported additional to, or inclusive of, the Ore Reserves.*	• The 31st August 2011 Makhado Coal Resource estimate is the basis for the Ore Reserve estimate. • The Coal Resource estimate reported is inclusive of the Ore Reserve estimate
Site visits	• *Comment on any site visits undertaken by the Competent Person and the outcome of those visits.* • *If no site visits have been undertaken indicate why this is the case.*	• CoAL's Competent Person, Mr C Bronn, CoAL's Mining Engineer and Optimisation Manager, has visited the site numerous times as part of his normal duties. • In addition, a site visit was conducted by Mr Philip Mostert, on 19 August 2015 as part of the high-level due diligence review of the geology and Coal Resources
Study status	• *The type and level of study undertaken to enable Mineral Resources to be converted to Ore Reserves.* • *The Code requires that a study to at least Pre-Feasibility Study level has been undertaken to convert*	• A Definitive Feasibility Study (DFS) was completed on the project by CoAL and its external consultants in May 2013.

	Mineral Resources to Ore Reserves. Such studies will have been carried out and will have determined a mine plan that is technically achievable and economically viable, and that material Modifying Factors have been considered.	
Cut-off parameters	• *The basis of the cut-off grade(s) or quality parameters applied.*	• A 30 m depth cut-off was applied to remove any oxidised material. Only the ore within the pit shells was considered • All coal with Volatile content <20% (air dried) excluded
Mining factors or assumptions	• *The method and assumptions used as reported in the Pre-Feasibility or Feasibility Study to convert the Mineral Resource to an Ore Reserve (i.e. either by application of appropriate factors by optimisation or by preliminary or detailed design).* • *The choice, nature and appropriateness of the selected mining method(s) and other mining parameters including associated design issues such as pre-strip, access, etc.* • *The assumptions made regarding geotechnical parameters (eg pit slopes, stope sizes, etc), grade control and pre-production drilling.* • *The major assumptions made and Mineral Resource model used for pit and stope optimisation (if appropriate).* • *The mining dilution factors used.* • *The mining recovery factors used.* • *Any minimum mining widths used.* • *The manner in which Inferred Mineral Resources are utilised in mining studies and the sensitivity of the outcome to their inclusion.* • *The infrastructure requirements of the selected mining methods.*	• The modifying factors applied to derive the Makhado Ore Reserves are as follows:- • an export/ domestic hard coking coal price of USD225 per tonne for the primary product, at an exchange rate of ZAR7 to the USD. A domestic thermal coal price of ZAR250 per tonne for the middlings product was not considered in the evaluation during the Whittle Pit Optimisation to define the pit size as this exercise was carried out prior to the decision to produce the middlings fraction. The inclusion of the middlings fraction would result in upside potential to the project. Commodity prices and exchange rates used to estimate the economic viability of Coal Reserves are based on long term forecasts applied at the time the estimate was completed. Even though the forecast coal prices have retreated in the short term, the significant depreciation of the South African Rand to ~ZAR14.1 to the USD results in no material changes ; • an average total cash operating cost of ZAR244 per RoM tonne was utilised; • processing plant efficiency of 90%; • an average primary product practical yield of 15% and an average middlings product practical yields of 26% was estimated based on the results from the slim line borehole results. It should be noted that these yields exclude the recoveries for the coal fines and the result of the recent large diameter boreholes results and therefore yields may be higher; • mining recovery efficiency factor of 92% and geological losses of 5% on the opencast Coal Reserves; • surface/residual moisture of ~3.0% and inherent moisture of 1.6%; • assumed contamination of 5% for the opencast Coal Reserves. This figures was based upon industry averages; • in the estimation of Coal Reserves, MSA assumed that all regulatory applications will be approved and the current approvals will continue to be valid; and • primary product yield percentages excludes

		fines recovery.

Metallurgical factors or assumptions	• *The metallurgical process proposed and the appropriateness of that process to the style of mineralisation.*
	• *Whether the metallurgical process is well-tested technology or novel in nature.*
	• *The nature, amount and representativeness of metallurgical test work undertaken, the nature of the metallurgical domaining applied and the corresponding metallurgical recovery factors applied.*
	• *Any assumptions or allowances made for deleterious elements.*
	• *The existence of any bulk sample or pilot scale test work and the degree to which such samples are considered representative of the orebody as a whole.*
	• *For minerals that are defined by a specification, has the ore reserve estimation been based on the appropriate mineralogy to meet the specifications?*
		• DRA Mineral Projects (Pty) Ltd (DRA) was contracted by CoAL to carry out the portion of the feasibility study covering the coal handling and processing plant (CHPP) for the Makhado Coal Project.
		• The plant needs to be efficient in terms of energy and water usage and should apply technology that is proven in the coal processing industry.
		• A bulk sample was mined and sent to Exxaro's Tshikondeni site for processing.
		• A 60 t sample was split from the bulk sample and sent to the Exxaro Pilot Plant for further test work.
		• The bulk sample fractional yield indicates a similar trend from low to high yield for the coal from coarser to the finer fractions respectively. The bulk sample theoretical yield is however significantly lower than the yield from the large core borehole sample.
		• Some of the reasons for the lower yield, but not limited to, are:
		  ○ Over blasting of the coal seams resulting in high level of contamination;
		  ○ Further contamination due to large equipment loading of roof and floor material in a small box cut area.
		• Pilot plant DMS test work on the bulk sample resulted in an 11.4% ash product at a yield around 10%. The test work was based on a single stage wash at a medium RD of 1.34, it is expected that a product with ash content closer to 10% ash can be achieved with a two stage DMS circuit comprising of high gravity (HG) wash followed by a low gravity (LG) wash. The HG wash in this configuration plays a destoning role prior to final separation in the LG washing stage.

Environmen-tal	• *The status of studies of potential environmental impacts of the mining and processing operation. Details of waste rock characterisation and the consideration of potential sites, status of design options considered and, where applicable, the status of approvals for process residue storage and waste dumps should be reported.*	• The Makhado Project footprint is in an environmentally and ecologically sensitive area. Thus the necessary diligence was exercised when consideration was given to the location, placement and orientation of the mine infrastructure area facilities. • Energy efficiency is considered when orientating and designing buildings. Office buildings are where possible, north-facing. • The Integrated Water Use License has been granted by the Department of Water and Sanitation.
Infrastructure	• *The existence of appropriate infrastructure: availability of land for plant development, power, water, transportation (particularly for bulk*	• CoAL will obtain road access to site using the existing gravel Nzhelele Road off the N1. • Road access to the mine will be directly from

	commodities), labour, accommodation; or the ease with which the infrastructure can be provided, or accessed.	the Nzhelele Road at an "at grade" intersection, which will provide access to both the mining area as well as to the proposed rail loadout station.
Costs	• *The derivation of, or assumptions made, regarding projected capital costs in the study.* • *The methodology used to estimate operating costs.* • *Allowances made for the content of deleterious elements.* • *The derivation of assumptions made of metal or commodity price(s), for the principal minerals and co-products.* • *The source of exchange rates used in the study.* • *Derivation of transportation charges.* • *The basis for forecasting or source of treatment and refining charges, penalties for failure to meet specification, etc.* • *The allowances made for royalties payable, both Government and private.*	• The capital cost estimate was compiled by an independent quantity surveying company (Venn & Milford Inc.) and to present them in accordance with the developed Work Breakdown Structure (WBS). The costs were estimated from Bills of Quantities (BoQ) derived from specialist consultants' drawings, quotations received for equipment, and extracts from estimates of recently completed projects. • The on-mine operating-cost estimates for the Makhado Project are defined as costs including mining, processing, maintenance, logistics, overheads and indirect costs. The operating cost is based on the Feasibility Study recommendation that mining will be "contractor operated" and the plant will be "owner operated".
Revenue factors	• *The derivation of, or assumptions made regarding revenue factors including head grade, metal or commodity price(s) exchange rates, transportation and treatment charges, penalties, net smelter returns, etc.* • *the derivation of assumptions made of metal or commodity price(s), for the principal metals, minerals and co-products.*	• Forecast sales prices and exchange rates are based on the average of consensus market forecasts. • Over the last 6 months, the rand has averaged R13:00 to the USD but the general consensus of investment analysts is that the Rand will continue its downward trend and Rand Merchant Bank is forecasting ZAR15.42 to the USD in 12 months' time. Another commentator has forecast a rate of R15.90 to the USD in the next 12 months.
Market assessment	• *The demand, supply and stock situation for the particular commodity, consumption trends and factors likely to affect supply and demand into the future.* • *A customer and competitor analysis along with the identification of likely market windows for the product.* • *Price and volume forecasts and the basis for these forecasts.* • *For industrial minerals the customer specification, testing and acceptance requirements prior to a supply contract.*	• Established external forecast analysts have provided guidance to assess the long term market and sale of coking and thermal coal. • No sales or off-take agreement are currently in place.
Economic	• *The inputs to the economic analysis to produce the net present value (NPV) in the study, the source and confidence of these economic inputs including estimated inflation, discount rate, etc.* • *NPV ranges and sensitivity to variations in the significant assumptions and inputs.*	• The valuation must comply with the AIM rules of using a real discount rate of 10%. The NPVs will be in real terms determined after the inflate/deflate methodology has been implemented. With a South African inflation rate estimated at 6% per annum, a 10% discount rate equates to a 16.71% nominal discount rate.
Social	• *The status of agreements with key stakeholders and matters leading to social license to operate.*	• CoAL has informed MSA of land claims on the farms Fripp 645 MS, Tanga 648 MS, Lukin 643 MS and Salaita 188 MS. The land claims on the

		various properties have been gazetted by the Department of Rural Development and Land Reform (DRDLR). CoAL recognises land claimants as key stakeholders, and the company's engagement is governed by the company's stakeholder engagement strategy that ensures regular, meaningful and transparent engagement. CoAL recognises the legislative framework of the land claims process and will work within that framework.
Other	• *To the extent relevant, the impact of the following on the project and/or on the estimation and classification of the Ore Reserves:* • *Any identified material naturally occurring risks.* • *The status of material legal agreements and marketing arrangements.* • *The status of governmental agreements and approvals critical to the viability of the project, such as mineral tenement status, and government and statutory approvals. There must be reasonable grounds to expect that all necessary Government approvals will be received within the timeframes anticipated in the Pre-Feasibility or Feasibility study. Highlight and discuss the materiality of any unresolved matter that is dependent on a third party on which extraction of the reserve is contingent.*	• The DMR accepted an NOMR application by CoAL on the farms Mutamba 668MS, Windhoek 649MS, Daru 848MS, Tanga 849MS, Fripp 645MS, Lukin 643MS and Salaita 188MT on the 25th February 2011, and granted in 15 May 2015. The application covers a Mining Right Area of 7,634 ha. This right will supersede the current NOPRs and the required renewals thereof. • The Integrated Water Use License has been granted by the Department of Water and Sanitation.
Classification	• *The basis for the classification of the Ore Reserves into varying confidence categories.* • *Whether the result appropriately reflects the Competent Person's view of the deposit.* • *The proportion of Probable Ore Reserves that have been derived from Measured Mineral Resources (if any).*	• In the case of Makhado, the Competent Person has classified all the Makhado Reserves into the Probable category, although 85% of the Resources from which they are derived, are classified as Measured Resources. The reason for this classification relates to the uncertainty around the yields. The yields estimated across the orebody model have been estimated based on slim-line drilling only and using crushing. Recent bulk sampling results at isolated locations across the deposit have suggested that higher yields may be obtained using this different drilling methods and crushing methods, and indeed when the deposit is mined and processed. There is currently insufficient data currently available to accurately prove statistically or geostatistically that the yield across the deposit would be higher than currently estimated and therefore the classification of Probable Reserves have been decided.
Audits or reviews	• *The results of any audits or reviews of Ore Reserve estimates.*	• The Makhado Project Coal Resource was previously reviewed by Venmyn Deloitte (Pty) Ltd in 2013 and the MSA Group in 2015. • No adverse finding were recorded.
Discussion of relative accuracy/ confidence	• *Where appropriate a statement of the relative accuracy and confidence level in the Ore Reserve estimate using an approach or procedure deemed appropriate by the Competent Person. For example,*	• The Ore Reserves estimates have been completed to a minimum of feasibility level of confidence. • The results were benchmarked against other local operators and independently verified by Venmyn-

	the application of statistical or geostatistical procedures to quantify the relative accuracy of the reserve within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors which could affect the relative accuracy and confidence of the estimate. • *The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.* • *Accuracy and confidence discussions should extend to specific discussions of any applied Modifying Factors that may have a material impact on Ore Reserve viability, or for which there are remaining areas of uncertainty at the current study stage.* • *It is recognised that this may not be possible or appropriate in all circumstances. These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.*	Deloitte • The accuracy of the estimates will be subject to regular reconciliation and ongoing monitoring.

APPENDIX 2

JORC 2012, Table 1 Report for Vele Colliery

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling. • Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. • Aspects of the determination of mineralisation that are Material to the Public Report. • In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.	• All samples from the deposit was taken through diamond core drilling. • All cored boreholes and open holes were has downhole geophysical data. All sondes and equipment used for downhole geophysics was calibrated at regular intervals. • All samples were taken across the coal seam and the sample sizes depended on the ply thickness • To ensure that sampling bias was minimised the whole core was sampled as per SANS 10320:2004
Drilling techniques	• Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).	• The project was evaluated through diamond core drill holes (slim and large diameter) as well as percussion drill holes. Details of the drilling is presented in the report
Drill sample recovery	• Method of recording and assessing core and chip sample recoveries and results assessed. • Measures taken to maximise sample recovery and ensure representative nature of the samples.	• Sample recovery through diamond drilling has to be more than 95% for coal intersections. This is closely monitored by field geologists. If the recovery is not obtained then a re-drill of the drill hole is required. • As the whole core is sampled the bias associated with sampling is minimised

	• Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	
Logging	• Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. • Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. • The total length and percentage of the relevant intersections logged.	• The core is logged in detail according to specified procedures drafted by MSA and adopted by CoAl. The logging is of sufficient detail to support Coal Resource Estimation, mining studies and processing studies. • The logging is quantitative and qualitative and the core has been photographed since CoAl has been involved in the project
Sub-sampling techniques and sample preparation	• If core, whether cut or sawn and whether quarter, half or all core taken. • If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry. • For all sample types, the nature, quality and appropriateness of the sample preparation technique. • Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. • Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling. • Whether sample sizes are appropriate to the grain size of the material being sampled.	• All the core that intersected coal seams were sampled • All sample preparation techniques are done in accordance to internationally accepted standards • Whole core is sampled and samplers have to ensure that all material, especially fines, are collected with the core sample • The sample sizes are adequate for the grain sizes of the material being sampled
Quality of assay data and laboratory tests	• The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. • For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. • Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.	• All laboratories used are accredited with SANAS and all assay techniques are done in accordance to internationally accepted standards • Internal laboratory control measures are in place. Duplicate samples are analysed and if the difference between two duplicates are outside of acceptable ranges. Analyses will be redone and instruments calibrated. • A reference sample is entered with each bath on each shift to verify analyses
Verification of sampling and assaying	• The verification of significant intersections by either independent or alternative company personnel. • The use of twinned holes. • Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. • Discuss any adjustment to assay data.	• Result can be verified against wire-line logs. The dataset has been audited on two occasions by independent third parties • No twin drill holes have been used because with seam correlation typical analysis for each seam intersection can be assessed • All data is stored on a Sable™ database with a back-up stored at Coal head offices • No adjustments to assay values have been made

Location of data points	• Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. • Specification of the grid system used. • Quality and adequacy of topographic control.	• All drill holes have been surveyed after they were completed from a fixed point base station by registered surveyors. The method employed is adequate for Coal Resource Estimations • The survey system is WGS Hartebeeshoek 84 LO29 • The topography has been created through a LIDAR survey with a high spatial accuracy
Data spacing and distribution	• Data spacing for reporting of Exploration Results. • Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. • Whether sample compositing has been applied.	• Data points are spaced between 200m and 500m • Correlation cross drilling indicates that the spacing between data points are sufficient knowledge regarding structural and quality continuity to be used in Coal Resource and Coal Reserve estimations with a low level of risk • If more than one sample was taken across a composite coal seam the samples were composited in to one sample representing the coal seam thickness
Orientation of data in relation to geological structure	• Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. • If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	• The coal seams have a very low dip angle of 2 degrees. Therefore horizontal drilling achieves a unbiased sample intersection • The drilling orientation is parallel to faults and dolerite dykes. These structures are normally identified through geophysical surveys and not exploration and resource drilling
Sample security	• The measures taken to ensure sample security.	• Samples were locked up on site and transported by CoAL personnel to assaying laboratories
Audits or reviews	• The results of any audits or reviews of sampling techniques and data.	• Previous reviews by the Mineral Corporation and Venmyn Rand did not uncover any issues with the methodologies applied.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. • The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.	• Refer to section for Details on Tenure • Currently there is no impediments of which VBKom is aware that is a risk to the security of tenure for the Vele Colliery
Exploration done by other parties	• Acknowledgment and appraisal of exploration by other parties.	• Previous exploration activities completed by Southern Sphere is adjudicated as of sufficient quality to include in to the Coal Resource estimation
Geology	• Deposit type, geological setting and style of mineralisation.	• The deposit type and the controls on the deposit is very well understood
Drill hole Information	• A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: • easting and northing of the drill hole collar • elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar • dip and azimuth of the hole • down hole length and interception depth • hole length. • If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.	• Refer to appendix 3 for the full CPR made available on the CoAL of Africa website for details regarding the drill holes included in the geological modelling and Coal Resource estimation. • The drill holes excluded from the model and estimation will not have a material effect on the model and estimation
Data aggregation methods	• In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated. • Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. • The assumptions used for any reporting of metal equivalent values should be clearly stated.	• Data is aggregated on tonnes • No other data manipulation is conducted • All sample lengths were controlled by seam thickness and aggregation occurred based on length and mass • No other economic mineral occurs with the coal deposit so no equivalent grades were reported
Relationship between mineralisation	• These relationships are particularly important in the reporting of Exploration Results. • If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.	• The relationship with the seam geometry is well understood. The seams dips at 2 degrees and it can be accepted for the purpose of modelling that the drill hole intercept the seams at 90 degrees.

widths and intercept lengths	• If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').	
Diagrams	• Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.	• Appropriate maps and diagrams are presented that included drill hole collar positions
Balanced reporting	• Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.	• The full CPR report is comprehensive with regards to reporting seam thicknesses and qualities. All material and meaning full data is reported on in the report. The full CPR is available on the CoAL website.
Other substantive exploration data	• Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.	
Further work	• The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling). • Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	• The area is constrained to the north by and international border between South Africa and Zimbabwe. The deposit out crops to the south and east. A national park border to the west.

Section 3 Estimation and Reporting of Mineral Resources

(Criteria listed in section 1, and where relevant in section 2, also apply to this section.)

