ASX Code: ZYL

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ASX Media Release

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Applications for Section 11 and Foreign Exchange Control Approval Lodged

- **A Section 11 Application enabling the transfer of Prospecting Right at the Kangwane Anthracite Project to the Joint Venture Entity has been lodged by ZYL's South African partner Siyanda Resources**

- **In addition, a Foreign Exchange Control Approval Application has been lodged with the South African Reserve Bank by the JV. Upon approval, funding to capitalize the JV entity will be advanced by ZYL to accelerate the exploration and development program at the Kangwane Project**

The Directors of emerging coal producer, ZYL Limited (**ZYL** or **the Company**) are pleased to announce the lodgement of the application for a Section 11 Transfer of Prospecting Right with the South African Minister of Mineral Resources by Siyanda Resources (Pty) Ltd (**Siyanda**)**.** The Joint Venture, along with Siyanda, has also lodged an application for Foreign Exchange Control Approval with the South African Reserve Bank in relation to the Kangwane Anthracite Project (**Kangwane** or **the Project**).

The recent engagement of SRK Consulting to complete the BFS at the Kangwane Project and the lodgement of the Section 11 application and the Exchange Control application represent significant milestones for the Company and the Kangwane Project.

For further information regarding the Company, please contact the Company on +61 8 9486 4036 or refer to www.zyllimited.com.au

Yours faithfully,

Eric Lilford
Managing Director
ZYL LIMITED

Competent Persons Statement:

Information in this announcement that relates to exploration results, mineral resources or ore reserves is based on information compiled by Mr Dawie Van Wyk who is a consultant to the Company and is a member of a Recognised Overseas Professional Organisation. Mr Van Wyk has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration, Mineral Resources and Ore Reserves'. Mr Van Wyk consents to the inclusion in the presentation of the matters based on his information in the form and context in which it appears.

Important Information - Mineral Exploration Targets:

It should be noted that the reporting of conceptual exploration targets is carried out in accordance with Clause 18 of the December 2004 JORC Code which permits the reporting of exploration target size and type with strict conditions, these being stated by the Australasian Joint Ore Reserves Committee (JORC) as :

> *"Any such information relating to exploration targets must be expressed so that it cannot be misrepresented or misconstrued as an estimate of Mineral Resources or Ore Reserves. The terms Resource(s) or Reserve(s) must not be used in this context. Any statement referring to potential quantity and grade of the target must be expressed as ranges and must include (1) a detailed explanation of the basis for the statement, and (2) a proximate statement that the potential quantity and grade is conceptual in nature, that there has been insufficient exploration to define a Mineral Resource on the property and that it is uncertain if further exploration will result in discovery of a Mineral Resource on the property."*

About ZYL Limited

ZYL Limited is an ASX listed coal mining and development company operating in South Africa. The Company's Kangwane Anthracite project is an advanced stage high quality metallurgical coal project located in the Mpumalanga province of South Africa.

The Kangwane project is located in close proximity to all key infrastructure and coal mining support services and presents the Company with the opportunity to take advantage of both the internal markets of South Africa and the export markets through the use of the Maputo Terminal at the Matola Port in Mozambique.

Kangwane Anthracite - Project Highlights

- Potential Production within 2 years from the commencement of the BFS – 1 year BFS and 1 year construction
- Existing **JORC Compliant Resources of 114Mt** including an export quality **Measured resource of 21.4Mt** determined by independent geologists

Coal Resource Estimate Statement (JORC Code and SAMREC Compliant)	
Total Measured Coal Resource (GTIS)	21.4 Mt
Total Indicated Coal Resource (GTIS)	25.5 Mt
Total Inferred Coal Resource (GTIS)	67.2 Mt
Total JORC compliant Coal Resources at Kangwane Anthracite	**114.1 Mt**

- **Exploration Target of 400Mt to 450Mt**[1] at an expected calorific value range of **6,635 kcal to 6,712 kcal**
- Comprehensive drilling database of **149 diamond drill holes** for a total of 18,567 metres over 33km strike length
- Focus on **open-cut areas to the north and south**
- The North and South Pits will be the focus of the Company during the BFS due to the near surface nature of the coal.
- Coal is known to sub-crop on the western side and has been measured to dip gently at 6^{o} to 7^{o} to the east
- Opportunity to extend mining to an underground regime once the open-cut areas have been economically depleted
- Existing box-cut on the property to facilitate the removal of a bulk sample for metallurgical testing and marketing trials
- Project located approximately **100km from Maputo Port by direct rail link**, with an existing rail siding on the property. Road, power and water all located nearby
- **Coal seam widths between 4m and 6m**, dipping to the East at 6^{o}
- Highly **experienced Management Team**
- Adjacent to operating Nkomati Anthracite coal mine
- Siyanda Resources (JV / BEE partner) has extensive experience in South African coal mining, currently operating two mines and previous owners of the Koornfontein Coal Mine

[1] The potential quantity and grade of the above Exploration Target is conceptual in nature and there has been insufficient exploration to define a Mineral Resource and it is uncertain if further exploration will result in the determination of a Mineral Resource.