



ANNOUNCEMENT

30 October 2017

ISSUE OF WARRANTS TO INDUSTRIAL DEVELOPMENT CORPORATION OF SOUTH AFRICA

Coal of Africa Limited ("**CoAL**" or the "**Company**") confirms it has today issued a total of 48,175,033 unlisted share options or warrants to the Industrial Development Corporation of South Africa Limited ("**IDC**") pursuant to the terms of a Loan Agreement between the Company, its subsidiary Baobab Mining and Exploration Proprietary Limited and the IDC, signed in April 2017 (the "**Loan Agreement**").

The major terms of the Loan Agreement were announced at the time of entering into the facility under which the IDC advanced funding in two equal tranches totalling R240 million (US\$16.9 million). The first tranche of the loan funding of R120 million (US\$8.5 million) was drawn down by the Company in May 2017 and the warrants being issued for these funds equate to 2.5% of the entire issued share capital of CoAL as at 5 December 2016. The warrants vest immediately and expire and are exercisable on or before 16 June 2022 at R0.60 each.

AUTHORISED BY:

Tony Bevan
Company Secretary

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
Stephen Rowse	Business Executive	Coal of Africa	+27 10 003 8000
Tony Bevan	Company Secretary	Endeavour Corporate Services	+61 08 9316 9100

Company advisors:

Ross Allister/ Richard Crichton	Nominated Adviser and Broker	Peel Hunt LLP	+44 20 7418 8900
Jos Simon/ Barney Hayward/ Annabel de Morgan	Financial PR (United Kingdom)	Tavistock	+44 20 7920 3150

Charmane Russell/Olwen Auret	Financial PR (South Africa)	R&A Strategic Communications	+27 11 880 3924 or +27 82 372 5816
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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 Uitkomst Colliery, Makhado Project (coking and thermal coal), Vele Colliery (coking and thermal coal) and the Greater Soutpansberg Projects (MbeuYashu).

This announcement is inside information for the purposes of article 7 of EU Regulation 596/2014.

Forward-Looking Statements

This Announcement, including information included or incorporated by reference in this Announcement, may contain "forward-looking statements" concerning CoAL that are subject to risks and uncertainties. Generally, the words "will", "may", "should", "continue", "believes", "expects", "intends", "anticipates" or similar expressions identify forward-looking statements. These forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from those expressed in the forward-looking

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

Bernard R. Pryor – Chairman, David H. Brown – Chief Executive Officer, De Wet O Schutte
Non-executive directors: Peter G. Cordin, Andrew D Mifflin, Khomotso B. Mosehla, Thabo F Mosololi, Rudolph H. Torlage, Shangren Ding

statements. Many of these risks and uncertainties relate to factors that are beyond CoAL's ability to control or estimate precisely, such as future market conditions, changes in regulatory environment and the behaviour of other market participants. CoAL cannot give any assurance that such forward-looking statements will prove to have been correct. The reader is cautioned not to place undue reliance on these forward looking statements. CoAL and MCH assume no obligation and do not undertake any obligation to update or revise publicly any of the forward-looking statements set out herein, whether as a result of new information, future events or otherwise, except to the extent legally required.

Statements of intention

Statements of intention are statements of current intentions only, which may change as new information becomes available or circumstances change.