Criteria	JORC Code explanation	Commentary
Database integrity	• Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes. • Data validation procedures used.	• Hand written data was captured into electronic format by CoAL personnel. Random checks were done to ensure data was correctly captured. The process has also been submitted for auditing by independent third parties • Data was validated by CoAL's Chief geologist.
Site visits	• Comment on any site visits undertaken by the Competent Person and the outcome of those visits. • If no site visits have been undertaken indicate why this is the case.	• The site was visited by Mr B.W. Botha on 26 November 2015 to validate the asset mentioned in the report
Geological interpretation	• Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit. • Nature of the data used and of any assumptions made. • The effect, if any, of alternative interpretations on Mineral Resource estimation. • The use of geology in guiding and controlling Mineral Resource estimation. • The factors affecting continuity both of grade and geology.	• There is a high confidence in the geological model as stratified coal deposits are very well understood deposits. • Only data gathered from drill holes (diamond and percussion) was used to construct the geological model • No other geological interpretation is feasible for the deposit type and there will have no bearing on the Mineral Resource Estimation. • The Coal Resource estimation is controlled by the geology i.e. constrained within
Dimensions	• The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.	• The dimensions of the deposit is documented and illustrated with the aid of diagrams in the text
Estimation and modelling techniques	• The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used. • The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data. • The assumptions made regarding recovery of by-products. • Estimation of deleterious elements or other non-grade variables of economic significance (eg sulphur for acid mine drainage characterisation). • In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed. • Any assumptions behind modelling of selective mining units. • Any assumptions about correlation between variables.	• The Coal Resource estimation is done by the gridding algorithm that is part of the MINEX^{tm}, which is a well-established method for estimation in the coal industry. No domaining was done for the quality estimate, but was applied with the seam thickness estimation based on faults and dykes • The Mineral Resource estimate was previously done by the Mineral Corporation and Venmyn Rand and was reviewed by VBKom. The mine extracted 144kt of coal and this was considered in the estimation of the Coal Resources. • There is no by-products present in the coal deposit • Sulphur and phosphorous was analysed for and is estimated within the geological model. Sulphur is reported in the Coal Resource Statement, but phosphorous is excluded due to the low concentrations present. • The model is based on a grid and not blocks • All units i.e. seams are modelled based on drill hole seam intersections and down-hole geophysical survey • There is a correlation between ash and CV in the deposit and is used as verification of estimated results

	• Description of how the geological interpretation was used to control the resource estimates. • Discussion of basis for using or not using grade cutting or capping. • The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.	• All estimations were constrained within the defined coal seams • Coal is defined as material below 60% ash content. This is the only form of capping applied • The data is validated through cross sections and various coal quality plots
Moisture	• Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.	• Tonnages are reported as air dried inclusive of the inherent moisture
Cut-off parameters	• The basis of the adopted cut-off grade(s) or quality parameters applied.	• Volatile less than 18 (dried ash free) was excluded to ensure no devolatilised coal was included in the geological model
Mining factors or assumptions	• Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.	• The project has been commissioned, but is now under care and maintenance. Studies have been done to convert the Coal Resources to Coal Reserves and the conclusion was that most of the resource is economically extractable
Metallurgical factors or assumptions	• The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.	• The project has been commissioned, but is now under care and maintenance. Studies have been done to convert the Coal Resources to Coal Reserves and the conclusion was that most of the resource is beneficiatable to a saleable product either in the domestic market or international market
Environmental factors or assumptions	• Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.	• The area under the current mining Right has an approved Environmental Management Programme based on an Environmental Impact Assessment
Bulk density	• Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples.	• The bulk density was calculated on every sample submitted to the laboratory. There is an internationally accepted standard to determine the bulk density of coal • The Bulk density method is based on the Archimedes process that accounts for voids

	• The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc), moisture and differences between rock and alteration zones within the deposit. • Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.	• The density is estimated in the geological model with the same parameters as for the qualities and structural information
Classification	• The basis for the classification of the Mineral Resources into varying confidence categories. • Whether appropriate account has been taken of all relevant factors (ie relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data). • Whether the result appropriately reflects the Competent Person's view of the deposit.	• The classification is based on the distance between data point as determined by the correlation cross that was drilled. Additional information considered was confidence in collar position, topographic surface, quality of assays • The result of the classification appropriately reflects the Competent Person's view of the deposit
Audits or reviews	• The results of any audits or reviews of Mineral Resource estimates.	• The process of Coal Resource Estimation has been audited by Mineral Corporation (completed 2010) and Venmyn Rand (completed in 2012). Both these audits did not found any material issues with the estimations, estimation methodology and classification of the Coal Resources
Discussion of relative accuracy/ confidence	• Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate. • The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used. • These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.	• The is a high confidence in the Coal Resource estimate as the appropriate methods were applied to define and determine the Coal Resources, The criteria used to classify the Coal Resources into different confidence categories is also deemed appropriate by the Competent Person • The estimate refers to global estimates • The current production data is insufficient to comment on the accuracy of the quality model, but indicates there is a high confidence in the structural interpretation • There is currently not sufficient production data to compare with estimated values.

Section 4 Estimation and Reporting of Ore Reserves

(Criteria listed in section 1, and where relevant in sections 2 and 3, also apply to this section.)

Criteria	JORC Code explanation	Commentary
Coal Resource estimate for conversion to Ore Reserves	• Description of the Coal Resource estimate used as a basis for the conversion to an Ore Reserve. • Clear statement as to whether the Coal Resources are reported additional to, or inclusive of, the Ore Reserves.	• Coal Resource Statement are MTIS resource. • Coal Resources are reported inclusive of Coal Reserves
Site visits	• Comment on any site visits undertaken by the Competent Person and the outcome of those visits. • If no site visits have been undertaken indicate why this is the case.	• Mr's BW Botha and B Steyn undertook a site visit on 26 November 2015. • Assets of the Vele Colliery were verified
Study status	• The type and level of study undertaken to enable Coal Resources to be converted to Ore Reserves. • The Code requires that a study to at least Pre-Feasibility Study level has been undertaken to convert Coal Resources to Ore Reserves. Such studies will have been carried out and will have determined a mine plan that is technically achievable and economically viable, and that material Modifying Factors have been considered.	• Vele Colliery has completed various studies on the mining and processing plant of sufficient levels (comparable with pre-feasibility studies) to justify the conversion from Coal Resources to Coal Reserves.
Cut-off parameters	• The basis of the cut-off grade(s) or quality parameters applied.	• Most of the cut-off grades were applied to the Coal Resource in the calculation MTIS resources. The only other mining cut-off applied is that the Bottom Lower Seam has to be more than 60m underground to be extracted. This is required to extract the Coal Reserves safely.
Mining factors or assumptions	• The method and assumptions used as reported in the Pre-Feasibility or Feasibility Study to convert the Coal Resource to an Ore Reserve (i.e. either by application of appropriate factors by optimisation or by preliminary or detailed design). • The choice, nature and appropriateness of the selected mining method(s) and other mining parameters including associated design issues such as pre-strip, access, etc. • The assumptions made regarding geotechnical parameters (eg pit slopes, stope sizes, etc), grade control and pre-production drilling. • The major assumptions made and Coal Resource model used for pit and stope optimisation (if appropriate). • The mining dilution factors used. • The mining recovery factors used. • Any minimum mining widths used. • The manner in which Inferred Coal Resources are utilised in mining studies and the sensitivity of the outcome to their inclusion.	• For the PMP design localised optimisation was achieved through mine lay-out and scheduling of the col to the plant. • The additional RoM was based on opencastable reserves and underground designs based on the Salamon formula. • The mining methods chosen is well known and applicable to this type of deposit • Geotechnical studies was used to define the opencast pit geometry. The open pit is also regularly inspected to ensure compliance to the design criteria • The Salamon formula was used for the underground design • An additional 5% geological loss was applied • Mining recovery of 92% applied • Minimum seam thickness for the opencast is 0.5m and 1.4m for the underground sections • Inferred Resource are not present in the PMP on which the business case is build. Inferred Resources occur only much later in the LoM, and can be addressed with infill drilling

	• The infrastructure requirements of the selected mining methods.	• All infrastructure for the PMP is already been built when the mine was in operation • Grade control drilling will 50m x 100m and has been planned for in the mining schedule
Metallurgical factors or assumptions	• The metallurgical process proposed and the appropriateness of that process to the style of mineralisation. • Whether the metallurgical process is well-tested technology or novel in nature. • The nature, amount and representativeness of metallurgical test work undertaken, the nature of the metallurgical domaining applied and the corresponding metallurgical recovery factors applied. • Any assumptions or allowances made for deleterious elements. • The existence of any bulk sample or pilot scale test work and the degree to which such samples are considered representative of the orebody as a whole. • For minerals that are defined by a specification, has the ore reserve estimation been based on the appropriate mineralogy to meet the specifications?	• The current process plant and the proposed modification to the plant is well known technology in the coal mining industry • A total of 39 LDD holes have been drilled over the Central – and Northern Pit to provide a high confidence in the yield for the PMP mining operation • There are no deleterious elements occurring within the coal deposit with significant amount to warrant allowances for such elements • The metallurgical test work is based on drop shatter and wet tumble test. The yield distribution per sixe fraction was used to optimise the product mix and the coal preparation plant. The samples tested is representative for the PMP project. • The Coal Reserves are based saleable product
Environmental	• The status of studies of potential environmental impacts of the mining and processing operation. Details of waste rock characterisation and the consideration of potential sites, status of design options considered and, where applicable, the status of approvals for process residue storage and waste dumps should be reported.	• Huge amount of environmental studies have been undertaken on the Vele Colliery. • All requirement of the Department of Environmental Affairs have been met and the mine has an approved EMP as well as an IWUL.
Infrastructure	• The existence of appropriate infrastructure: availability of land for plant development, power, water, transportation (particularly for bulk commodities), labour, accommodation; or the ease with which the infrastructure can be provided, or accessed.	• Most of the required infrastructure has already been constructed on site. The power lines from Pontdrift is 78% completed with some servitudes still pending. • All labour will be sourced from local communities and towns and no accommodation will be provided • Infrastructure for the underground sections will only be constructed when the mine moves into these areas
Costs	• The derivation of, or assumptions made, regarding projected capital costs in the study. • The methodology used to estimate operating costs. • Allowances made for the content of deleterious elements. • The source of exchange rates used in the study. • Derivation of transportation charges. • The basis for forecasting or source of treatment and refining charges, penalties for failure to meet specification, etc. • The allowances made for royalties payable, both Government and private.	• Capital cost are based on tendered quotations • The mine and process plant will be operated by contractors who provided tendered quotations • There is no deleterious elements present in significant concentrations to be considered • Exchange rates is based on the financial forecast of varies financial institutions. • The South African government requires the payment of a royalty in accordance to the Mineral Resource and Petroleum Development Royalty Act. Provisions for the royalties have been made based on estimated profit per year

Revenue factors	• The derivation of, or assumptions made regarding revenue factors including head grade, metal or commodity price(s) exchange rates, transportation and treatment charges, penalties, net smelter returns, etc. • The derivation of assumptions made of metal or commodity price(s), for the principal metals, minerals and co-products.	• Product prices is based on the long term estimations of various financial institutions • All revenue factors were considered and forms part of the Monte Carlo simulation and the financial model
Market assessment	• The demand, supply and stock situation for the particular commodity, consumption trends and factors likely to affect supply and demand into the future. • A customer and competitor analysis along with the identification of likely market windows for the product. • Price and volume forecasts and the basis for these forecasts. • For industrial minerals the customer specification, testing and acceptance requirements prior to a supply contract.	• Market assessment shows thermal coal requirements will increase in India and South Africa. India will show the most growth in the international thermal coal market. Eskom, the sole electricity provider in South Africa, will also require more coal reserves as the reserves in the Mpumalanga Province is almost depleted. • For coking coal there is a demand locally with Accertol Mital has tested the SSCC with positive results
Economic	• The inputs to the economic analysis to produce the net present value (NPV) in the study, the source and confidence of these economic inputs including estimated inflation, discount rate, etc. • NPV ranges and sensitivity to variations in the significant assumptions and inputs.	• Monte Carlo analyses has been done with 10 000 integrations. The results of the Monte Carlo simulation proves the project robust. • All major drivers were identified and used for the simulation
Social	• The status of agreements with key stakeholders and matters leading to social licence to operate.	• CoAL has endeavoured to include the local communities in the Vele project. Vele has an approved Social and Labour Plan under the MRPDA, which is geared to assist the local communities around the mine.
Other	• To the extent relevant, the impact of the following on the project and/or on the estimation and classification of the Ore Reserves: • Any identified material naturally occurring risks. • The status of material legal agreements and marketing arrangements. • The status of governmental agreements and approvals critical to the viability of the project, such as mineral tenement status, and government and statutory approvals. There must be reasonable grounds to expect that all necessary Government approvals will be received within the timeframes anticipated in the Pre-Feasibility or Feasibility study. Highlight and discuss the materiality of any unresolved matter that is dependent on a third party on which extraction of the reserve is contingent.	• Vele Colliery was an operating mine and most of the risk to the operation has been addressed • Significant risk that still remain is the renewal of the Prospecting Right, the PMP project implementation timeline, and the application for the relocation of a water coarse
Classification	• The basis for the classification of the Ore Reserves into varying confidence categories. • Whether the result appropriately reflects the Competent Person's view of the deposit.	• The Coal Reserve are classified in to different classes based on the level of confidence in the studies done. For the PMP, which has a detailed mine design and mine schedule, the Coal Reserves are classified as Proven. For the rest of the reserves the confidence in the studies are less and these reserves are classified as Probable Reserves

	• The proportion of Probable Ore Reserves that have been derived from Measured Coal Resources (if any).	
Audits or reviews	• The results of any audits or reviews of Ore Reserve estimates.	• The Coal Reserves were audited by Venmyn Rand in 2012. They found no major issues in the Coal Reserve Statement
Discussion of relative accuracy/ confidence	• Where appropriate a statement of the relative accuracy and confidence level in the Ore Reserve estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the reserve within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors which could affect the relative accuracy and confidence of the estimate. • The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used. • Accuracy and confidence discussions should extend to specific discussions of any applied Modifying Factors that may have a material impact on Ore Reserve viability, or for which there are remaining areas of uncertainty at the current study stage. • It is recognised that this may not be possible or appropriate in all circumstances. These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.	• Based on the information presented and the results of previous audits a high level of confidence can be placed on the Coal Reserve estimation • The reserves are based on global estimates • There is not sufficient production data available to verify the Coal Reserve estimation with actual production data

APPENDIX 3

JORC 2012, Table 1 Report for the Greater Soutpansberg Project

JORC (TABLE 1)	DESCRIPTION	VOORBURG SECTION
	SECTION 1: SAMPLING TECHNIQUE AND DATA	
1.1	**SAMPLING TECHNIQUES**	
i	Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the mineral under investigation, such as downhole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.	A combination of RC and Diamond drilling have been used to obtain samples. All CoAL boreholes were drilled vertically. No down-hole directional surveys were undertaken. Given the relatively shallow depths involved, this is not considered a deficiency.
ii	Include reference to meaures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.	
iii	Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1m samples from which 3kg was pulverised to produce a 30g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.	
1.2	**DRILLING TECHNIQUES**	
i	Drill type and details.	Diamond and reverse circulation drilling are the primary drilling methods. The majority of the core was drilled at PQ3 size and undertaken using triple tube techniques to prevent core loss. A number of holes drilled at size T6 for bulk sampling purposes.
1.3	**DRILL SAMPLE RECOVERY**	
i	Methods of recording and assessing core and chip sample recoveries and results assessed.	The minimum acceptable core recovery is 98% in coal horizons and 95% in non-coal sediments. Core recovery within individual coal plies was measured with reference to the geophysical logs and, if found to be acceptable, logging commenced, however, core recovery is not documented. Due to the good to excellent core recovery, there is no reason to believe that there is bias due to either sample recovery or loss/gain of fines.
ii	Measures taken to maximise sample recovery and ensure representative nature of the samples.	
iii	Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	
1.4	**LOGGING**	
i	Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.	Core was not split prior to logging in order to minimise the effects of oxidation. Lithological depths were finalised only after reconciliation with the geophysical wireline logs. Field logs were generated using printed logging forms and are

ii	Whether logging is qualitative or quantitative in nature. Core photography.	archived at the CoAL offices in Johannesburg. Data from handwritten logs was transferred into MS Excel™ format and subsequently captured into a Sable™ database. Borehole core photography using a hand-held digital camera was initiated in January 2009 and was sporadic until November 2009. Since that time all core has been photographed. Geotechnical logging has not been undertaken.
iii	The total length and percentage of the relevant intersections logged.	
1.5	**SUB-SAMPLING TECHNIQUES AND SAMPLE PREPARATION**	
i	If core: whether cut or sawn and whether quarter, half or all cores taken.	CoAL conducted whole core sampling and sample intervals were selected on the basis of the geophysical logs. Samples were numbered from the base upwards and correspond to the same stratigraphic interval in every borehole. The laboratory performed proximate and CV analyses on the raw samples. Full washability testwork was also conducted from an RD = 1.35 to 1.70 in 0.05 intervals and from 1.70 to 2.00 in 0.10 intervals. The closely spaced intervals were utilised to obtain maximum information on the yields (and associated qualities) within the expected RD range for future processing. In addition to the testwork described above, specific coking coal potential tests were undertaken including the measurement of the FSI. Sample chips were analysed for proximate, CV, total sulphur and vitrinite reflectance result on the RD=1.40 fraction from each subsection but RC drilling has the potential to lose coal in the fine fractions and this is taken into account when utilising the results.
ii	If non-core, whether riffled, tube sampled, rotary split etc and whether sampled wet or dry.	
iii	For all sample types, the nature, quality and appropriateness of the sample preparation technique.	
iv	Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.	
v	Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.	
vi	Whether sample sizes are appropriate to the grain size of the material being sampled.	
1.6	**QUALITY OF ASSAY DATA AND LABORATORY TESTS**	
i	The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total	The laboratories followed the ISO and SANAS standard set of tests and methods that are used for coal analyses by South African laboratories. The ISO and South African National Standard (SANS) has a standard set of tests and methods that are used for coal analyses by South African laboratories. No standard or duplicate samples were submitted by CoAL for analysis and no repeat or laboratory cross checks were requested. This is not an uncommon practice in the South African coal industry in which reliance is often placed on the internal quality controls of the laboratories. Downhole geophysical surveys were conducted on all the boreholes by a dedicated Weatherford geophysical logging unit.
ii	For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation	
iii	Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.	
1.7	**VERIFICATION OF SAMPLING AND ASSAYING**	
i	The verification of significant intersections by either independent or alternative company personnel.	For the CoAL boreholes, the field geologists were responsible for the selection of seam intervals under the supervision of the responsible geologist, Mr. C. Mafiri (Pr.Sci.Nat.). CoAL purchased both hard and electronic data copies of the original Iscor database from Exxaro in 2007. The borehole elevation coordinates were verified with the LIDAR results and found to be consistent. The complete set of CoAL borehole results, i.e. lithology, collar and raw and washed laboratory results, is currently stored in an Access database along with the Iscor data and identified
ii	The use of twinned holes	
iii	Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.	

