



Rob Rose
Editor
Business Times
Avusa House
4 Biermann Avenue
Rosebank
Johannesburg 2196

31 March 2014

Dear Mr Rose

RE: Article in South African Sunday Times on 23 March 2014: “Miners vs Communities – Again”

We refer to the article which appeared in the Sunday Times of 23 March 2014 entitled, “Miners vs Communities – Again”. In spite of the fact that we provided two sets of detailed responses to questions sent by Ms Prinsloo, very little of the content of our responses was used in her article. It is the responsibility of a journalist to present a fair and balanced approach based on the facts presented to him or her. We must therefore assume that there was never an intention on the part of Ms Prinsloo to present a balanced, factual article. We must point out that on 30 October 2013, we raised the same issues of accuracy in relation to an article written by Ms Prinsloo published in the Business Times. In that letter we requested that you print a correction, which was not done. Once again, we request that you publish a correction.

It may be important to provide a context for the Makhado Project, which is located on the Farms Fripp 645 MS, Tanga 648 MS, Windhoek 649 MS, Lukin 643 MS and Salaita 188

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Bernard R. Pryor – Chairman, David H. Brown – Chief Executive Officer, Michael G. Meeser – Chief Financial Officer
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MT. The Mudimeli, Kuvule and Mulambwane communities are located on the Farm Fripp, with the adjacent communities of Makushu, Mosholombi and Pfumembe residing on neighbouring farms. The land claimant community of Musekwa is also affected. A total of seven communities would be affected by the Makhado Project. The complex process of engaging with the seven communities was exacerbated by a conflict within the Mudimeli community which resulted in the establishment of an Integrated Government Forum (IGF), chaired by the Limpopo Office of the Premier. Members of the IGF include regulatory authorities within the province - Limpopo Economic Development, Environment and Tourism (LEDET), Department of Water Affairs (DWA) and the regional Department of Mineral Resources (DMR). The departments of Rural Development (DrD), Agriculture and Local Municipalities are also members of this structure. The mandate of the structure was to resolve the conflict within the Mudimeli community. The IGF also developed a framework for engagement between the local and affected communities, and CoAL; which proposed the election of a duly constituted, unified representative structure called the Makhado Colliery Community Consultative Forum (MCCCCF). The MCCCCF represents all of the seven communities.

We wish to address the inaccuracies in the article:

1. *"The tussle over the Makhado Project ...is yet another high profile clash between communities and coal miners."* We are not aware of any tussle between CoAL and communities.
2. *"The angry Mudimeli Community held meetings with the Department of Mineral Resources (DMR) dampening the prospect of CoAL getting the licence for Makhado soon"*. The Mudimeli community did not hold meetings with the DMR, however, certain individuals from the Mudimeli community met with the DMR.
3. *"Thomas Tshilongo, one of the leaders of the Mudimeli Community..."* – we challenge this description of Mr Tshilongo. He was nominated as a candidate in the very election

to which the article refers, and he did not receive sufficient votes to be nominated to the consultative structure.

4. Mr Tshilongo alleges that the election was held so that the company's "*preferred people could be placed in leadership positions*". The election process was audited by an independent auditor, and the company was not involved in the process.
5. Ms Prinsloo alleges that the election process was flawed because of a conflict of interest from "*one of CoAL's largest shareholders*". "*Eyesizwe holds a 20% stake in CoAL*", and "*Mr Mchunu's interest in Vele Colliery*". Despite our response clarifying this issue, the facts were still incorrectly reported. Neither Eyesizwe nor Professor Mchunu has any interest in Vele Colliery or CoAL.
6. Mr Tshilongo is quoted as saying that "*the larger part of the Mudimeli community did not recognise the election or the forum that it created*". The forum is recognised by the IGF, as well as all seven communities to be affected by the Makhado Project, one of which is the Mudimeli community.

We again would like to request the adoption of a fair and balanced approach when reporting on CoAL or its subsidiaries. Failure to do so may result in CoAL and its subsidiaries considering its various options, one of which is filing a complaint to a Press Ombudsman.

Sincerely

A handwritten signature in black ink, appearing to read 'DBR', with a horizontal line underneath it.

David Brown

Chief Executive Officer