



ANNOUNCEMENT

8 April 2016

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INTEGRATED WATER USE LICENCE GRANTED FOR THE MAKHADO PROJECT SUSPENDED

Coal of Africa Limited (“CoAL” or the “Company”) advises that the Integrated Water Use Licence (“IWUL”) for its Makhado Project has been suspended following an appeal to the Department of Water and Sanitation (“the Department”) submitted by the Vhembe Mineral Resources Forum and other parties.

The appeal automatically suspends the IWUL in terms of Section 148 (2) (b) of the South African National Water Act No 36 of 1998.

This appeal has been anticipated, and CoAL is in the process of preparing an urgent representation to the Minister of Water and Sanitation to request that the IWUL remain in full force and effect pending the final conclusion of the appeal by the Water Tribunal.

CoAL CEO David Brown commented, “We are actively engaging with the Department to resolve this appropriately.

“We remain committed to the sustainable development of the Makhado Project, whilst recognising its potential to drive significant socio-economic transformation. We will continue to engage with all stakeholders to ensure the on-going implementation of our co-existent model, seeking co-operation between mining, agriculture and heritage land uses.”

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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).