iv	Discuss any adjustments to assay data.	separately based upon borehole nomenclature. The original borehole paper logs were captured into Sable and verified by the responsible geologist. All boreholes are presented graphically as well as plotted on plans for verification by the responsible geologist. Cross sections are plotted to confirm correlations. These are then imported directly into the Access database. All laboratory results were received in MS ExcelTM format and included into the SableTM plots for each borehole. The laboratory results were also imported directly into the Access database to eliminate the possibility of typing errors.
1.8	**LOCATION OF DATA POINTS**	
i	Accuracy and quality of surveys used to locate drill holes (collar and down-hole survey), trenches, mine workings and other locations used in Mineral Resource estimation.	The CoAL boreholes were sited in the field using a hand-held Garmin™ GPS device. Following completion of the boreholes, the collar positions were accurately surveyed using Leica™ GPS equipment by P Matibe and Associates, which is registered (No. PLS0915) with PLATO.
ii	Specification of the grid system used.	WGS84 datum and Lo29E projection
iii	Quality and adequacy of topographic control.	The borehole elevation coordinates were verified with the LIDAR results and found to be consistent.
1.9	**DATA SPACING AND DISTRIBUTION**	
i	Data spacing for reporting of Exploration Results.	No specific drilling grid has been followed at Voorburg. The distribution of the boreholes is sufficient for declaration of Exploration results.
ii	Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.	The borehole density is sufficient to classify Inferred, Indicated and Measured resources
iii	Whether sample compositing has been applied.	No sample compositing has been applied.
1.10	**ORIENTATION OF DATA IN RELATION TO GEOLOGICAL STRUCTURE**	
i	Whether the orientation of the sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.	Drill hole orientation was dominantly perpendicular to geological continuity and befits the requirements of resource estimation.
ii	If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	
1.11	**SAMPLE SECURITY**	
iii	Measures taken to ensure sample security.	All samples were stored within a locked refrigerated container before despatch to the laboratories. Once at the laboratories, the samples were subject to the standard security measures of the respective laboratories.
1.12	**AUDITS OR REVIEWS**	
i	The results of any audits or reviews of sampling techniques and data.	Venmyn Deloitte has randomly selected eight boreholes (four Iscor holes and four CoAL boreholes) from the database and independently cross checked the data with the original paper logs. No errors were identified.
	SECTION 2: REPORTING OF EXPLORATION RESULTS	
2.1	**MINERAL TENEMENT AND LAND TENURE STATUS**	
i	Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties,	All of the five NOPRs held by CoAL for the farms that make up the Voorburg Section expired in June 2013. In May 2013, prior to expiry, CoAL applied for a NOMR under its wholly owned

	native title interests, historical sites, wilderness or national park and environmental settings.	subsidiary Regulus Investment Holdings (Pty) Ltd for all of the Voorburg Section. The DMR issued an acceptance letter for the NOMR application in May 2013. Venmyn Deloitte has viewed the acceptance letters and confirms the security of the mineral tenure.
ii	The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.	
2.2	**EXPLORATION DONE BY OTHER PARTIES**	
i	Acknowledgments and appraisal of exploration by other parties.	The earliest known exploration was undertaken on Cavan 508MS by Rapbern in the early 1970s. No information is available on the drilling, logging, sampling and surveying methods and standards used, except that the exploration was carried out for reconnaissance purposes. These boreholes are not used in the current resource model. During 1976, Iscor (now Exxaro) drilled 43 diamond boreholes on the farms Banff 502MS and Voorburg 503MS. The drilling was widely spaced and carried out for reconnaissance purposes. The Iscor boreholes are believed to have been drilled vertically. Rio Tinto drilled four diamond boreholes into the properties associated with their NOPRs in 2008. Although the results of these boreholes have been provided to CoAL by Rio Tinto, these have not yet been included in the modelling and resource estimation as CoAL have their own boreholes adjacent to the Rio Tinto boreholes. CoAL drilled twelve diamond boreholes between 2009 and 2010 on the farm Voorburg 503MS. In 2012, CoAL identified three sites for LDD drilling, and drilled five LDD boreholes at each of these three sites. These boreholes have been logged and sampled but the information has not been used to update the Coal resource estimation.
2.3	**GEOLOGY**	
	Deposit type, geological setting and style of mineralisation.	The Voorburg Section represents an isolated and upfaulted block of Karoo age sediments, which lies approximately 10km to the north of the remainder of the Coalfield. The basin represents a half graben with an unconformable southern contact and a fault bounded northern contact. The Karoo age sediments were deposited onto basement granite gneisses. The lowermost sediments include Dwyka tillites, which were followed by the deposition of the coal bearing strata of the Ecca Group. The Ecca Group sediments comprise sandstones and shales. The Lower Ecca Group appears absent in the area. The coal bearing sediments occur as alternating mudstone laminae and coal bands within the Upper Ecca or Mikabeni Formation. According to CoAL, the coal horizons are divided into six potentially-economic seams, namely the Upper, Middle Upper, Middle Lower, Bottom Upper, Bottom Middle and Bottom Lower seams. The coal bearing strata are overlain by red shales and mudstones belonging to the Beaufort Group. The coarse sandstone and conglomerate marker bed of the Fripp Formation is present within the Section area and forms the small flat topped hill into which the Lilliput Shaft was excavated. These sediments are limited in the north by a 25km long west southwesterly / east northeasterly trending fault. This is a

		normal fault with an upthrow of approximately 1,000m to the south. The Sand River roughly follows this fault plane in an easterly direction by exploiting this zone of weakness. A semi parallel fault occurs as an offshoot to the main fault. This fault has a throw of between 5m and 10m.
2.4	**DRILL HOLE INFORMATION**	
i	A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:	The Access database for the Voorburg Section area currently contains data from Iscor and CoAL boreholes. There are 43 Iscor diamond drillholes that were analysed at an RD of 1.4. There are 12 diamond drillholes comepleted by CoAL that have been used in geological modelling and a further 15 diamond drillholes that have been completed but no logging or sampling has been completed. The Access database is managed and maintained by CoAL's Competent Person, Mr. J. Sparrow (Pr.Sci.Nat.). Backups are stored at CoAL's head office in Johannesburg.
	Easting and northing of the drill hole collar	
	Elevation or RL (Reduced Level - elevation above sea level in metres) of the drill hole collar	
	Dip and azimuth of the hole	
	Down hole length and interception depth	
	Hole length	
ii	If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does no detract from the understanding of the report, the Competent Person should clearly explain why this is the case.	N/A
2.5	**DATA AGGREGATION METHODS**	
i	In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.	As no Exploration Results have been reported for the Voorburg Project. No metal equivalents are applicable.
ii	Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of lower grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.	
iii	The assumptions used for any reporting of metal equivalent values should be clearly stated.	
2.6	**RELATIONSHIP BETWEEN MINERALISATION WIDTHS AND INTERCEPT LENGTHS**	
i	These relationships are particularly important in the reporting of Exploration Results.	Drilling is generally perpendicular to mineralisation and sampling intercepts are taken to coincide with mineralisation widths.
ii	If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.	
iii	If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').	
2.7	**DIAGRAMS**	
i	Appropriate maps and sections (with scales) and tabulations of intercepts which should be included for any significant discovery being reported. These should include, but not limited to a plan view of drill hole collar locations and appropriate sectional views.	The reader is referred to the full 2015 CPR located on the CoAL website for maps and sections.
2.8	**BALANCED REPORTING**	
i	Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and /or widths should be practiced to avoid misleading reporting of Exploration Results.	N/A
2.9	**OTHER SUBSTANTIVE EXPLORATION DATA**	

i	Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples - sizes and method of treatment; metallurgical test results; bulk density; groundwater; geotechnical and rock characteristics; potential deleterious or contaminating substances.	CoAL commissioned Eugene Pretorius and Associates (Pty) Ltd (EPA) to conduct a photographic/LIDAR survey in 2008 over the properties it held at that time. This survey was flown in a fixed wing aircraft at a height of approximately 1,100m above ground surface. A 70kHz laser provided ground elevation data to a 15cm vertical and 30cm horizontal accuracy. Digital colour images were obtained with a pixel size of 15cm and transformed to orthophotos. The survey was based on WGS84 datum and Lo29E projection. Ellipsoidal heights were transformed to orthometric heights in Xform 4.3 using the Southern Africa Quazi geoidal model. No horizontal transformation was carried out because the final survey was required on the WGS84 datum.
2.10	**FURTHER WORK**	
i	The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).	CoAL intends to continue drilling to increase confidence, upgrade resource classification and potentially declare Reserves.
ii	Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	
	SECTION 3: ESTIMATION AND REPORTING OF MINERAL RESOURCES	
3.1	**MINERAL TENEMENT AND LAND TENURE STATUS**	
i	Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes.	The complete set of CoAL borehole results, i.e. lithology, collar and raw and washed laboratory results, is currently stored in an Access database along with the Iscor data and identified separately based upon borehole nomenclature. The original borehole paper logs were captured into Sable and verified by the responsible geologist. All boreholes are presented graphically as well as plotted on plans for verification by the responsible geologist. Cross sections are plotted to confirm correlations. These are then imported directly into the Access database. All laboratory results were received in MS ExcelTM format and included into the SableTM plots for each borehole. The laboratory results were also imported directly into the Access database to eliminate the possibility of typing errors.
ii	Data validation procedures used.	
3.2	**SITE VISITS**	
i	Comment on any site visits undertaken by the Competent Person and the outcome of those visits.	The authors of this report have carried out numerous site visits to CoAL's mineral asset between March 2010 and May 2012 as part of previous work assignments for the company. During these site visits, the authors have inspected the operations including exploration sites, drilling procedures, core logging and data capture and all available infrastructure in the general area and within the properties themselves.
ii	If no site visits have been undertaken, indicate why this is the case.	N/A
3.3	**GEOLOGICAL INTERPRETATION**	
i	Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.	The orebody model on the Voorburg Section has been prepared by Mr. J. Sparrow (Pr.Sci.Nat.), CoAL's Competent Person. The model was prepared in MinexTM Software. The model takes into account all available historical and recent drilling and other geological information as of the 29th
ii	Nature of the data used and any assumptions made.	
iii	The effect, if any, of alternative interpretations on Mineral Resource estimation.	

iv	The use of geology in guiding and controlling Mineral Resource estimation.	February 2012. It does not include the four Rio Tinto boreholes and therefore has not been extended across all the farms. The model also does not include the 2012 LDD boreholes, as the logging and sampling was not yet complete. The model of the coal is limited in the north by the fault and in the south by the suboutcrop of the coal seams. Venmyn Deloitte has reviewed the model and interviewed Mr. J. Sparrow (Pr.Sci.Nat.) concerning his methods of modelling. Venmyn Deloitte has also independently plotted the graphical distribution of the boreholes and morphology of the seams in Geosoft Target and Micromine and found the results to be satisfactory. Venmyn Deloitte is satisfied with the integrity and results of the model.
v	The factors affecting continuity both of grade and geology.	
3.4	**DIMENSIONS**	
i	The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.	The upper surface of the model was sourced from the DTM . The extent of the available DTM does not extend across all the farms. The low elevation associated with the Sand River is clearly evident in the centre of the modelled area. The model of the coal is limited in the north by the fault and in the south by the suboutcrop of the coal seams. It must be noted that the model was limited in the east, along the farm boundary of Cavan 508MS, due to the lack of drilling on this farm. Similarly, the model was limited by the extent of the drilling towards the west, along the eastern boundary of the farm Ancaster 501MS. It is expected that additional drilling along strike will identify further coal in both a westerly and easterly direction.
3.5	**ESTIMATION AND MODELLING TECHNIQUES**	
i	The nature and appropriateness of the estimation technique(s) and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used. of extrapolation from data points.	Both the physical and quality parameters of the various seams were modelled. Grids with a 25m mesh were estimated using Minex'sTM general purpose gridding function, using a 3km search radius. The model of the physical parameters of the seam was cut along any significant structures, whilst the quality parameters were modelled across it. All physical and quality parameters were plotted and visually inspected to ensure they were acceptable for geological interpretation.
ii	The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.	Due to the stage of development of the Voorburg Section, no investigations have been carried out, by CoAL, on the mining of the deposit. However, upon considering the depth from surface of the coal zones, any future mining is expected to initially be opencast, possibly followed later by underground methods on selected seam horizons only. Opencast mining to a maximum depth of 200m has been utilised for the purposes of the declaration of MTIS resources. A Coal Resource was declared as at 29 February 2012. No additional changes have been made by CoAL to the geological model or resource estimation for the Voorburg Section since the 2012 CPR.
iii	The assumptions made regarding recovery of by-products.	No by-products.
iv	Estimation of deleterious elements or other non-grade variables of economic significance.	Both raw and washed quality results were available for the CoAL boreholes and included the raw proximate (ash, volatile, fixed carbon, moisture and sulphur) and the raw CV. The historical boreholes, however, were not analysed raw, but were washed and analysed at a density of 1.40 only. Therefore, the most appropriate and common parameter

		available for both sets of data are the analyses of a washed product at this relative density. This approximately equates to a 12% ash product. Due to this, only the washed proximate and CV product results were modelled for resource purposes
v	In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.	Grids with a 25m mesh were estimated using Minex'sTM general purpose gridding function, using a 3km search radius. The model of the physical parameters of the seam was cut along any significant structures, whilst the quality parameters were modelled across it.
vi	Any assumption behind modelling of selective mining units.	
vii	Any assumption about the correlation between variables.	
viii	Description of how the geological interpretation was used to control the resource estimates.	The model of the coal is limited in the north by the fault and in the south by the suboutcrop of the coal seams.
ix	Discuss the basis for using or not using grade cutting or capping.	No grade cutting or capping has taken place.
x	The process validation, the checking process used, the comparison of model data to drill hole data and use of reconciliation data if available.	Venmyn Deloitte has performed independent validations on the input parameters of the modelling database using Geosoft Target. These included checking the "from" and "to" and collar information files.
3.6	**MOISTURE**	
i	Whether the tonnages are estimated on a dry basis or with natural moisture and the method of determination of the moisture content.	Tonnages are reported on an air dried basis.
3.7	**CUT-OFF PARAMETERS**	
i	The basis of the adopted cut-off grade(s) or quality parameters applied.	The raw density of every sample was either measured in the laboratory or back calculated from the shale density and the percentage of coal in the sample. Resources are reported at a raw density of 1.4.
3.8	**MINING FACTORS OR ASSUMPTIONS**	
i	Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.	Upon considering the depth from surface of the coal zones, any future mining is expected to initially be opencast, possibly followed later by underground methods on selected seam horizons only. Opencast mining to a maximum depth of 200m has been utilised for the purposes of the declaration of MTIS resources. A mining block loss of 2% was assumed in the Coal Resource estimates.
3.9	**METALLURGICAL FACTORS OR ASSUMPTIONS**	
i	The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.	In order to identify the coking potential of a coal, a specific suite of tests can be carried out in addition to the regular laboratory tests. The coking potential of the Voorburg Section is good and the project has the potential to produce a semi-hard coking coal.
3.10	**ENVIRONMENTAL FACTORS OR ASSUMPTIONS**	

i	Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.	CoAL is currently undertaking the necessary steps in order to finalise the environmental authorisations and integrated water use licences required as part of their application for a NOMR.
3.11	**BULK DENSITY**	
i	Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples.	The relative density of the samples is determined by the laboratory during the sampling procedure on an air dried basis. Sample results were washed and analysed at a relative density of 1.4
ii	The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs,porosity, etc.), moisture and differences between rock and alteration zones within the deposit.	
iii	Discuss assumptions for bulk density estimates used in the evaluation process for different materials.	
3.12	**CLASSIFICATION**	
i	The basis for the classification of the Mineral Resources into varying confidence categories.	The classification, by CoAL, into the various resource categories is primarily based upon the relative spacing of points of observation with both quantitative and qualitative results. Venmyn Deloitte is confident, having reviewed the data, that the logging, sampling, data density and distribution are suitable for the Coal Resource estimation. The estimation of each of the parameters required for the reporting of coal resources is presented in the section to follow. Resources have been categorised, by CoAL, as Measured, Indicated or Inferred according to observation point halos in accordance with JORC reporting standards. The resources have not been sub-divided into the proposed underground and opencast sectors. In order to classify the coal resources, a halo diagram is prepared using only the boreholes with quality and quantity results.
ii	Whether appropriate account has been taken of all relevant factors (i.e. relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data).	
iii	Whether the result appropriately reflects the Competent Person's view of the deposit.	
3.13	**AUDITS OR REVIEWS**	
i	The results of any audits or reviews of Mineral Resource estimates.	Venmyn Deloitte had reviewed and independently verified the GSP assets and have found no material deviations.
3.14	**DISCUSSION OF RELATIVE ACCURACY/CONFIDENCE**	
i	Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate , a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate.	The resources are classified according to the distances between points of information as defined in the latter. According to section 4.3 of this guideline, "...Coal Resources should be estimated and reported for individual seams or seam groupings within a deposit. They should also be subdivided and reported on the basis of key variables, such as thickness, depth range, strip ratio, coal quality parameters, geographic constraints and geological or technical considerations. The key variables and assumptions for each deposit should be clearly stated in order to ensure clarity and

ii	The statement should specify whether it relates to global or local estimates, and if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.	transparency of the report." The resources are presented in the following standard manner for all projects:- · Gross Tonnes In Situ (GTIS), application of mineral tenure boundaries and a 0.5m seam thickness cutoff. This is the simplest form of resource declaration; · Total Tonnes In Situ (TTIS), application of geological losses to GTIS; and · Mineable Tonnes In Situ (MTIS), application of basic mining parameters to TTIS. An example of this would be the application of a minimum seam thickness cutoff for underground mining.
iii	These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.	

