



ANNOUNCEMENT

02 NOVEMBER 2016

**MINISTER DISMISSES APPEAL AGAINST ENVIRONMENTAL AUTHORISATION AMENDMENT AT
MAKHADO PROJECT**

Coal of Africa Limited (“CoAL” or the “Company”) is pleased to advise that the South African Minister of the Department of Environmental Affairs (“DEA”), Ms Edna Molewa, has dismissed an Appeal against the Environmental Authorisation (“EA”) Amendment for the Makhado Project in the Limpopo Province.

The EA Amendment was granted in July 2016 in terms of the National Environmental Management Act (NEMA) (Act 107 of 1998), amending the holder of the authorisation from CoAL to Baobab Mining and Exploration Limited (Pty) Ltd, the legal entity for the Makhado Project, thus ensuring the alignment of the ownership of the full suite of regulatory authorisations in the appropriate operating vehicle. The EA Amendment further amends the validity period of the EA, extending the commencement period for an additional 5 years.

An appeal against the EA Amendment was lodged in August 2016 by the Vhembe Mineral Resources Stakeholders’ Forum.

Commenting on the decision, David Brown, Chief Executive Officer of CoAL said, “We welcome this decision by the Minister, and confirms the support of the Provincial and National Government for the Makhado Project and its potential to drive meaningful socio-economic transformation. It is a further step in progressing the Makhado Project towards construction.

“We have recently launched the Makhado Centre of Learning which aims to develop skills within communities to enable access to opportunities offered within the Makhado Project.

“CoAL continues to engage with the Department of Water and Sanitation progress the appeal against the Integrated Water Use Licence for the Makhado Project”.

Authorised by

David Brown

Chief Executive Officer

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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).
