



ANNOUNCEMENT

14 JANUARY 2016

INTEGRATED WATER USE LICENCE GRANTED FOR THE MAKHADO PROJECT

Coal of Africa Limited (“CoAL” or the “Company”) is pleased to advise that the Integrated Water Use Licence (“IWUL”) for its Makhado Project has been granted by the Department of Water and Sanitation (“DWS”) for a period of 20 years.

CoAL completed a Class II Definitive Feasibility Study on the Makhado Project during 2013 and anticipates developing the colliery to produce 2.3 million tonnes per annum (Mtpa) of hard coking coal and a further 3.2 Mtpa of thermal coal over the life of mine. Tests confirmed that the coal can be successfully beneficiated to produce high strength coke for the steel manufacturing industry.

David Brown commented, “The granting of the IWUL for the Makhado Project is a significant milestone for CoAL, and is a further step towards bringing the Makhado Project into production. It further signifies government’s commitment to and support of our flagship project, and its potential to foster socio economic transformation not only for the communities in our area of operation, but also for the Limpopo Province.

“We continue to focus on our funding requirements in order to commence construction activities in H2 2016.”

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Investec Bank Limited is the nominated JSE Sponsor

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 /MbeuYashu, including CoAL's Makhado Project (coking and thermal coal).