JORC (TABLE 1)	**DESCRIPTION**	**JUTLAND**
	SECTION 1: SAMPLING TECHNIQUE AND DATA	
1.1	**SAMPLING TECHNIQUES**	
i	Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the mineral under investigation, such as downhole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.	A combination of RC and Diamond drilling have been used to obtain samples. All CoAL boreholes were drilled vertically. No down-hole directional surveys were undertaken. Given the relatively shallow depths involved, this is not considered a deficiency.
ii	Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.	
iii	Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1m samples from which 3kg was pulverised to produce a 30g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.	
1.2	**DRILLING TECHNIQUES**	
i	Drill type and details.	Diamond and reverse circulation drilling are the primary drilling methods. The majority of the core was drilled at NQ size and undertaken using triple tube techniques to prevent core loss. A number of holes drilled at size PQ3.
1.3	**DRILL SAMPLE RECOVERY**	
i	Methods of recording and assessing core and chip sample recoveries and results assessed.	The minimum acceptable core recovery is 98% in coal horizons and 95% in non-coal sediments, however, core recovery is not documented. It is not known if any historical samples were submitted for analysis as no analytical results from this drilling have been made available to CoAL. No coordinates are available for the historical boreholes completed.
ii	Measures taken to maximise sample recovery and ensure representative nature of the samples.	
iii	Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	
1.4	**LOGGING**	
i	Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support	CoAL purchased both hard and electronic data copies of the original Iscor database from Exxaro in 2007. The original borehole paper logs were captured into Sable and verified by

	appropriate Mineral Resource estimation, mining studies and metallurgical studies.	the responsible geologist. All boreholes are presented graphically as well as plotted on plans for verification by the responsible geologist. Cross section are plotted to confirm correlations. These were then imported directly into the Access database. All laboratory results were received in Excel format and included into the Sable plots for each borehole. The laboratory results were also imported directly into the Access database to eliminate the possibility typing errors. The Access database was imported into Minex software for orebody modelling purposes. This software package has a series of automatic verification procedures including checking for physical data including overlapping intervals, missing intervals, etc. It also undertakes automatic quality verifications including increasing cumulative ash values, decreasing cumulative volatile values, totalling proximate analyses to 100%, etc. Any errors identified in Minex are investigated by the responsible geologist. No core photography is available. No geotechnical logging was undertaken.
ii	Whether logging is qualitative or quantitative in nature. Core photography.	
iii	The total length and percentage of the relevant intersections logged.	
1.5	**SUB-SAMPLING TECHNIQUES AND SAMPLE PREPARATION**	
i	If core: whether cut or sawn and whether quarter, half or all cores taken.	It is not known if any samples were submitted for analysis as no analytical results from this drilling have been made available to CoAL.
ii	If non-core, whether riffled, tube sampled, rotary split etc and whether sampled wet or dry.	
iii	For all sample types, the nature, quality and appropriateness of the sample preparation technique.	
iv	Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.	
v	Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.	
vi	Whether sample sizes are appropriate to the grain size of the material being sampled.	
1.6	**QUALITY OF ASSAY DATA AND LABORATORY TESTS**	
i	The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total	It is not known if any samples were submitted for analysis as no analytical results from this drilling have been made available to CoAL.
ii	For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation	
iii	Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.	
1.7	**VERIFICATION OF SAMPLING AND ASSAYING**	
i	The verification of significant intersections by either independent or alternative company personnel.	As no sampling or assaying data is available.
ii	The use of twinned holes	

iii	Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.	
iv	Discuss any adjustments to assay data.	
1.8	**LOCATION OF DATA POINTS**	
i	Accuracy and quality of surveys used to locate drill holes (collar and down-hole survey), trenches, mine workings and other locations used in Mineral Resource estimation.	No specific information concerning the surveying methods of Rio Tinto, at the Jutland Section are available.
ii	Specification of the grid system used.	No specific information concerning the surveying methods of Rio Tinto, at the Jutland Section are available.
iii	Quality and adequacy of topographic control.	As no modelling has been completed
1.9	**DATA SPACING AND DISTRIBUTION**	
i	Data spacing for reporting of Exploration Results.	As no Exploration results have been estimated.
ii	Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.	
iii	Whether sample compositing has been applied.	
1.10	**ORIENTATION OF DATA IN RELATION TO GEOLOGICAL STRUCTURE**	
i	Whether the orientation of the sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.	Drill hole orientation information is not available.
ii	If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	
1.11	**SAMPLE SECURITY**	
iii	Measures taken to ensure sample security.	No specific information concerning the surveying methods of Rio Tinto, at the Jutland Section are available.
1.12	**AUDITS OR REVIEWS**	
i	The results of any audits or reviews of sampling techniques and data.	Venmyn Deloitte had reviewed and independently verified the GSP assets and have found no material deviations.
	SECTION 2: REPORTING OF EXPLORATION RESULTS	
2.1	**MINERAL TENEMENT AND LAND TENURE STATUS**	
i	Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.	All of the five NOPRs held by CoAL for the farms that make up the Jutland Section expired by June 2013. In April 2013, prior to expiry, CoAL applied for a NOMR under its wholly owned subsidiary Regulus Investment Holdings (Pty) Ltd for all of the Jutland Section. The DMR issued an acceptance letter for the NOMR application in May 2013. Venmyn Deloitte has viewed the acceptance letters and confirms the security of the mineral tenure.
ii	The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.	
2.2	**EXPLORATION DONE BY OTHER PARTIES**	
i	Acknowledgments and appraisal of exploration by other parties.	The earliest known exploration on the Jutland Section was undertaken by Trans Natal Coal Mining Corporation (Trans Natal), between 1968 and 1975. During this time 53 boreholes were drilled within the Jutland Section area. No information is available on the drilling, logging, sampling and surveying methods and standards used, except that the exploration was carried out for reconnaissance purposes. Iscor carried out extensive exploration work within the Jutland

		Section area between 1975 and 1982, including 106 boreholes and bulk sampling on the farms Jutland 536MS, Stubbs 558MS, Mons 557MS and Cohen 591MS. The target is believed to have been coking coal. The location of the bulk samples is unknown. It is not possible to indicate the location of the historical boreholes, as there are no co-ordinates provided among the data currently in CoAL's possession. Attempts, by CoAL, to source the borehole collar information in order to conduct Coal Resource estimation have been unsuccessful, and CoAL consequently plan to re-drill these properties.
2.3	**GEOLOGY**	
	Deposit type, geological setting and style of mineralisation.	The Karoo sediments of the Jutland Section are preserved as a half graben with an unconformable southern contact. While the lower Karoo sediments are not developed, the coal bearing Mikabeni Formation is present throughout. The Jutland Section area contains sub-cropping coal seams that dip towards the north at between approximately 10º - 12º. The Karoo age sediments were deposited onto basement granite gneisses. The lowermost sediments include Dykwa tillites, which was followed by the deposition of the coal bearing strata of the Ecca Group. The Ecca Group sediments comprised sandstones and shales. The Lower Ecca Group appears absent in the area. The coal bearing sediments occur as alternating mudstone laminae and coal bands within the Upper Ecca or Mikabeni Formation. According to CoAL, the coal horizons are divided into five potentially economic seams, namely the Upper, Middle Upper, Middle Lower and Bottom Upper and Bottom Lower seams. The coal bearing strata are overlain by red shales and mudstones belonging to the Beaufort Group. The coarse sandstone and conglomerate marker bed of the Fripp Formation is present within the project area.
2.4	**DRILL HOLE INFORMATION**	
i	A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:	The Access database for the Jutland Section area currently contains limited data from Iscor and borehole logs for the Rio Tinto boreholes. The Access database is managed and maintained by CoAL's Competent Person, Mr. J. Sparrow (Pr.Sci.Nat). Backups are stored at CoAL's head office in Johannesburg. None of the holes have been used for geological modelling.
	Easting and northing of the drill hole collar	
	Elevation or RL (Reduced Level - elevation above sea level in metres) of the drill hole collar	
	Dip and azimuth of the hole	
	Down hole length and interception depth	
	Hole length	
ii	If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does no detract from the understanding of the report, the Competent Person should clearly explain why this is the case.	N/A
2.5	**DATA AGGREGATION METHODS**	
i	In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.	N/A as no Exploration Results have been reported for the Jutland Project. No metal equivalents are applicable
ii	Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of lower grade results,	

	the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.	
iii	The assumptions used for any reporting of metal equivalent values should be clearly stated.	
2.6	**RELATIONSHIP BETWEEN MINERALISATION WIDTHS AND INTERCEPT LENGTHS**	
i	These relationships are particularly important in the reporting of Exploration Results.	Drilling is generally perpendicular to mineralisation and sampling intercepts are taken to coincide with mineralisation widths.
ii	If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.	
iii	If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').	
2.7	**DIAGRAMS**	
I	Appropriate maps and sections (with scales) and tabulations of intercepts which should be included for any significant discovery being reported. These should include, but not limited to a plan view of drill hole collar locations and appropriate sectional views.	The reader is referred to the full 2015 CPR located on the CoAL website for maps and sections.
2.8	**BALANCED REPORTING**	
I	Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and /or widths should be practiced to avoid misleading reporting of Exploration Results.	N/A
2.9	**OTHER SUBSTANTIVE EXPLORATION DATA**	
i	Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples - sizes and method of treatment; metallurgical test results; bulk density; groundwater; geotechnical and rock characteristics; potential deleterious or contaminating substances.	No other exploration data is available.
2.10	**FURTHER WORK**	
i	The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).	CoAL intends to continue drilling to increase confidence and potentially declare resources.
ii	Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	

JORC (TABLE 1)	DESCRIPTION	TELEMA & GRAY
	SECTION 1: SAMPLING TECHNIQUE AND DATA	
1.1	**SAMPLING TECHNIQUES**	
i	Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the mineral under investigation, such as downhole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.	Diamond drilling is the only method used to obtain samples. Details of the diamond drilling methods used byIscor and Rio Tinto are not available. Samples collected by Rio Tinto were allocated numbers corresponding to one of 55 recognised sub-seams or sections. Not all seams were sampled. The sampling protocol is unknown.
ii	Include reference to meaures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.	
iii	Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1m samples from which 3kg was pulverised to produce a 30g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.	
1.2	**DRILLING TECHNIQUES**	
i	Drill type and details.	Diamond drilling was conducted using NQ size. 2 holes were completed by Rio Tinto using PQ3 size.
1.3	**DRILL SAMPLE RECOVERY**	
i	Methods of recording and assessing core and chip sample recoveries and results assessed.	No information regarding drill sample recovery is available for the historic holes.
ii	Measures taken to maximise sample recovery and ensure representative nature of the samples.	
iii	Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	
1.4	**LOGGING**	
i	Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.	CoAL purchased both hard and electronic data copies of the original Iscor database from Exxaro in 2007. This data was characterised by incomplete electronic capture of lithological and sampling data from the Iscor hard copy logs, which is currently being corrected by CoAL. Borehole and analytical data provided by Rio Tinto were in the form of a series of MS Excel® spreadsheets. It is not possible to comment on the Rio Tinto data further as
ii	Whether logging is qualitative or quantitative in nature. Core photography.	
iii	The total length and percentage of the relevant intersections logged.	

		the original borehole logs and laboratory certificates were not provided.
1.5	**SUB-SAMPLING TECHNIQUES AND SAMPLE PREPARATION**	
i	If core: whether cut or sawn and whether quarter, half or all cores taken.	Borehole and analytical data provided by Rio Tinto were in the form of a series of MS Excel® spreadsheets. It is not possible to comment on the Rio Tinto data further as the original borehole logs and laboratory certificates were not provided.
ii	If non-core, whether riffled, tube sampled, rotary split etc and whether sampled wet or dry.	
iii	For all sample types, the nature, quality and appropriateness of the sample preparation technique.	
iv	Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.	
v	Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.	
vi	Whether sample sizes are appropriate to the grain size of the material being sampled.	
1.6	**QUALITY OF ASSAY DATA AND LABORATORY TESTS**	
i	The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total	Samples from the Rio Tinto drilling campaign were analysed at ALS Brisbane (ISO 17025 accredited). Products were returned to South Africa for petrographic analysis.
ii	For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation	
iii	Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.	
1.7	**VERIFICATION OF SAMPLING AND ASSAYING**	
i	The verification of significant intersections by either independent or alternative company personnel.	Borehole and analytical data provided by Rio Tinto were in the form of a series of MS Excel® spreadsheets. Downhole geophysical data were supplied as .LAS (text) files and Wellcad® files. Aeromagnetic and ground magnetic data were provided primarily as Geosoft® grids. It is not possible to validate the Rio Tinto data further as the original borehole logs and laboratory certificates were not provided. The two Rio Tinto boreholes have not been incorporated into the current Telema and Gray Model as it proved difficult to reconcile the seam selections and seam nomenclatures. Given that the two Rio Tinto boreholes are located just outside the Defined Resource Area, their exclusion from the resource database is not regarded as material.
ii	The use of twinned holes	
iii	Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.	
iv	Discuss any adjustments to assay data.	
1.8	**LOCATION OF DATA POINTS**	
i	Accuracy and quality of surveys used to locate drill holes (collar and down-hole survey), trenches, mine workings and other locations used in Mineral Resource estimation.	It is not known whether the Iscor borehole collars were professionally surveyed. Except for the deflections, the Iscor boreholes are believed to have been drilled vertically but no directional survey data has been provided. No recent exploration has been conducted by CoAL on the two farms in question.
ii	Specification of the grid system used.	
iii	Quality and adequacy of topographic control.	
1.9	**DATA SPACING AND DISTRIBUTION**	

i	Data spacing for reporting of Exploration Results.	No specific drilling grid has been followed at Telema & Gray. The distribution of the boreholes is sufficient for declaration of Exploration Results. The borehole density is sufficient to classify Inferred, Indicated and Measured resources
ii	Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.	
iii	Whether sample compositing has been applied.	
1.10	**ORIENTATION OF DATA IN RELATION TO GEOLOGICAL STRUCTURE**	
i	Whether the orientation of the sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.	Drill hole orientation was dominantly perpendicular to geological continuity and befits the requirements of resource estimation.
ii	If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	
1.11	**SAMPLE SECURITY**	
iii	Measures taken to ensure sample security.	It is not possible to validate the Rio Tinto data further as the original borehole logs and laboratory certificates were not provided.
1.12	**AUDITS OR REVIEWS**	
i	The results of any audits or reviews of sampling techniques and data.	Venmyn Deloitte has randomly selected 10 borehole logs and verified the logs and associated laboratory certificates with the Access database and found no errors.
	SECTION 2: REPORTING OF EXPLORATION RESULTS	
2.1	**MINERAL TENEMENT AND LAND TENURE STATUS**	
i	Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.	All of the two NOPRs held by CoAL for the farms that make up the Telema and Grey Section expired by June 2013. In April 2013, prior to expiry, CoAL applied for a NOPR under its wholly owned subsidiary Limpopo Coal Company (Pty) Ltd for all of the Telema and Grey Section. The DMR issued an acceptance letter for the NOMR application in August 2013. Venmyn Deloitte has viewed the acceptance letters and confirms the security of the mineral tenure.
ii	The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.	
2.2	**EXPLORATION DONE BY OTHER PARTIES**	
i	Acknowledgments and appraisal of exploration by other parties.	The Soutpansberg Coalfield was extensively explored by Iscor in the 1970s and 1980s. The full Iscor dataset, containing information from approximately 1,250 boreholes, was purchased by CoAL in 2007 from Exxaro. Of these boreholes, a total of 46 diamond core boreholes were drilled by Iscor on Telema 190MS and four boreholes on and Gray 189MT. The reader should be aware that the focus of the Iscor's exploration programme (an additional 278 boreholes) was on the adjacent farms, which now comprise CoAL's Makhado Project. The drilling and sampling protocols used by Iscor are unknown; however, it is assumed that the drilling methods were conventional and pre-date the more efficient triple-tube wireline techniques that are commonly employed today.
2.3	**GEOLOGY**	

	Deposit type, geological setting and style of mineralisation.	Within the Telema and Gray Section area, a number of seams occur within a 30m to 40m thick carbonaceous zone of the Madzaringwe Formation. Six potential mining horizons (seams) have been identified by CoAL and named Upper Seam, Middle Upper Seam, Middle Lower Seam, Bottom Upper Seam, Bottom Middle Seam and Bottom Lower Seam. The Bottom Middle Seam usually comprises predominantly mudstone and for this reason it has not been included in the resource base; however, in certain areas it has sufficient coal to be considered a potential mining target. All seams comprise interbanded carbonaceous mudstones and coal. The coal component is usually bright and brittle and contains a high proportion of vitrinite. The seams dip northwards at approximately 12°.The frequency of smaller scale faulting is not well understood. The frequency of dolerite dykes is unknown; however, examination of aeromagnetic data (Figure 34) suggests there are relatively few magnetic dykes within the area. GAP Geophysics has interpreted that identified dykes are about 2m to 5m in thickness and steeply dipping.
2.4	**DRILL HOLE INFORMATION**	
i	A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:	The Access database for the Telema and Gray Section area currently contains data from 40 boreholes. These are derived from the following two sources:- · the Iscor database containing information from 38 boreholes; and · the Rio Tinto database containing data from two boreholes, obtained as part of the Farm Swap Agreement (not used for geological modelling). The Access database is managed and maintained by CoAL's Competent Person, Mr. J. Sparrow (Pr.Sci.Nat.), and the Telema and Gray Section geologist, Mr. C. Mafiri. Backups are stored at CoAL's head office in Johannesburg.
	Easting and northing of the drill hole collar	
	Elevation or RL (Reduced Level - elevation above sea level in metres) of the drill hole collar	
	Dip and azimuth of the hole	
	Down hole length and interception depth	
	Hole length	
ii	If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does no detract from the understanding of the report, the Competent Person should clearly explain why this is the case.	N/A
2.5	**DATA AGGREGATION METHODS**	
i	In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.	N/A as no Exploration Results have been reported for the Telema and Gray Project. No metal equivalents are applicable
ii	Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of lower grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.	
iii	The assumptions used for any reporting of metal equivalent values should be clearly stated.	
2.6	**RELATIONSHIP BETWEEN MINERALISATION WIDTHS AND INTERCEPT LENGTHS**	
i	These relationships are particularly important in the reporting of Exploration Results.	

ii	If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.	Drilling is generally perpendicular to mineralisation and sampling intercepts are taken to coincide with mineralisation widths.
iii	If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').	
2.7	**DIAGRAMS**	
i	Appropriate maps and sections (with scales) and tabulations of intercepts which should be included for any significant discovery being reported. These should include, but not limited to a plan view of drill hole collar locations and appropriate sectional views.	The reader is referred to the full 2015 CPR located on the CoAL website for maps and sections.
2.8	**BALANCED REPORTING**	
i	Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and /or widths should be practiced to avoid misleading reporting of Exploration Results.	N/A
2.9	**OTHER SUBSTANTIVE EXPLORATION DATA**	
i	Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples - sizes and method of treatment; metallurgical test results; bulk density; groundwater; geotechnical and rock characteristics; potential deleterious or contaminating substances.	CoAL commissioned EPA to conduct a photographic/LIDAR survey in 2008 over the properties it held at that time. This survey was flown in a fixed wing aircraft at a height of approximately 1,100m above ground surface. A 70kHz laser provided ground elevation data to a 15cm vertical and 30cm horizontal accuracy. Digital colour images were obtained with a pixel size of 15cm and transformed to orthophotos. The survey was based on WGS84 datum and Lo29E projection. Ellipsoidal heights were transformed to orthometric heights in Xform 4.3 using the Southern Africa Quazi geoidal model. No horizontal transformation was carried out because the final survey was required on the WGS84 datum. In March 2008, Fugro Geophysics (Pty) Limited (Fugro) conducted helicopter-borne, aerial magnetic and radiometric surveys. The line spacing was 50m with a nominal sensor ground clearance of 15m to 25m. In July 2010, Fugro conducted a LIDAR survey over all the Makhado Project properties, subsequent to the Section 11 transfer of the properties previously held by Rio Tinto. CoAL acquired aeromagnetic data in Geosoft® format for the property Gray 189MS from Rio Tinto in 2010.
2.10	**FURTHER WORK**	
i	The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).	CoAL intends to continue drilling to increase resource confidence and potentially declare Reserves
ii	Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	
	SECTION 3: ESTIMATION AND REPORTING OF MINERAL RESOURCES	
3.1	**MINERAL TENEMENT AND LAND TENURE STATUS**	
i	Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes.	The Access database for the Telema and Gray Section area currently contains data from 40 boreholes. These are derived from the following two sources:- · the Iscor database containing information from 38

ii	Data validation procedures used.	boreholes; and · the Rio Tinto database containing data from two boreholes, obtained as part of the Farm Swap Agreement. The Access database is managed and maintained by CoAL's Competent Person, Mr. J. Sparrow (Pr.Sci.Nat.), and the Telema and Gray Section geologist, Mr. C. Mafiri. Backups are stored at CoAL's head office in Johannesburg.
3.2	**SITE VISITS**	
i	Comment on any site visits undertaken by the Competent Person and the outcome of those visits.	The authors of this report have carried out numerous site visits to CoAL's mineral asset between March 2010 and May 2012 as part of previous work assignments for the company. During these site visits, the authors have inspected the operations including exploration sites, drilling procedures, core logging and data capture and all available infrastructure in the general area and within the properties themselves.
ii	If no site visits have been undertaken, indicate why this is the case.	N/A
3.3	**GEOLOGICAL INTERPRETATION**	
i	Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.	A number of independent orebody models have been prepared for the Telema and Gray Section since CoAL's involvement in the project. The latest model was prepared by Mr. J. Sparrow (Pr.Sci.Nat.), CoAL's Competent Person as at 29 February 2012. The model was prepared in MinexTM Software. The model takes into account all available historical and recent drilling and other geological information as of the 31 August 2011. Given the location of reliable borehole data, an orebody model and resource estimate has only been conducted, by CoAL, on the farm Telema 190MT. Both the physical and quality parameters of the various seams were modelled, by CoAL. Grids with a 20m mesh were estimated using Minex's general purpose gridding function using a 2.5km search radius. The model of the physical parameters of the seam was cut along any significant structures, whilst the quality parameters were modelled across it. All physical and quality parameters were plotted and visually inspected to ensure they were acceptable for geological interpretation.
ii	Nature of the data used and any assumptions made.	
iii	The effect, if any, of alternative interpretations on Mineral Resource estimation.	
iv	The use of geology in guiding and controlling Mineral Resource estimation.	
v	The factors affecting continuity both of grade and geology.	
3.4	**DIMENSIONS**	
i	The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.	The upper surface of the model was sourced from the DTM. This shows the high relief in the north of the farm Gray 189MT and the relatively flat topography over much of the rest of the project area. The model of the physical parameters of the seam was cut along any significant structures, whilst the quality parameters were modelled across it. All physical and quality parameters were plotted and visually inspected to ensure they were acceptable for geological interpretation.
3.5	**ESTIMATION AND MODELLING TECHNIQUES**	
i	The nature and appropriateness of the estimation technique(s) and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include	Both the physical and quality parameters of the various seams were modelled, by CoAL. Grids with a 20m mesh were estimated using Minex's general purpose gridding function using a 2.5km search radius.

