



ANNOUNCEMENT

29 May 2017

MINISTER LIFTS THE APPEAL AGAINST INTEGRATED WATER USE LICENCE AT MAKHADO PROJECT

Coal of Africa Limited ("CoAL" or the "Company") is pleased to advise that the suspension of the Integrated Water Use Licence ("IWUL") for the Makhado Project has been lifted by the South African Minister of the Department of Water and Sanitation ("DWS"), Ms Nomvula Mokonyane.

In April 2016, an appeal was lodged against the decision by the DWS to grant an IWUL to Baobab Mining and Exploration (Pty) Ltd ("Baobab") for Makhado in terms of Section 41 of the South African National Water Act (Act 36 of 1998) ('the Act'). Following representation by the company in May 2016 and February 2017, the Minister exercised her discretion and lifted the suspension in terms of Section 148 (2) (B) of the Act. The IWUL is now executable. The appellants have the opportunity to voice their concerns through the Water Tribunal.

The lifting of the appeal by the Minister and the recently announced finance facility by the IDC are key steps in the advancing of the Makhado Project.

Chief Executive officer of CoAL said, "The lifting of the suspension of the IWUL by the Minister is welcomed as this decision completes the suite of regulatory authorisations required for the Makhado Project. It further confirms government's support for the Makhado Project and its potential to drive sustainable socio-economic transformation. We will continue to work with all parties to ensure that the matter is completed satisfactorily, and furthermore to secure the remaining surface rights."

Authorised by

David Brown

Chief Executive Officer

For more information contact:

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

AU: Coal of Africa Limited, Suite 8, 7 The Esplanade, Mount Pleasant, Perth WA 6153, Australia, **Tel:** +61 8 9316 9100, **Fax:** +61 8 9316 5475

ZA: South Block, Summercon Office Park, Cnr Rockery Lane and Sunset Avenue, Lonehill, 2191, **Tel:** +27 10 003 8000 **Fax:** +27 11 388 8333 **Email:** adminza@coalofafrica.com

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/Olwen Auret	Financial PR (South Africa)	Russell & Associates	+27 11 880 3924 or +27 82 372 5816

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).