	a description of computer software and parameters used. of extrapolation from data points.	
ii	The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.	Due to the stage of development of the Telema and Gray Section, no detailed investigations have been carried out on the potential mining of the deposit. However, upon considering the depth from surface of the coal zones, any future mining is expected to be mostly opencast, with limited additional underground methods. A Coal Resource was declared, by CoAL, as at 30 September 2012 in the CPR entitled "Independent Competent Persons' Report on Certain Coal Assets Within the Soutpansberg Coalfield of Coal Of Africa Limited". No additional changes have been made by CoAL to the geological model or resource estimation for the Telema and Gray Section since the 2012 CPR.
iii	The assumptions made regarding recovery of by-products.	No byproducts.
iv	Estimation of deleterious elements or other non-grade variables of economic significance.	The percentage yields, volatiles and CVs for a washed sample product, at an RD of 1.4, were modelled, by CoAL. Raw qualities have not been modelled as raw quality data is not available for all historical boreholes. At a wash RD of 1.4, all recent and historical boreholes can be correlated at the adjacent Makhado Project. Venmyn Deloitte and CoAL therefore have a high degree of confidence in the historical quality data.
v	In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.	Both the physical and quality parameters of the various seams were modelled, by CoAL. Grids with a 20m mesh were estimated using Minex's general purpose gridding function using a 2.5km search radius. The model of the physical parameters of the seam was cut along any significant structures, whilst the quality parameters were modelled across it. All physical and quality parameters were plotted and visually inspected to ensure they were acceptable for geological interpretation.
vi	Any assumption behind modelling of selective mining units.	
vii	Any assumption about the correlation between variables.	
viii	Description of how the geological interpretation was used to control the resource estimates.	The model of the physical parameters of the seam was cut along any significant structures, whilst the quality parameters were modelled across it. All physical and quality parameters were plotted and visually inspected to ensure they were acceptable for geological interpretation.
ix	Discuss the basis for using or not using grade cutting or capping.	No grade cutting or capping took place.
x	The process validation, the checking process used, the comparison of model data to drill hole data and use of reconciliation data if available.	Venmyn Deloitte has performed independent validations on the input parameters of the modelling database using Geosoft Target and Micromine and verified the results of the seam thickness variations and resultant volume calculations. Venmyn Deloitte is satisfied with the integrity and results of the model.
3.6	**MOISTURE**	
i	Whether the tonnages are estimated on a dry basis or with natural moisture and the method of determination of the moisture content.	Tonnages are reported on an air dried basis.
3.7	**CUT-OFF PARAMETERS**	

i	The basis of the adopted cut-off grade(s) or quality parameters applied.	Seam thickness of 0.50m
3.8	**MINING FACTORS OR ASSUMPTIONS**	
i	Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.	Due to the stage of development of the Telema and Gray Section, no detailed investigations have been carried out on the potential mining of the deposit. However, upon considering the depth from surface of the coal zones, any future mining is expected to be mostly opencast, with limited additional underground methods.
3.9	**METALLURGICAL FACTORS OR ASSUMPTIONS**	
i	The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.	In order to identify the coking potential of a coal, a specific suite of tests can be carried out in addition to the regular laboratory tests. The Telema and Gray coal is most likely to yield a coking coal product.
3.10	**ENVIRONMENTAL FACTORS OR ASSUMPTIONS**	
i	Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.	CoAL is currently undertaking the necessary steps in order to finalise the environmental authorisations and integrated water use licences required as part of their application for a NOMR.
3.11	**BULK DENSITY**	
i	Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples.	The relative density of the samples is determined by the laboratory during the sampling procedure on an air dried basis. Sample results were washed and analysed at a relative density of 1.4
ii	The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs,porosity, etc.), moisture and differences between rock and alteration zones within the deposit.	
iii	Discuss assumptions for bulk density estimates used in the evaluation process for different materials.	
3.12	**CLASSIFICATION**	
i	The basis for the classification of the Mineral Resources into varying confidence categories.	The classification, by CoAL, into the various resource categories is primarily based upon the relative spacing of

ii	Whether appropriate account has been taken of all relevant factors (i.e. relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data).	points of observation with both quantitative and qualitative results. Venmyn Deloitte is confident, having reviewed the data, that the logging, sampling, data density and distribution are suitable for the Coal Resource estimation. Resources have been categorised, by CoAL, as Measured, Indicated or Inferred according to observation point halos in accordance with JORC reporting standards. The resources have not been sub-divided into the proposed underground and opencast sectors. In order to classify the coal resources, a halo diagram is prepared using only the boreholes with quality and quantity results.
iii	Whether the result appropriately reflects the Competent Person's view of the deposit.	
3.13	**AUDITS OR REVIEWS**	
i	The results of any audits or reviews of Mineral Resource estimates.	Venmyn Deloitte had reviewed and independently verified the GSP assets and have found no material deviations
3.14	**DISCUSSION OF RELATIVE ACCURACY/CONFIDENCE**	
i	Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate , a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate.	The resources are classified according to the distances between points of information as defined in the latter. According to section 4.3 of this guideline, "...Coal Resources should be estimated and reported for individual seams or seam groupings within a deposit. They should also be subdivided and reported on the basis of key variables, such as thickness, depth range, strip ratio, coal quality parameters, geographic constraints and geological or technical considerations. The key variables and assumptions for each deposit should be clearly stated in order to ensure clarity and transparency of the report." The resources are presented in the following standard manner for all projects:- · Gross Tonnes In Situ (GTIS), application of mineral tenure boundaries and a 0.5m seam thickness cutoff. This is the simplest form of resource declaration; · Total Tonnes In Situ (TTIS), application of geological losses to GTIS; and · Mineable Tonnes In Situ (MTIS), application of basic mining parameters to TTIS. An example of this would be the application of a minimum seam thickness cutoff for underground mining.
ii	The statement should specify whether it relates to global or local estimates, and if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.	
iii	These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.	

JORC (TABLE 1)	DESCRIPTION	MOUNT STUART
	SECTION 1: SAMPLING TECHNIQUE AND DATA	
1.1	**SAMPLING TECHNIQUES**	
i	Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the mineral under investigation, such as downhole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.	The Iscor holes were sampled and sent to their in-house laboratory for analysis. The sampling protocols used by Iscor are unknown. All CoAL boreholes were sampled and sent to Inspectorate in Polokwane.
ii	Include reference to meaures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.	For the Iscor holes 13 samples were taken from the top to the base of the coal bearing strata, and numbered consecutively in this order. For the CoAL boreholes the method used for sampling involves the identification of a number of specific coal horizons and partings which are utilised to divide the coal seam into the various sample numbers. Where multiple samples are taken within a single seam, the principle of relative coal to mudstone is used as the defining factor.
iii	Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1m samples from which 3kg was pulverised to produce a 30g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.	When selecting samples, the Site Geologist must also consider that a minimum amount of coal is required in a sample to perform the various laboratory tests. Therefore any samples taken of less than this amount are effectively useless. The minimum length of core for a sample is 20cm for PQ3 sized core and 10cm for T6 (LDD) sized core.
1.2	**DRILLING TECHNIQUES**	
i	Drill type and details.	Historical boreholes were drilled using NQ and 8-inch drill sizes. All CoAL diamond boreholes were drilled at a core size of PQ3 (83mm) to obtain sufficient sample material for analytical purposes and to reduce core loss. Drilling was undertaken using triple tube techniques in order to minimise core loss. Some RC boreholes have also been drilled.
1.3	**DRILL SAMPLE RECOVERY**	
i	Methods of recording and assessing core and chip sample recoveries and results assessed.	No core recoveries are recorded for the historical boreholes. The CoAL site geologist checked the core recovery in the Stick Up Log. Recovery of less than 98% in the coal horizons or less than 95% in non-coal horizons will require a re-drill. At the end of the logging process, the Site Geologist must calculate the core recovery percentages and record these onto the Borehole Header Sheet. The total core recovery is calculated by:- Total Borehole Recovery=(1-((Σ core losses))/(Total Core Length))%
ii	Measures taken to maximise sample recovery and ensure representative nature of the samples.	Triple tube drilling was used to maximise sample recovery and banging of the core barrel was not permitted.
iii	Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	This has not been investigated though Rio Tinto noted that core recovery from poor drilling may have resulted in loss of vitrinite rich coal.
1.4	**LOGGING**	

i	Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.	There is no information regarding the historical logging. Lithological loggingundertaken by CoAL only takes place after receipt of the wireline log and the identification of coal depths onto it. During the logging process, the coal seams must be identified and their names recorded onto the wireline log.
ii	Whether logging is qualitative or quantitative in nature. Core photography.	All CoAL boreholes are together with the downhole wireline survey and are entered onto a paper logincluding depth, core loss in metres to two decimal places, degree of weathering, coal seam name, main lithology, type of sample (analytical or bulk) (only completed after sampling), sample number (only completed after sampling), main lithology, colour/s, grainsize, sorting, main bedding, sub bedding, discontinuities, additional minerals, basal contact and a brief description. The borehole logs are then captured onto a SBLE database. Per core tray there must be a minimum of three photographs. The first photo must be of the core box number, followed by two photographs of the core within the box.
iii	The total length and percentage of the relevant intersections logged.	The entire borehole is logged by CoAL.
1.5	**SUB-SAMPLING TECHNIQUES AND SAMPLE PREPARATION**	
i	If core: whether cut or sawn and whether quarter, half or all cores taken.	CoAL conducted whole core sampling and sample intervals were selected on the basis of the geophysical logs. Samples were numbered from the base upwards and correspond to the same stratigraphic interval in every borehole.
ii	If non-core, whether riffled, tube sampled, rotary split etc and whether sampled wet or dry.	While it is understood that samples were taken every 1m, no other details of the drilling and sampling protocols are available.
iii	For all sample types, the nature, quality and appropriateness of the sample preparation technique.	Samples were double-bagged with each bag sealed with cable ties and labelled. Manila tags identifying the borehole and sample numbers were placed inside the inner bag (with the sample material) and also attached to the cable tie around the neck of the inner bag. Bagged samples were stored in a locked refrigerated container prior to transportation to the laboratory in a closed truck.
iv	Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.	N/A as core is submitted whole.
v	Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.	For the CoAL boreholes, the field geologists were responsible for the selection of seam intervals under the supervision of the responsible geologist, Mr. C. Mafiri (Pr.Sci.Nat.).
vi	Whether sample sizes are appropriate to the grain size of the material being sampled.	The entire coal-bearing horizon is sampled by CoAL on a ply-by-ply basis so that the samples can be composited or looked at selectively. For historical boreholes there is no information.
1.6	**QUALITY OF ASSAY DATA AND LABORATORY TESTS**	
i	The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total	Raw analyses were carried out on the coal samples. Washed analyses were only undertaken at an RD=1.40. Proximate, CV, Roga and Swell Index testwork was carried out.
ii	For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation	n/a

iii	Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.	The accredited laboratory used by CoAL calibrate their coal analytical equipment daily and are also required to partake in round robin proficiency tests to ensure a high standard of results. These round robin tests are carried out both locally and internationally.
1.7	**VERIFICATION OF SAMPLING AND ASSAYING**	
i	The verification of significant intersections by either independent or alternative company personnel.	The geologist responsible for the drilling and sampling of all CoAL boreholes was Mr. C. Mafiri (Pr.Sci.Nat). This was verified by CoAL Group Geologist, John Sparrow (Pr. Sci. Nat)
ii	The use of twinned holes	There is no information regarding twin drilling
iii	Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.	The Iscor borehole database was acquired in 2007 by CoAL, no information regarding procedures is known. CoAL conducts a comparison of the Sable generated log with the original hand written lithological log and associated borehole, and compares the Sable generated log with the original the survey certificate verifies. In addition in order to check that the correct identification and correlation of the coal seams and samples was achieved, a series of cross sections are plotted in Minex. Lastly Sable and Minex both have their own automated validation steps.
iv	Discuss any adjustments to assay data.	n/a
1.8	**LOCATION OF DATA POINTS**	
i	Accuracy and quality of surveys used to locate drill holes (collar and down-hole survey), trenches, mine workings and other locations used in Mineral Resource estimation.	There is no information regarding historical borehole surveys. Upon the completion of the CoAL drilling of all holes on a particular farm, the Site Geologist contacts the surveyor to return to survey the final borehole positions using a Trimbel device. These final survey measurements are recorded on a Survey Certificate along with the signature, qualifications and registration number of the responsible surveyor. The surveyors utilised by the company are required to be registered, typically with PLATO.
ii	Specification of the grid system used.	Datum WGS84 using the Local South Africa Survey System Zones 29 and 31
iii	Quality and adequacy of topographic control.	A digital terrain model was created using the borehole collar elevations
1.9	**DATA SPACING AND DISTRIBUTION**	
i	Data spacing for reporting of Exploration Results.	No specific drilling grid has been followed at Mount Stuart. The distribution of the boreholes is sufficient for declaration of Exploration results
ii	Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.	While the borehole density is, in places, sufficient to classify Indicated and Measured resources, these areas have all been downgraded to the Inferred Category due to the lack of recent verification.
iii	Whether sample compositing has been applied.	No sample compositing has been applied.
1.10	**ORIENTATION OF DATA IN RELATION TO GEOLOGICAL STRUCTURE**	
i	Whether the orientation of the sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.	All CoAL boreholes were drilled vertically. No down-hole directional surveys were undertaken. Given the relatively shallow depths involved, this is not considered a deficiency.
ii	If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	the dip of seams at Mount Stuart is shallow and vertical drilling is considered appropriate.
1.11	**SAMPLE SECURITY**	

iii	Measures taken to ensure sample security.	CoAL employs the services of a security company for access control to the farm on which drilling occurs and drill site security. The sample bags must be transported to the laboratory as soon as possible to ensure that any deterioration of the sample is kept to a minimum. The Site Geologist is responsible for the samples until they are officially received by the laboratory where a receival document is signed.
1.12	**AUDITS OR REVIEWS**	
i	The results of any audits or reviews of sampling techniques and data.	Venmyn Deloitte had reviewed and independently verified the GSP assets and have found no material deviations.
	SECTION 2: REPORTING OF EXPLORATION RESULTS	
2.1	**MINERAL TENEMENT AND LAND TENURE STATUS**	
i	Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.	All of the three NOPRs held by CoAL for the farms that make up the Mount Stuart Section expired by April 2013. In May 2013 CoAL applied for a NOMR under its wholly owned subsidiary Kwezi Exploration and Mining (Pty) Ltd for all of the Mount Stuart Section. The DMR issued an acceptance letter for the NOMR application in July 2013. Venmyn Deloitte has viewed the acceptance letters and confirms the security of the mineral tenure. CoAL has informed Venmyn Deloitte of land claims on the seven of the farms that form part of the Mount Stuart Section
ii	The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.	
2.2	**EXPLORATION DONE BY OTHER PARTIES**	
i	Acknowledgments and appraisal of exploration by other parties.	Historical exploration was conducted by Iscor between 1975 - 1978 and Rio Tinto between 2002-2009
2.3	**GEOLOGY**	
	Deposit type, geological setting and style of mineralisation.	The Mount Stuart Section represents an isolated and upfaulted block of Karoo age sediments, which lies approximately 6km to the north of the Tshipise South Basin within the Soutpansberg Coalfield. The Karoo strata represented in the project area is underlain by the 10m thick conglomerate-diamictite of the Tshidzi Formation, which can be correlated to the glacial Dwyka tillite in the Main Karoo Basin. The basal unit is overlain by the 190m thick succession of alternating black shale, micaceous sandstone, siltstones and interbedded coal seams of the Madzaringwe Formation. Four seams of commercial interest have been identified for potential coking coal.
2.4	**DRILL HOLE INFORMATION**	
i	A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:	The Access database for the Mount Stuart Section currently contains data from 417 boreholes. These are derived from the the Iscor database The Rio Tinto and CoAL data has not been included in the geological modelling. The Access database is managed and maintained by CoAL's Competent Person, Mr. J. Sparrow (Pr.Sci.Nat.), and the Section geologist, Mr. C. Mafiri. Backups are stored at CoAL's head office in Johannesburg.
	Easting and northing of the drill hole collar	
	Elevation or RL (Reduced Level - elevation above sea level in metres) of the drill hole collar	
	Dip and azimuth of the hole	
	Down hole length and interception depth	
	Hole length	
ii	If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report,	The complete borehole database for Mount Stuart is located at the CoAL head offices. A total of 254 boreholes have been drilled on Mount Stuart.

	the Competent Person should clearly explain why this is the case.	
2.5	**DATA AGGREGATION METHODS**	
I	In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.	N/A as no Exploration Results have been reported for the Mount Stuart Project. No metal equivalents are applicable
Ii	Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of lower grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.	
Iii	The assumptions used for any reporting of metal equivalent values should be clearly stated.	
2.6	**RELATIONSHIP BETWEEN MINERALISATION WIDTHS AND INTERCEPT LENGTHS**	
I	These relationships are particularly important in the reporting of Exploration Results.	Drilling is generally perpendicular to mineralisation and sampling intercepts are taken to coincide with mineralisation widths
Ii	If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.	
Iii	If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').	Downhole length, true width not known
2.7	**DIAGRAMS**	
I	Appropriate maps and sections (with scales) and tabulations of intercepts which should be included for any significant discovery being reported. These should include, but not limited to a plan view of drill hole collar locations and appropriate sectional views.	The reader is referred to the full 2015 CPR located on the CoAL website for maps and sections.
2.8	**BALANCED REPORTING**	
i	Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and /or widths should be practiced to avoid misleading reporting of Exploration Results.	N/A
2.9	**OTHER SUBSTANTIVE EXPLORATION DATA**	
i	Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples - sizes and method of treatment; metallurgical test results; bulk density; groundwater; geotechnical and rock characteristics; potential deleterious or contaminating substances.	CoAL acquired ground magnetic data over the farm Nakab 184MT and aeromagnetic data over the farm Schuitdrift 179MT from Rio Tinto, as part of the Farm Swap Agreement
2.10	**FURTHER WORK**	
i	The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).	As a result of the current stage of development of the Mount Stuart Section, no reserves have yet been declared. Reserves can only be declared once a mining plan has been prepared. This will be undertaken during the next stage of development of the project i.e. at Pre-feasibility Stage.
ii	Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	The reader is referred to the full 2015 CPR located on the CoAL website for maps and sections.
	SECTION 3: ESTIMATION AND REPORTING OF MINERAL RESOURCES	

3.1	**MINERAL TENEMENT AND LAND TENURE STATUS**	
i	Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes.	The Iscor borehole database was acquired in 2007 by CoAL, no information regarding procedures is known. CoAL conducts a comparison of the Sable generated log with the original hand written lithological log and associated borehole, and compares the Sable generated log with the original the survey certificate verifies. In addition in order to check that the correct identification and correlation of the coal seams and samples was achieved, a series of cross sections are plotted in Minex. Lastly Sable and Minex both have their own automated validation steps.
ii	Data validation procedures used.	
3.2	**SITE VISITS**	
i	Comment on any site visits undertaken by the Competent Person and the outcome of those visits.	The authors of this report have carried out numerous site visits to CoAL's mineral asset between March 2010 and May 2012 as part of previous work assignments for the company. During these site visits, the authors have inspected the operations including exploration sites, drilling procedures, core logging and data capture and all available infrastructure in the general area and within the properties themselves.
ii	If no site visits have been undertaken, indicate why this is the case.	n/a
3.3	**GEOLOGICAL INTERPRETATION**	
i	Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.	The Mount Stuart geological model has been prepared by Competent Person, John Sparrow (Pr. Sci. Nat) using extensive borehole data for the project and confidence in the interpretation is good.
ii	Nature of the data used and any assumptions made.	
iii	The effect, if any, of alternative interpretations on Mineral Resource estimation.	
iv	The use of geology in guiding and controlling Mineral Resource estimation.	
v	The factors affecting continuity both of grade and geology.	
3.4	**DIMENSIONS**	
i	The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.	Maximum depth reported for the Coal Resources is 200m for opencast. No underground resources have been declared. Coal Resources are located within a 190m thick succession of alternating black shale, micaceous sandstone, siltstones and interbedded coal seams of the Madzaringwe Formation
3.5	**ESTIMATION AND MODELLING TECHNIQUES**	
i	The nature and appropriateness of the estimation technique(s) and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used off extrapolation from data points.	The orebody model on the Mount Stuart Section has been prepared by Mr. J. Sparrow (Pr.Sci.Nat), CoAL's Competent Person, as at September 2012. The model was prepared in Minex Software. The model takes into account all available historical drilling and other geological information over the resource area
ii	The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.	The previous Coal Resource estimate was issued by CoAL in 2011
iii	The assumptions made regarding recovery of by-products.	No by products
iv	Estimation of deleterious elements or other non-grade variables of economic significance.	Quality results for the raw proximate are available for the recent boreholes. Historical boreholes were washed and analysed at an RD of 1.4 and as such only the washed proximate results were modelled.

v	In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.	N/A as no block sizes or mining units have yet been selected.
vi	Any assumption behind modelling of selective mining units.	
vii	Any assumption about the correlation between variables.	
viii	Description of how the geological interpretation was used to control the resource estimates.	The bottom seam elevation and coal depth were modelled in Minex. Both the physical and quality parameters of the various seams were modelled, by CoAL, across the area of closely spaced exploration data points (i.e. from Mount Stuart 153MT in the west to Septimus 156MT in the east). Grids with a 25m mesh were estimated using Minex's general purpose gridding function using a 3km search radius. The model of the physical parameters of the seam was cut along any significant structures, whilst the quality parameters were modelled across it. All physical and quality parameters were plotted and visually inspected to ensure they were acceptable from the perspective of geological interpretation.
ix	Discuss the basis for using or not using grade cutting or capping.	No grade cutting ot capping was used. Venmyn Deloitte has performed independent validations on the input parameters of the modelling database using Geosoft Target. Venmyn Deloitte is satisfied with the integrity and results of the model
x	The process validation, the checking process used, the comparison of model data to drill hole data and use of reconciliation data if available.	
3.6	**MOISTURE**	
i	Whether the tonnages are estimated on a dry basis or with natural moisture and the method of determination of the moisture content.	Tonnages are estimated on an air-dried basis
3.7	**CUT-OFF PARAMETERS**	
i	The basis of the adopted cut-off grade(s) or quality parameters applied.	0.50m seam thickness cut off was applied and <18% volatile matter to exclude devolatolised coal
3.8	**MINING FACTORS OR ASSUMPTIONS**	
i	Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.	Only opencast resources to a maximum depth of 200m have been reported
3.9	**METALLURGICAL FACTORS OR ASSUMPTIONS**	
i	The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.	N/A
3.10	**ENVIRONMENTAL FACTORS OR ASSUMPTIONS**	

i	Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.	An SLP for the Generaal Project was developed in December 2013. CoAL has committed to the whole school transformation project for Mudimeli Senior Secondary School. CoAL has calculated a financial provision of ZAR3,408,097.10 combined for the Chapudi Project, the Generaal Project (including Mount Stuart) and the Mopane Project. The exact allowance for each project is not yet confirmed. This quantum includes demolition of infrastructure, rehabilitation activities, river diversion, water management, aftercare maintenance and specialist studies.
3.11	**BULK DENSITY**	
i	Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples.	The raw density of every sample is measured in the laboratory.
ii	The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs,porosity, etc.), moisture and differences between rock and alteration zones within the deposit.	
iii	Discuss assumptions for bulk density estimates used in the evaluation process for different materials.	
3.12	**CLASSIFICATION**	
i	The basis for the classification of the Mineral Resources into varying confidence categories.	While cognisance has been taken of the resource categories defined by the JORC Code all resources have been classified, by CoAL, in the Inferred Category as a consequence of the resource area being defined on the basis of historical data, with no recent verification drilling or sampling by CoAL on farms within the resource area. Only Points of Observation with seam quality data have been used to define the resources. While the borehole density is, in places, sufficient to classify Indicated and Measured resources, these areas have all been downgraded to the Inferred Category due to the lack of recent verification.
ii	Whether appropriate account has been taken of all relevant factors (i.e. relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data).	
iii	Whether the result appropriately reflects the Competent Person's view of the deposit.	
3.13	**AUDITS OR REVIEWS**	
i	The results of any audits or reviews of Mineral Resource estimates.	Venmyn Deloitte have independently reviewed and verified the Coal Resources
3.14	**DISCUSSION OF RELATIVE ACCURACY/CONFIDENCE**	
i	Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate , a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate.	The Coal Resources for Mount Stuart have been modelled and estimated using Minex 3D geological software by Competent Person John Sparrow. They have subsequently been verified independently by Venmyn Deloitte. Venmyn Deloitte reviewed CoAL's estimation procedures and considered the Coal Resource estimates and classification as prepared and declared by CoAL to be reasonable and compliant with the reporting standard of JORC.
ii	The statement should specify whether it relates to global or local estimates, and if local, state the relevant tonnages, which should be relevant to technical and economic	

	evaluation. Documentation should include assumptions made and the procedures used.	
iii	These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.	

JORC (TABLE 1)	DESCRIPTION	GENERAAL
	SECTION 1: SAMPLING TECHNIQUE AND DATA	
1.1	**SAMPLING TECHNIQUES**	
i	Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the mineral under investigation, such as downhole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.	The Iscor holes were sampled and sent to their in-house laboratory for analysis. The sampling protocols used by Iscor are unknown. All CoAL boreholes were sampled and sent to Inspectorate in Polokwane.
ii	Include reference to meaures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.	For the Iscor holes 13 samples were taken from the top to the base of the coal bearing strata, and numbered consecutively in this order. For the CoAL boreholes the method used for sampling involves the identification of a number of specific coal horizons and partings which are utilised to divide the coal seam into the various sample numbers. Where multiple samples are taken within a single seam, the principle of relative coal to mudstone is used as the defining factor.
iii	Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1m samples from which 3kg was pulverised to produce a 30g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.	When selecting samples, the Site Geologist must also consider that a minimum amount of coal is required in a sample to perform the various laboratory tests. Therefore any samples taken of less than this amount are effectively useless. The minimum length of core for a sample is 20cm for PQ3 sized core and 10cm for T6 (LDD) sized core.
1.2	**DRILLING TECHNIQUES**	
i	Drill type and details.	Historical boreholes were drilled using NQ and 8-inch drill sizes. All CoAL diamond boreholes were drilled at a core size of PQ3 (83mm) to obtain sufficient sample material for analytical purposes and to reduce core loss. Drilling was undertaken using triple tube techniques in order to minimise core loss. Some RC boreholes have also been drilled.
1.3	**DRILL SAMPLE RECOVERY**	
i	Methods of recording and assessing core and chip sample recoveries and results assessed.	No core recoveries are recorded for the historical boreholes. The CoAL site geologist checked the core recovery in the Stick Up Log. Recovery of less than 98% in the coal horizons or less than 95% in non-coal horizons will require a re-drill. At the end of the logging process, the Site Geologist must calculate the core recovery percentages and record these onto the Borehole Header Sheet. The total core recovery is calculated by:- Total Borehole Recovery=(1-((Σ core losses))/(Total Core Length))%
ii	Measures taken to maximise sample recovery and ensure representative nature of the samples.	Triple tube drilling was used to maximise sample recovery and banging of the core barrel was not permitted.

iii	Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	This has not been investigated though Rio Tinto noted that core recovery from poor drilling may have resulted in loss of vitrinite rich coal.
1.4	**LOGGING**	
i	Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.	There is no information regarding the historical logging. Lithological logging undertaken by CoAL only takes place after receipt of the wireline log and the identification of coal depths onto it. During the logging process, the coal seams must be identified and their names recorded onto the wireline log.
ii	Whether logging is qualitative or quantitative in nature. Core photography.	All CoAL boreholes are together with the downhole wireline survey and are entered onto a paper login including depth, core loss in metres to two decimal places, degree of weathering, coal seam name, main lithology, type of sample (analytical or bulk) (only completed after sampling), sample number (only completed after sampling), main lithology, colour/s, grainsize, sorting. main bedding, sub bedding, discontinuities, additional minerals, basal contact and a brief description. The borehole logs are then captured onto a SBLE database. Per core tray there must be a minimum of three photographs. The first photo must be of the core box number, followed by two photographs of the core within the box. The entire borehole is logged by CoAL.
iii	The total length and percentage of the relevant intersections logged.	The entire borehole is logged by CoAL.
1.5	**SUB-SAMPLING TECHNIQUES AND SAMPLE PREPARATION**	
i	If core: whether cut or sawn and whether quarter, half or all cores taken.	CoAL conducted whole core sampling and sample intervals were selected on the basis of the geophysical logs. Samples were numbered from the base upwards and correspond to the same stratigraphic interval in every borehole.
ii	If non-core, whether riffled, tube sampled, rotary split etc and whether sampled wet or dry.	While it is understood that samples were taken every 1m, no other details of the drilling and sampling protocols are available.
iii	For all sample types, the nature, quality and appropriateness of the sample preparation technique.	Samples were double-bagged with each bag sealed with cable ties and labelled. Manila tags identifying the borehole and sample numbers were placed inside the inner bag (with the sample material) and also attached to the cable tie around the neck of the inner bag. Bagged samples were stored in a locked refrigerated container prior to transportation to the laboratory in a closed truck.
iv	Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.	N/A as core is submitted whole
v	Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.	For the CoAL boreholes, the field geologists were responsible for the selection of seam intervals under the supervision of the responsible geologist, Mr. C. Mafiri (Pr.Sci.Nat.).
vi	Whether sample sizes are appropriate to the grain size of the material being sampled.	The entire coal-bearing horizon is sampled by CoAL on a ply-by-ply basis so that the samples can be composited or looked at selectively. For historical boreholes there is no information.
1.6	**QUALITY OF ASSAY DATA AND LABORATORY TESTS**	
i	The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total	Raw analyses were carried out on the coal samples. Washed analyses were only undertaken at an RD=1.40. Proximate, CV, Roga and Swell Index testwork was carried out.
ii	For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the	N/A as none of these instruments were used

	analysis including instrument make and model, reading times, calibrations factors applied and their derivation	
iii	Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.	The accredited laboratory used by CoAL calibrate their coal analytical equipment daily and are also required to partake in round robin proficiency tests to ensure a high standard of results. These round robin tests are carried out both locally and internationally.
1.7	**VERIFICATION OF SAMPLING AND ASSAYING**	
i	The verification of significant intersections by either independent or alternative company personnel.	The geologist responsible for the drilling and sampling of all CoAL boreholes was Mr. C. Mafiri (Pr.Sci.Nat). This was verified by CoAL Group Geologist, John Sparrow (Pr. Sci. Nat)
ii	The use of twinned holes	There is no information regarding twin drilling
iii	Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.	The Iscor borehole database was acquired in 2007 by CoAL, no information regarding procedures is known. CoAL conducts a comparison of the Sable generated log with the original hand written lithological log and associated borehole, and compares the Sable generated log with the original the survey certificate verifies. In addition in order to check that the correct identification and correlation of the coal seams and samples was achieved, a series of cross sections are plotted in Minex. Lastly Sable and Minex both have their own automated validation steps.
iv	Discuss any adjustments to assay data.	No adjustments
1.8	**LOCATION OF DATA POINTS**	
i	Accuracy and quality of surveys used to locate drill holes (collar and down-hole survey), trenches, mine workings and other locations used in Mineral Resource estimation.	There is no information regarding historical borehole surveys. Upon the completion of the CoAL drilling of all holes on a particular farm, the Site Geologist contacts the surveyor to return to survey the final borehole positions using a Trimbel device. These final survey measurements are recorded on a Survey Certificate along with the signature, qualifications and registration number of the responsible surveyor. The surveyors utilised by the company are required to be registered, typically with PLATO.
ii	Specification of the grid system used.	datum WGS84 using the Local South Africa Survey System Zones 29 and 31
iii	Quality and adequacy of topographic control.	A digital terrain model was created using the borehole collar elevations
1.9	**DATA SPACING AND DISTRIBUTION**	
i	Data spacing for reporting of Exploration Results.	No specific drilling grid has been followed at Generaal. The distribution of the boreholes is sufficient for declaration of Exploration results
ii	Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.	N/A as no Exploration Targets have been estimated
iii	Whether sample compositing has been applied.	No sample compositing has been applied.
1.10	**ORIENTATION OF DATA IN RELATION TO GEOLOGICAL STRUCTURE**	
i	Whether the orientation of the sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.	All CoAL boreholes were drilled vertically. No down-hole directional surveys were undertaken. Given the relatively shallow depths involved, this is not considered a deficiency.
ii	If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to	The dip of seams at Generaal is shallow and vertical drilling is considered appropriate.

	have introduced a sampling bias, this should be assessed and reported if material.	
1.11	**SAMPLE SECURITY**	
iii	Measures taken to ensure sample security.	CoAL employs the services of a security company for access control to the farm on which drilling occurs and drill site security. The sample bags must be transported to the laboratory as soon as possible to ensure that any deterioration of the sample is kept to a minimum. The Site Geologist is responsible for the samples until they are officially received by the laboratory where a receival document is signed.
1.12	**AUDITS OR REVIEWS**	
i	The results of any audits or reviews of sampling techniques and data.	Venmyn Deloitte had reviewed and independently verified the GSP assets and have found no material deviations.
	SECTION 2: REPORTING OF EXPLORATION RESULTS	
2.1	**MINERAL TENEMENT AND LAND TENURE STATUS**	
i	Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.	CoAL has informed Venmyn Deloitte of land claims on the 15 of the farms that form part of the Generaal Section.
ii	The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.	All of the four NOPRs held by CoAL for the farms that make up the Generaal Section expired by June 2013. In May 2013 CoAL applied for a NOMR under its wholly owned subsidiary Kwezi Exploration and Mining (Pty) Ltd for all of the Generaal Section. The DMR issued an acceptance letter for the NOMR application in July 2013. Venmyn Deloitte has viewed the acceptance letters and confirms the security of the mineral tenure.
2.2	**EXPLORATION DONE BY OTHER PARTIES**	
i	Acknowledgments and appraisal of exploration by other parties.	Historical exploration was conducted by Iscor between 1975-1982 and Rio Tinto between 2006-2007
2.3	**GEOLOGY**	
	Deposit type, geological setting and style of mineralisation.	The Generaal Section represents a 20km long, east-west striking, up-faulted block within the northern part of the Waterpoort Basin, immediately north of the Makhado Project in the Soutpansberg Coalfield. The coal bearing Mikabeni Formation is present within the northern parts of the project area and contains a thick (20m – 30m) package of heavily stone banded coal units. Within this package, three 'cleaner' coal seams have been identified with average thicknesses of 2.9m – 3.9m. Dips in the area are generally 4º-5º, although the central portion of the block is associated with steeper dips.
2.4	**DRILL HOLE INFORMATION**	
i	A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:	
	Easting and northing of the drill hole collar	A total of 101 boreholes have been completed on the Generaal project but none haven used for geological modelling. The Access database is managed and maintained by CoAL's Competent Person, Mr. J. Sparrow (Pr.Sci.Nat.), and the
	Elevation or RL (Reduced Level - elevation above sea level in metres) of the drill hole collar	
	Dip and azimuth of the hole	
	Down hole length and interception depth	
	Hole length	

ii	If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does no detract from the understanding of the report, the Competent Person should clearly explain why this is the case.	Section geologist, Mr. C. Mafiri. Backups are stored at CoAL's head office in Johannesburg.
2.5	**DATA AGGREGATION METHODS**	
i	In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.	N/A as no Exploration Results have been reported for the Generaal Project. No metal equivalents are applicable.
ii	Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of lower grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.	
iii	The assumptions used for any reporting of metal equivalent values should be clearly stated.	
2.6	**RELATIONSHIP BETWEEN MINERALISATION WIDTHS AND INTERCEPT LENGTHS**	
i	These relationships are particularly important in the reporting of Exploration Results.	Drilling is generally perpendicular to mineralisation and sampling intercepts are taken to coincide with mineralisation widths
ii	If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.	
iii	If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').	Downhole length, true width not known
2.7	**DIAGRAMS**	
i	Appropriate maps and sections (with scales) and tabulations of intercepts which should be included for any significant discovery being reported. These should include, but not limited to a plan view of drill hole collar locations and appropriate sectional views.	The reader is referred to the full 2015 CPR located on the CoAL website for maps and sections.
2.8	**BALANCED REPORTING**	
i	Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and /or widths should be practiced to avoid misleading reporting of Exploration Results.	N/A
2.9	**OTHER SUBSTANTIVE EXPLORATION DATA**	
I	Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples - sizes and method of treatment; metallurgical test results; bulk density; groundwater; geotechnical and rock characteristics; potential deleterious or contaminating substances.	n/a
2.10	**FURTHER WORK**	
i	The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).	The contributing coal assets of the Generaal Section can be defined as early exploration projects, with no JORC Code compliant coal resources. Any future work will involve securing Coal Resources.
Ii	Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	The reader is referred to the full 2015 CPR located on the CoAL website for maps and sections.

JORC (TABLE 1)	DESCRIPTION	CHAPUDI
	SECTION 1: SAMPLING TECHNIQUE AND DATA	
1.1	**SAMPLING TECHNIQUES**	
i	Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the mineral under investigation, such as downhole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.	Diamond drilling was carried out using PQ3 drilling, at a core size of 82mm, or LDD, at a core size of 123mm. HQ drilling was used where RC boreholes failed due to technical reasons. These holes were treated the same as the PQ3 holes. All boreholes were drilled vertically. All holes were drilled between 5m and 10m below the target Seam 6. Two types of samples were collected from the Rio Tinto drilling. These included samples for coal quality and washability testing and samples for petrographical analysis.
ii	Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.	
iii	Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1m samples from which 3kg was pulverised to produce a 30g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.	The RC drill cuttings or chips were collected in poly weave bags at 1m intervals using a cyclone attached to the rig. For each metre interval, a small sub sample was placed into a chip tray for logging. A spade full from each bag was also laid out in 20m lengths for logging. All bags are sealed and then stored in a refrigerated container. The chips of the LOX holes were logged to identify the depth of weathering. Chips were collected at 1m intervals for this purpose. These holes were also logged using an Acoustic Televiewer. The chips of the LOX boreholes were logged to identify the depth of weathering. These holes were also logged using an Acoustic Televiewer.
1.2	**DRILLING TECHNIQUES**	
i	Drill type and details.	Two types of open hole drilling were carried out by Rio Tinto, one for general exploration and the other specifically for the determination of the depth of weathering.
1.3	**DRILL SAMPLE RECOVERY**	
i	Methods of recording and assessing core and chip sample recoveries and results assessed.	No core recovery data was provided to Venmyn Deloitte.
ii	Measures taken to maximise sample recovery and ensure representative nature of the samples.	
iii	Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	
1.4	**LOGGING**	
i	Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.	Geotechnical and initial lithological logging was carried out whilst the core was in the split inner tube. Core was then transferred into numbered core trays. Core was not split prior to logging in order to minimise the effects of oxidation. The core boxes were then transported to a refrigerated container for storage.
ii	Whether logging is qualitative or quantitative in nature. Core photography.	

iii	The total length and percentage of the relevant intersections logged.	All core was photographed, on site, as it was removed from the barrel as well as later when packed in the core trays.
1.5	**SUB-SAMPLING TECHNIQUES AND SAMPLE PREPARATION**	
i	If core: whether cut or sawn and whether quarter, half or all cores taken.	Core was not split prior to logging in order to minimise the effects of oxidation. The core boxes were then transported to a refrigerated container for storage. Two types of samples were collected from the Rio Tinto drilling. These included samples for coal quality and washability testing and samples for petrographical analysis.
ii	If non-core, whether riffled, tube sampled, rotary split etc and whether sampled wet or dry.	
iii	For all sample types, the nature, quality and appropriateness of the sample preparation technique.	
iv	Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.	
v	Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.	
vi	Whether sample sizes are appropriate to the grain size of the material being sampled.	
1.6	**QUALITY OF ASSAY DATA AND LABORATORY TESTS**	
i	The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total	The early reconnaissance samples were sent to Inspectorate, a SANAS accredited laboratory (No T0313). According to Rio Tinto, Inspectorate provided some invalid analytical data due to not maintaining a mass balance between fractions post the drop shatter stage in the analysis process. As a result, Rio Tinto then sent the remaining samples to the SABS laboratory in Secunda. SABS is accredited (No T0230) through the South African National Accreditation System (SANAS) and SABS/ISO/IEC 17025:2005. All the OMS samples were sent to the SABS laboratory. Some samples from the Rio Tinto drilling campaign were also analysed at ALS Brisbane (ISO 17025 accredited). Products were returned to South Africa for petrographic analysis. This laboratory is highly rated for the analysis, particularly, of coking coal samples.
ii	For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation	
iii	Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.	
1.7	**VERIFICATION OF SAMPLING AND ASSAYING**	
i	The verification of significant intersections by either independent or alternative company personnel.	Rio Tinto used the acQuire Technology Solutions' (ATS) Geoscientific Data Management System (GDMS) from the start of the exploration. Rio Tinto and ATS developed this proprietary software specifically for the storage of coal exploration data for this project. This software covers the whole suite of applications from data entry in the field, through to QA/QC at head office. The software includes specially designed validation protocols using the standard dictionaries for the logging of sedimentary deposits. Data entry was carried out in the field with regular synchronisation of the GDMS with head office.
ii	The use of twinned holes	
iii	Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.	
iv	Discuss any adjustments to assay data.	
1.8	**LOCATION OF DATA POINTS**	
i	Accuracy and quality of surveys used to locate drill holes (collar and down-hole survey), trenches, mine workings and other locations used in Mineral Resource estimation.	All collar coordinates were surveyed using a Trimble GeoExplorer XRSPro GIS grade real-time differential GPS unit. The three deep boreholes, however, were surveyed using a

ii	Specification of the grid system used.	handheld GPS. The protocol of using the differential GPS included a series of check and repeat measurements to ensure the accuracy of the survey results. The accuracy level obtained was 1m horizontally and 3m vertically. Rio Tinto also performed a verification of the collar survey data with the DTM and found them to be correct.
iii	Quality and adequacy of topographic control.	
1.9	**DATA SPACING AND DISTRIBUTION**	
i	Data spacing for reporting of Exploration Results.	Spacing was not done on a specific grid. However, the distribution of boreholes is sufficient for Inferred, Indicated and Measured Mineral Resources.
ii	Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.	
iii	Whether sample compositing has been applied.	
1.10	**ORIENTATION OF DATA IN RELATION TO GEOLOGICAL STRUCTURE**	
i	Whether the orientation of the sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.	All boreholes were drilled vertically.
ii	If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	
1.11	**SAMPLE SECURITY**	
iii	Measures taken to ensure sample security.	All samples were stored within a locked refrigerated container, before despatch to the laboratories. Once at the laboratories, the samples were subject to the standard security measures of the respective laboratories.
1.12	**AUDITS OR REVIEWS**	
i	The results of any audits or reviews of sampling techniques and data.	Venmyn Deloitte had reviewed and independently verified the GSP assets and have found no material deviations.
	SECTION 2: REPORTING OF EXPLORATION RESULTS	
2.1	**MINERAL TENEMENT AND LAND TENURE STATUS**	
i	Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.	The Chapudi Section is situated in the magisterial district of Vhembe, in the Limpopo Province of South Africa. The Chapudi Section comprises 21 farms, or portions thereof, held by an accepted application for a NOMR by CoAL's wholly owned subsidiary company, Chapudi Coal (Pty) Ltd. CoAL's interest in the mineral rights within the Chapudi Section is a consequence of the Soutpansberg Properties Acquisition Agreement. Four of the six NOPRs held by CoAL for the farms that make up the Chapudi Section expired by June 2011. The other two NOPR were due to expire in December 2015. In May 2013 CoAL applied for a NOMR under its wholly owned subsidiary Chapudi Coal (Pty) Ltd, for all of the Chapudi Section. The DMR issued an acceptance letter for the NOMR application in July 2013. There are no private royalties payable for the Chapudi Section. State royalties, as per the MPRRA will be payable, however, on any future production.
ii	The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.	

		The land is mainly given over to commercial crop and cattle farming as well as game ranching in less arable areas.
2.2	**EXPLORATION DONE BY OTHER PARTIES**	
i	Acknowledgments and appraisal of exploration by other parties.	Little is known about historical drilling on Chapudi. CoAL obtained the historical database from the Council for Geological Sciences in 2013 that included 162 boreholes drilled by Iscor (now Exxaro) on Chapudi. Recent and comprehensive exploration has been conducted, within the Chapudi Section area, by Rio Tinto.
2.3	**GEOLOGY**	
	Deposit type, geological setting and style of mineralisation.	The Chapudi West Section is situated within an extension of the Tshipise Coalfield, a subdivision of the Soutpansberg Coalfield. The Tshipise Coalfield comprises a number of east-west trending half-graben structures in which Upper Ecca Group are preserved. The geology is generally broken up into fault blocks by a number of parallel strike faults. Within the Chapudi West Section area, seven coal zones (or seams) are recognised, three of which occur in the Lower Ecca Group with the remaining four occurring in the Upper Ecca Group.
2.4	**DRILL HOLE INFORMATION**	
i	A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:	A total of 277 boreholes have been completed on the Chapudi Project. Of these, 112 have been considered appropriate and used for geological modelling. Data has been primarily sourced from Rio Tinto. Iscor data hasnot been used due to the lack of data verification. The Access database is managed and maintained by CoAL's Competent Person, Mr. J. Sparrow (Pr.Sci.Nat.), and the Section geologist, Mr. C. Mafiri. Backups are stored at CoAL's head office in Johannesburg.
	Easting and northing of the drill hole collar	
	Elevation or RL (Reduced Level - elevation above sea level in metres) of the drill hole collar	
	Dip and azimuth of the hole	
	Down hole length and interception depth	
	Hole length	
ii	If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does no detract from the understanding of the report, the Competent Person should clearly explain why this is the case.	N/A
2.5	**DATA AGGREGATION METHODS**	
i	In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.	N/A as no Exploration Results have been reported for the Generaal Project. No metal equivalents are applicable
ii	Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of lower grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.	

iii	The assumptions used for any reporting of metal equivalent values should be clearly stated.	
2.6	**RELATIONSHIP BETWEEN MINERALISATION WIDTHS AND INTERCEPT LENGTHS**	
i	These relationships are particularly important in the reporting of Exploration Results.	Drilling is generally perpendicular to mineralisation and sampling intercepts are taken to coincide with mineralisation widths
ii	If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.	
iii	If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').	
2.7	**DIAGRAMS**	
i	Appropriate maps and sections (with scales) and tabulations of intercepts which should be included for any significant discovery being reported. These should include, but not limited to a plan view of drill hole collar locations and appropriate sectional views.	The reader is referred to the full 2015 CPR located on the CoAL website for maps and sections.
2.8	**BALANCED REPORTING**	
i	Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and /or widths should be practiced to avoid misleading reporting of Exploration Results.	N/A
2.9	**OTHER SUBSTANTIVE EXPLORATION DATA**	
i	Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples - sizes and method of treatment; metallurgical test results; bulk density; groundwater; geotechnical and rock characteristics; potential deleterious or contaminating substances.	In 2005, Fugro conducted a 124km2 helicopter-borne, aerial magnetic and radiometric surveys. A total of 1,330 line kilometres were flown at a line spacing of 100m. The results of the reduced to pole airborne magnetic data were used to identify intrusions and lineaments over the central area of the Chapudi Section. In 2006, GAP Geophysics carried out three resistivity traverses and four vertical electrical sounding traverses along a distance of approximately 1,500m. In 2007, two north/south seismic traverses were carried out on Sterkstroom 689MS and Coniston 699MS. Additional DTM data was obtained from aerial photograph interpretation with a resolution of 25m by 25m. This was obtained from the South African Chief Directorate: Surveys and Mapping datasets. From 2005 onward, all collar coordinates were surveyed using a Trimble GeoExplorer XRSPro GIS grade real-time differential GPS unit. The three deep boreholes, however, were surveyed using a handheld GPS. Two types of samples were collected from the Rio Tinto drilling. These included samples for coal quality and washability testing and samples for petrographical analysis. The two boreholes on Chapudi West were only sampled for petrographical analysis. No bulk sampling has been carried out on the Chapudi West Section.
2.10	**FURTHER WORK**	
i	The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).	CoAL intends to continue drilling to increase resource confidence and potentially declare Reserves.

ii	Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	
	SECTION 3: ESTIMATION AND REPORTING OF MINERAL RESOURCES	
3.1	**MINERAL TENEMENT AND LAND TENURE STATUS**	
i	Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes.	Rio Tinto used the acQuire Technology Solutions' (ATS) Geoscientific Data Management System (GDMS) from the start of the exploration. Rio Tinto and ATS developed this proprietary software specifically for the storage of coal exploration data. This software covers the whole suite of applications from data entry in the field, through to QA/QC at head office. The GDMS is housed within a SQL database and can therefore be exported into the various 3D modelling software packages. The software includes specially designed validation protocols using the standard dictionaries for the logging of sedimentary deposits. This software also generates dispatch numbers which are used by the laboratory.
ii	Data validation procedures used.	
3.2	**SITE VISITS**	
i	Comment on any site visits undertaken by the Competent Person and the outcome of those visits.	The authors of this report have carried out numerous site visits to CoAL's mineral asset between March 2010 and May 2012 as part of previous work assignments for the company.
ii	If no site visits have been undertaken, indicate why this is the case.	N/A
3.3	**GEOLOGICAL INTERPRETATION**	
i	Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.	The latest model was prepared by Mr. J. Sparrow (Pr.Sci.Nat), CoAL's Competent Person, as at 29th February 2012. The model was prepared in Minex Software. The model takes into account all available recent drilling and other geological information as of 29 February 2012. Both the physical and quality parameters of the coal within Seam 6 only were modelled, by CoAL. Grids with a 20m mesh were estimated using Minex's general purpose gridding function using a 2.5km search radius. The model of the physical parameters of the seam was cut along any significant structures, whilst the quality parameters were modelled across it. All physical and quality parameters were plotted and visually inspected to ensure they were acceptable from the perspective of geological interpretation. Both CoAL and Venmyn Deloitte have a reasonable level of confidence with respect to the current model and the associated resource estimates based upon the currently available information.
ii	Nature of the data used and any assumptions made.	
iii	The effect, if any, of alternative interpretations on Mineral Resource estimation.	
iv	The use of geology in guiding and controlling Mineral Resource estimation.	
v	The factors affecting continuity both of grade and geology.	
3.4	**DIMENSIONS**	
i	The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.	The upper surface of the model was sourced from the digital terrain model and is presented in Figure 69. Dolerite dykes, as well as fault planes, were incorporated into the 3D structural model.
3.5	**ESTIMATION AND MODELLING TECHNIQUES**	
i	The nature and appropriateness of the estimation technique(s) and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was	Both the physical and quality parameters of the coal within Seam 6 only were modelled, by CoAL. Grids with a 20m mesh were estimated using Minex's general purpose gridding function using a 2.5km search radius. The model of the physical parameters of the seam was cut along any significant

	chosen include a description of computer software and parameters used off extrapolation from data points.	structures, whilst the quality parameters were modelled across it. All physical and quality parameters were plotted and visually inspected to ensure they were acceptable from the perspective of geological interpretation.
ii	The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.	A Coal Resource was declared, by CoAL, as at 30 September 2012 in the CPR entitled "Independent Competent Persons' Report on Certain Coal Assets Within the Soutpansberg Coalfield of Coal Of Africa Limited". No additional changes have been made by CoAL to the geological model or resource estimation for the Chapudi Section since the 2012 CPR. No commercial mining has taken place at the Chapudi Section. However, an Options Study was conducted by Snowden Mining Industry Consultants (Pty) Ltd (Snowden) in June 2009, which outlines the various mining methods and associated cost which were considered by Rio Tinto.
iii	The assumptions made regarding recovery of by-products.	No byproducts.
iv	Estimation of deleterious elements or other non-grade variables of economic significance.	The estimated resources and qualities for in situ raw coal on a dmmf basis is presented in Table 39. All quality results are for the +0.075mm-63mm fraction of the coal within Rio Tinto's Seam 6. Only ash has been analysed as a deleterous material.
v	In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.	Grids with a 20m mesh were estimated using Minex's general purpose gridding function using a 2.5km search radius.
vi	Any assumption behind modelling of selective mining units.	
vii	Any assumption about the correlation between variables.	
viii	Description of how the geological interpretation was used to control the resource estimates.	The model of the physical parameters of the seam was cut along any significant structures, whilst the quality parameters were modelled across it. All physical and quality parameters were plotted and visually inspected to ensure they were acceptable from the perspective of geological interpretation.
ix	Discuss the basis for using or not using grade cutting or capping.	No grade cutting or capping was used.
x	The process validation, the checking process used, the comparison of model data to drill hole data and use of reconciliation data if available.	Venmyn Deloitte reviewed the estimation procedures and considers the coal resource estimates and classification as prepared and declared by CoAL as reasonable and compliant with JORC.
3.6	**MOISTURE**	
i	Whether the tonnages are estimated on a dry basis or with natural moisture and the method of determination of the moisture content.	Unknown
3.7	**CUT-OFF PARAMETERS**	
i	The basis of the adopted cut-off grade(s) or quality parameters applied.	N/A
3.8	**MINING FACTORS OR ASSUMPTIONS**	

i	Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.	Both opencast and underground methods were considered in the Snowden reports (2009). Snowden considered truck and shovel methods as well as dragline methods of overburden removal for a single seam (Seam 6 only) and a two seam (Seam 6 and Seam 7) operation. A truck & shovel operation was considered for coal extraction. In the case of opencast truck & shovel overburden removal, two methods were considered, namely Down Dip Mining and Along Strike Mining. Snowden also investigated the potential for underground mining using longwall mining, top coal caving (or sub level caving) in longwall sections and bord & pillar methods of extraction. Snowden stated that, taking cognisance of the geotechnical information and downhole logs, it believed there is limited potential for underground mining and that it is a high risk strategy that could only be considered as a downdip extension to the opencast method. Once CoAL obtains the rights to the Chapudi Section, the company will re-assess the mine plan and associated costs in light of the planned mining of up to five separate seams using opencast methods. Experience gained from the Makhado Project will be considered when preparing a mine plan for the Chapudi Section.
3.9	**METALLURGICAL FACTORS OR ASSUMPTIONS**	
i	The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.	Extensive and highly detailed testwork has been carried out on the samples derived from the various exploration campaigns carried out at the Chapudi Section. The initial reconnaissance campaign focused on a low ash coking product with a middlings fraction for domestic power generation. This was followed by the OMS phase which primarily investigated the potential to produce a domestic power station product only. Later the low ash primary product, with a middlings fraction of power station coal, was also reconsidered. The coking potential is good and improves with increasing depth. For a domestic thermal coal product, a typical CV to be extracted from Seam 6 would be in the order of 22MJ/kg at a yield of approximately 40%. Washed volatile content of this product would typically be 28%. This meets the requirements for a domestic thermal product.
3.10	**ENVIRONMENTAL FACTORS OR ASSUMPTIONS**	
i	Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.	All potential environmental impacts have been identified as part of the NOMR process in consultation with Interested and Affected Parties (IAPs), regulatory authorities, specialist consultants and CoAL. A range of environmental issues were considered and are reported in the EIA/EMP reports compiled by Jacana Environmentals cc.
3.11	**BULK DENSITY**	

i	Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples.	The raw density was measured from either the downhole geophysics or in the laboratory. The laboratory densities were measured using a density bottle from 1m HQ core samples over the entire seam thickness.
ii	The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs,porosity, etc.), moisture and differences between rock and alteration zones within the deposit.	
iii	Discuss assumptions for bulk density estimates used in the evaluation process for different materials.	
3.12	**CLASSIFICATION**	
i	The basis for the classification of the Mineral Resources into varying confidence categories.	The classification, by CoAL, into the various resource categories is primarily based upon the relative spacing of points of observation with both quantitative and qualitative results. Venmyn Deloitte is confident, having reviewed the data, that the logging, sampling, data density and distribution are suitable for the Coal Resource estimation. The estimation of each of the parameters required for the reporting of coal resources is presented in the section to follow. Resources have been categorised, by CoAL, as Measured, Indicated or Inferred according to observation point halos in accordance with JORC reporting standards. The resources have not been sub-divided into the proposed underground and opencast sectors. In order to classify the coal resources, a halo diagram is prepared using only the boreholes with quality and quantity results.
ii	Whether appropriate account has been taken of all relevant factors (i.e. relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data).	
iii	Whether the result appropriately reflects the Competent Person's view of the deposit.	
3.13	**AUDITS OR REVIEWS**	
i	The results of any audits or reviews of Mineral Resource estimates.	Venmyn Deloitte has randomly selected 14 boreholes and checked the original Excel logs with the logs included in the modelling database. Minor differences in coal intersection depths or thicknesses, of less than 1m, were noted in two boreholes (689MS_013 and 702MS_017). No checks could be carried out of the database against the original borehole logs as the latter were not available. In addition, no checks could be carried out comparing the database to the laboratory certificates as the latter were not available.
3.14	**DISCUSSION OF RELATIVE ACCURACY/CONFIDENCE**	
i	Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate , a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate.	The resources are classified according to the distances between points of information as defined in the latter. According to section 4.3 of this guideline, "...Coal Resources should be estimated and reported for individual seams or seam groupings within a deposit. They should also be subdivided and reported on the basis of key variables, such as thickness, depth range, strip ratio, coal quality parameters, geographic constraints and geological or technical considerations. The key variables and assumptions for each deposit should be clearly stated in order to ensure clarity and transparency of the report." The resources are presented in the following standard manner for all projects:- · Gross Tonnes In Situ (GTIS), application of mineral tenure boundaries and a 0.5m seam thickness cutoff. This is the simplest form of resource declaration; · Total Tonnes In Situ (TTIS), application of geological losses to GTIS; and
ii	The statement should specify whether it relates to global or local estimates, and if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.	
iii	These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.	

		· Mineable Tonnes In Situ (MTIS), application of basic mining parameters to TTIS. An example of this would be the application of a minimum seam thickness cutoff for underground mining.

JORC (TABLE 1)	DESCRIPTION	CHAPUDI WEST
	SECTION 1: SAMPLING TECHNIQUE AND DATA	
1.1	**SAMPLING TECHNIQUES**	
i	Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the mineral under investigation, such as downhole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.	A total of 19 boreholes have been completed. Of these, only the 3 recent holes completed by CoAL have been used for geological modelling. The two 3 boreholes on Chapudi West were only sampled for petrographical analysis. No bulk sampling has been carried out on the Chapudi West Section.
ii	Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.	
iii	Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1m samples from which 3kg was pulverised to produce a 30g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.	
1.2	**DRILLING TECHNIQUES**	
i	Drill type and details.	Diamond drilling was carried out using PQ3 drilling, at a core size of 82mm, or LDD, at a core size of 123mm. HQ drilling was used where RC boreholes failed due to technical reasons. These holes were treated the same as the PQ3 holes. All boreholes were drilled vertically. All holes were drilled between 5m and 10m below the target Seam 6.
1.3	**DRILL SAMPLE RECOVERY**	
i	Methods of recording and assessing core and chip sample recoveries and results assessed.	No core recovery data was provided to Venmyn Deloitte.
ii	Measures taken to maximise sample recovery and ensure representative nature of the samples.	
iii	Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	
1.4	**LOGGING**	
i	Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.	Geotechnical and initial lithological logging was carried out whilst the core was in the split inner tube. Core was then transferred into numbered core trays. Core was not split prior to logging in order to minimise the effects of oxidation. The core boxes were then transported to a refrigerated container for storage.
ii	Whether logging is qualitative or quantitative in nature. Core photography.	
iii	The total length and percentage of the relevant intersections logged.	

		All core was photographed, on site, as it was removed from the barrel as well as later when packed in the core trays.
1.5	**SUB-SAMPLING TECHNIQUES AND SAMPLE PREPARATION**	
i	If core: whether cut or sawn and whether quarter, half or all cores taken.	Core was not split prior to logging in order to minimise the effects of oxidation. The core boxes were then transported to a refrigerated container for storage. Two types of samples were collected from the Rio Tinto drilling. These included samples for coal quality and washability testing and samples for petrographical analysis.
ii	If non-core, whether riffled, tube sampled, rotary split etc and whether sampled wet or dry.	
iii	For all sample types, the nature, quality and appropriateness of the sample preparation technique.	
iv	Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.	
v	Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.	
vi	Whether sample sizes are appropriate to the grain size of the material being sampled.	
1.6	**QUALITY OF ASSAY DATA AND LABORATORY TESTS**	
i	The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total	Only a petrographical analysis was undertaken on the Chapudi West boreholes
ii	For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation	
iii	Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.	
1.7	**VERIFICATION OF SAMPLING AND ASSAYING**	
i	The verification of significant intersections by either independent or alternative company personnel.	Rio Tinto used the acQuire Technology Solutions' (ATS) Geoscientific Data Management System (GDMS) from the start of the exploration. Rio Tinto and ATS developed this proprietary software specifically for the storage of coal exploration data for this project. This software covers the whole suite of applications from data entry in the field, through to QA/QC at head office. The software includes specially designed validation protocols using the standard dictionaries for the logging of sedimentary deposits. Data entry was carried out in the field with regular synchronisation of the GDMS with head office.
ii	The use of twinned holes	
iii	Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.	
iv	Discuss any adjustments to assay data.	
1.8	**LOCATION OF DATA POINTS**	
i	Accuracy and quality of surveys used to locate drill holes (collar and down-hole survey), trenches, mine workings and other locations used in Mineral Resource estimation.	All collar coordinates were surveyed using a Trimble GeoExplorer XRSPro GIS grade real-time differential GPS unit. The three deep boreholes, however, were surveyed using a handheld GPS. The protocol of using the differential GPS included a series of check and repeat measurements to ensure the accuracy of the survey results. The accuracy level obtained was 1m horizontally and 3m vertically. Rio Tinto also performed a verification of the collar survey data with the DTM and found them to be correct.
ii	Specification of the grid system used.	
iii	Quality and adequacy of topographic control.	

1.9	**DATA SPACING AND DISTRIBUTION**	
i	Data spacing for reporting of Exploration Results.	N/A as no Exploration Results have been declared.
ii	Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.	
iii	Whether sample compositing has been applied.	
1.10	**ORIENTATION OF DATA IN RELATION TO GEOLOGICAL STRUCTURE**	
i	Whether the orientation of the sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.	All boreholes were drilled vertically.
ii	If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	
1.11	**SAMPLE SECURITY**	
iii	Measures taken to ensure sample security.	N/A as no sampling has been undertaken.
1.12	**AUDITS OR REVIEWS**	
i	The results of any audits or reviews of sampling techniques and data.	N/A as no sampling has been undertaken.
	SECTION 2: REPORTING OF EXPLORATION RESULTS	
2.1	**MINERAL TENEMENT AND LAND TENURE STATUS**	
i	Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.	The Chapudi West Section is situated in the magisterial district of Vhembe, in the Limpopo Province of South Africa. Chapudi West Section was acquired by CoAL pursuant to the Soutpansberg Properties Acquisition with Rio Tinto. It is comprised of nine farms situated adjacent and to the west of the Chapudi. The Chapudi West Section comprises nine farms, or portions thereof, held an accepted application for a NOMR by CoAL's wholly owned subsidiary Chapudi Coal (Pty) Ltd. The three NOPRs held by CoAL for the farms that make up the Chapudi West Section expired by June 2014. In May 2013 CoAL applied for a NOMR under its wholly owned subsidiary Chapudi Coal (Pty) Ltd for all of the Chapudi Section. The DMR issued an acceptance letter for the NOMR application in July 2013. There are no private royalties payable for the Chapudi West Section. State royalties, as per the MPRRA will be payable, however, on any future production. The land is mainly given over to commercial crop and cattle farming as well as game ranching in less arable areas.
ii	The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.	
2.2	**EXPLORATION DONE BY OTHER PARTIES**	
i	Acknowledgments and appraisal of exploration by other parties.	19 historical boreholes have been drilled on the Chapudi West Section five by Trans Natal Coal Mining Company and 11 by Iscor from 1973 to 1974. Between 2003 and 2005, three boreholes were drilled on the farm Grootvlei 684 MS and Grootboomen 476 MS by Rio Tinto. All the exploration drilling was undertaken by Earth Resources. All drilling has been managed by Rio Tinto, with Mr. D. Hristov as the geologist responsible for the drilling and sampling.

2.3	**GEOLOGY**	
	Deposit type, geological setting and style of mineralisation.	The Chapudi West Section is situated within an extension of the Tshipise Coalfield, a subdivision of the Soutpansberg Coalfield. The Tshipise Coalfield comprises a number of east-west trending half-graben structures in which Upper Ecca Group are preserved. The geology is generally broken up into fault blocks by a number of parallel strike faults. Within the Chapudi West Section area, seven coal zones (or seams) are recognised, three of which occur in the Lower Ecca Group with the remaining four occurring in the Upper Ecca Group.
2.4	**DRILL HOLE INFORMATION**	
i	A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:	A total of 19 boreholes have been completed. Of these, only the 3 recent holes completed by CoAL have been used for geological modelling. The 3 boreholes on Chapudi West were only sampled for petrographical analysis. No bulk sampling has been carried out on the Chapudi West Section. The Access database is managed and maintained by CoAL's Competent Person, Mr. J. Sparrow (Pr.Sci.Nat.), and the Section geologist, Mr. C. Mafiri. Backups are stored at CoAL's head office in Johannesburg.
	Easting and northing of the drill hole collar	
	Elevation or RL (Reduced Level - elevation above sea level in metres) of the drill hole collar	
	Dip and azimuth of the hole	
	Down hole length and interception depth	
	Hole length	
ii	If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.	N/A
2.5	**DATA AGGREGATION METHODS**	
i	In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.	N/A as no Exploration Results have been declared.
ii	Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of lower grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.	
iii	The assumptions used for any reporting of metal equivalent values should be clearly stated.	
2.6	**RELATIONSHIP BETWEEN MINERALISATION WIDTHS AND INTERCEPT LENGTHS**	
i	These relationships are particularly important in the reporting of Exploration Results.	All boreholes were drilled along the strike length of the Chapudi Section.
ii	If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.	
iii	If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').	
2.7	**DIAGRAMS**	
i	Appropriate maps and sections (with scales) and tabulations of intercepts which should be included for any significant discovery being reported. These should include, but not limited to a plan view of drill hole collar locations and appropriate sectional views.	The reader is referred to the full 2015 CPR located on the CoAL website for maps and sections.
2.8	**BALANCED REPORTING**	

i	Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and /or widths should be practiced to avoid misleading reporting of Exploration Results.	N/A
2.9	**OTHER SUBSTANTIVE EXPLORATION DATA**	
i	Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples - sizes and method of treatment; metallurgical test results; bulk density; groundwater; geotechnical and rock characteristics; potential deleterious or contaminating substances.	In 2005, Fugro conducted a 124km^2 helicopter-borne, aerial magnetic and radiometric surveys. A total of 1,330 line kilometres were flown at a line spacing of 100m. The results of the reduced to pole airborne magnetic data were used to identify intrusions and lineaments over the central area of the Chapudi Section. In 2006, GAP Geophysics carried out three resistivity traverses and four vertical electrical sounding traverses along a distance of approximately 1,500m. In 2007, two north/south seismic traverses were carried out on Sterkstroom 689MS and Coniston 699MS. Additional DTM data was obtained from aerial photograph interpretation with a resolution of 25m by 25m. This was obtained from the South African Chief Directorate: Surveys and Mapping datasets. From 2005 onward, all collar coordinates were surveyed using a Trimble GeoExplorer XRSPro GIS grade real-time differential GPS unit. The three deep boreholes, however, were surveyed using a handheld GPS. Two types of samples were collected from the Rio Tinto drilling. These included samples for coal quality and washability testing and samples for petrographical analysis. The two boreholes on Chapudi West were only sampled for petrographical analysis. No bulk sampling has been carried out on the Chapudi West Section.
2.10	**FURTHER WORK**	
i	The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).	CoAL intends to continue to drill Chapudi West to increase resource classification confidence and potentially declare resources
ii	Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	

JORC (TABLE 1)	DESCRIPTION	WILDEBEESTHOEK
	SECTION 1: SAMPLING TECHNIQUE AND DATA	
1.1	**SAMPLING TECHNIQUES**	
i	Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the mineral under investigation, such as downhole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.	The Iscor holes were sampled and sent to their in-house laboratory for analysis. The sampling protocols used by Iscor are unknown. All CoAL boreholes were sampled and sent to Inspectorate in Polokwane.

ii	Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.	Sample representivity is unknown
iii	Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1m samples from which 3kg was pulverised to produce a 30g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.	CoAL purchased both hard and electronic data copies of the original Iscor database from Exxaro in 2007; however, quality data is only available from two boreholes. CoAL acquired the data from the four Rio Tinto boreholes from Rio Tinto in 2011. This data is stored in an Access database.
1.2	**DRILLING TECHNIQUES**	
i	Drill type and details.	Between 1975 and 1978, Iscor drilled a total of 94 boreholes over the Wildebeesthoek Section area. It is assumed that the drilling methods were conventional. In 2013 CoAL drilled ten diamond core and ten RC boreholes over the Wildebeesthoek Section to assist with structural interpretation.
1.3	**DRILL SAMPLE RECOVERY**	
i	Methods of recording and assessing core and chip sample recoveries and results assessed.	Not available
ii	Measures taken to maximise sample recovery and ensure representative nature of the samples.	
iii	Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	
1.4	**LOGGING**	
i	Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.	Not available
ii	Whether logging is qualitative or quantitative in nature. Core photography.	
iii	The total length and percentage of the relevant intersections logged.	
1.5	**SUB-SAMPLING TECHNIQUES AND SAMPLE PREPARATION**	
i	If core: whether cut or sawn and whether quarter, half or all cores taken.	Not available
ii	If non-core, whether riffled, tube sampled, rotary split etc and whether sampled wet or dry.	
iii	For all sample types, the nature, quality and appropriateness of the sample preparation technique.	
iv	Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.	
v	Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.	
vi	Whether sample sizes are appropriate to the grain size of the material being sampled.	
1.6	**QUALITY OF ASSAY DATA AND LABORATORY TESTS**	

i	The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total	Samples from the Rio Tinto drilling campaign were analysed at ALS Brisbane (ISO 17025 accredited). Products were returned to South Africa for petrographic analysis. Coking quality analysis was not undertaken, however a sample taken from Seam 6 (6A) did produce an RoVmax of 1.74%, which is considered by Venmyn Deloitte as encouraging. No specific details are available regarding Rio Tinto's analytical, QA/QC and security protocols for the Wildebeesthoek Section, but it is assumed that they implemented the same protocols as discussed for the Chapudi Section
ii	For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation	
iii	Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.	
1.7	**VERIFICATION OF SAMPLING AND ASSAYING**	
i	The verification of significant intersections by either independent or alternative company personnel.	CoAL purchased both hard and electronic data copies of the original Iscor database from Exxaro in 2007; however, quality data is only available from two boreholes. CoAL acquired the data from the four Rio Tinto boreholes from Rio Tinto in 2011. This data is stored in an Access database. No data verification has yet been conducted.
ii	The use of twinned holes	
iii	Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.	
iv	Discuss any adjustments to assay data.	
1.8	**LOCATION OF DATA POINTS**	
i	Accuracy and quality of surveys used to locate drill holes (collar and down-hole survey), trenches, mine workings and other locations used in Mineral Resource estimation.	Not available
ii	Specification of the grid system used.	
iii	Quality and adequacy of topographic control.	
1.9	**DATA SPACING AND DISTRIBUTION**	
i	Data spacing for reporting of Exploration Results.	No specific driling grid has been followed at Wildebeesthoek. The distribution of the boreholes is sufficient for declaration of Exploration results
ii	Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.	While the borehole density is, in places, sufficient to classify Indicated and Measured resources, these areas have all been downgraded to the Inferred Category due to the lack of recent verification.
iii	Whether sample compositing has been applied.	No sample compositing has been applied.
1.10	**ORIENTATION OF DATA IN RELATION TO GEOLOGICAL STRUCTURE**	
i	Whether the orientation of the sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.	All CoAL boreholes were drilled vertically
ii	If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	
1.11	**SAMPLE SECURITY**	
iii	Measures taken to ensure sample security.	No specific details are available regarding Rio Tinto's analytical, QA/QC and security protocols for the Wildebeesthoek Section, but it is assumed that they implemented the same protocols as discussed for the Chapudi Section.
1.12	**AUDITS OR REVIEWS**	

i	The results of any audits or reviews of sampling techniques and data.	N/A as no sampling has been used for geological modelling.
	SECTION 2: REPORTING OF EXPLORATION RESULTS	
2.1	**MINERAL TENEMENT AND LAND TENURE STATUS**	
i	Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.	The Wildebeesthoek Section is located within the Soutpansberg Coalfield in the Limpopo Province of South Africa. CoAL acquired the Wildebeesthoek Section from Rio Tinto as part of the Soutpansberg Properties Acquisition Agreement. The DMR issued an acceptance letter for the NOMR application in July 2013. Venmyn Deloitte has viewed the acceptance letters and confirms the security of the mineral tenure. There are no private royalties payable for the Wildebeesthoek Section. State royalties, as per the MPRRA will be payable on any future production, however. The land is mainly given over to cattle and game ranching with localised arable farming.
ii	The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.	
2.2	**EXPLORATION DONE BY OTHER PARTIES**	
i	Acknowledgments and appraisal of exploration by other parties.	Between 1975 and 1978, Iscor drilled a total of 94 boreholes over the Wildebeesthoek Section area. Between 2004 and 2009, Rio Tinto drilled 4 boreholes within the Wildebeesthoek Section area on the farms Wildebeesthoek 661MS and Mapani Ridge 660MS. All the exploration drilling was undertaken by Earth Resources. All drilling has been managed by Rio Tinto, with Mr. D. Hristov as the geologist responsible for the drilling and sampling.
2.3	**GEOLOGY**	
	Deposit type, geological setting and style of mineralisation.	The Wildebeesthoek Section is situated within the Waterpoort Coalfield subdivision of the greater Soutpansberg Coalfield. It represents an isolated and upfaulted block of Karoo age sediments, which lies adjacent to the Chapudi Section. The area is interpreted as representing an up-faulted extension of the coal seams from down dip of the main Chapudi Section.
2.4	**DRILL HOLE INFORMATION**	
i	A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:	Between 1975 and 1978, Iscor drilled a total of 94 boreholes over the Wildebeesthoek Section area. It is assumed that the drilling methods were conventional. Of the available data, no boreholes have been used for geological modelling. The Access database is managed and maintained by CoAL's Competent Person, Mr. J. Sparrow (Pr.Sci.Nat.), and the Section geologist, Mr. C. Mafiri. Backups are stored at CoAL's head office in Johannesburg.
	Easting and northing of the drill hole collar	
	Elevation or RL (Reduced Level - elevation above sea level in metres) of the drill hole collar	
	Dip and azimuth of the hole	
	Down hole length and interception depth	
	Hole length	
ii	If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.	N/A
2.5	**DATA AGGREGATION METHODS**	
i	In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.	N/A as no Exploration Results have been estimated.

ii	Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of lower grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.	
iii	The assumptions used for any reporting of metal equivalent values should be clearly stated.	
2.6	**RELATIONSHIP BETWEEN MINERALISATION WIDTHS AND INTERCEPT LENGTHS**	
i	These relationships are particularly important in the reporting of Exploration Results.	N/A as no Exploration Results have been estimated.
ii	If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.	
iii	If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').	
2.7	**DIAGRAMS**	
i	Appropriate maps and sections (with scales) and tabulations of intercepts which should be included for any significant discovery being reported. These should include, but not limited to a plan view of drill hole collar locations and appropriate sectional views.	The reader is referred to the full 2015 CPR located on the CoAL website for maps and sections.
2.8	**BALANCED REPORTING**	
i	Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and /or widths should be practiced to avoid misleading reporting of Exploration Results.	N/A
2.9	**OTHER SUBSTANTIVE EXPLORATION DATA**	
i	Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples - sizes and method of treatment; metallurgical test results; bulk density; groundwater; geotechnical and rock characteristics; potential deleterious or contaminating substances.	N/A
2.10	**FURTHER WORK**	
i	The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).	CoAL intends to continue to drill Widlebeesthoek to increase resource confidence.
ii	Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	