



BREAKING GROUND:
more exploration to grow resource base

Bevan Tarratt, Executive Chairman
John Beck, Non-executive Director

March 2012

Breaking ground March 2012

Important information



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Competent person statement

Information in this presentation that relates to exploration results, minerals resources or ore reserves is based on information compiled by: Mr Dawie van Wyk in respect of Kangwane Central, Kangwane South and Mbila; Mr Petrus Meyer in respect of Kangwane Central; and Mrs Liz de Klerk in respect of Mbila. Messrs van Wyk and Meyer and Mrs de Klerk are consultants to the Company. Mr van Wyk is a member and fellow of the Geological Society of South Africa and South African Council for Natural Scientific Professions, a Recognised Overseas Professional Organisation. Mr Meyer is a member of the Geological Society of South Africa and of the Fossil Fuel Foundation. Mrs de Klerk is on the council of the Geological Society of South Africa and is a member of the British Geological Society. Messrs van Wyk and Meyer and Mrs de Klerk have sufficient experience which is relevant to the styles of mineralisation and types of deposits under consideration and to the activities they are undertaking to qualify as Competent Persons as defined in the 2004 Edition of the 'Australian Code of Reporting of Exploration, Mineral Resources and Ore Reserves'. Messrs van Wyk and Meyer and Mrs de Klerk consent to the inclusion in this presentation of the matters based on their information in the form and context in which it appears.

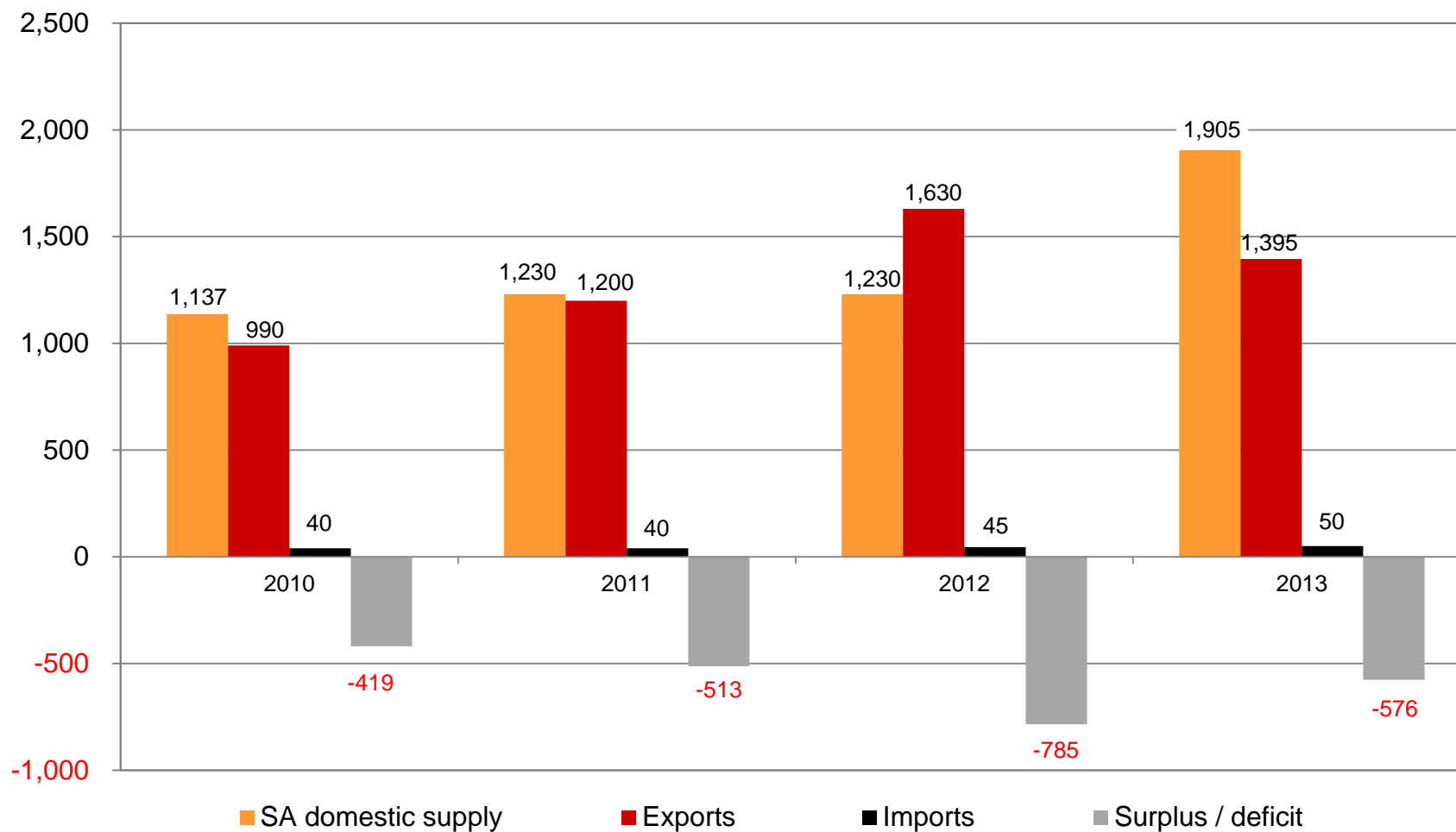
Investment case

- Strategy for early delivery of shareholder returns
 - Mbila Project to be developed first, followed by Kangwane Central
 - Msebe and Kangwane South to be developed in due course
- Mbila Interim Feasibility Study completed
- Company is not infrastructure-dependent
- Buoyant anthracite coal markets
 - estimated global shortfall of 21.7Mt by 2015
 - strengthening domestic markets
 - expressions of interest received to cover Mbila Phase 1 production
- Strengthened South African-based team, focused on project development, product marketing



Anthracite: South African market

SA domestic supply vs imports vs exports



Source: Estimates Mineral Technologies International 2011

Focused team



Bevan Tarratt
Executive Chairman

- Moves to frontline investor relations
- To spend minimum of six months a year in South Africa overseeing project development
- Director of a number of ASX listed companies with experience in primary and secondary capital raisings and strategic consulting. Accounting background focused on small cap resources companies and equity markets experience with Patersons Securities.

John Beck
Non-executive Director

- Joins board to assist with Mbila and to spearhead anthracite marketing strategy development, implementation
- 32 years professional experience in financial and general management. Over a decade of active involvement in the South African and international anthracite markets



Ian Benning
Chief Executive Officer

- Moves to frontline investor relations
- South African-based, takes day-to-day accountability/responsibility for project development
- 30 years of mining industry experience in both production and mine management, and investment banking. Previously worked for Rand Merchant Bank and Absa Capital focusing on mining finance and private equity.

Phillipe Lalieu
Commercial Director

- South African-based, takes responsibility for pursuing and developing commercial opportunities in country
- 13 years in corporate finance and business development. In-depth knowledge of South African investment banking, corporate and regulatory requirements



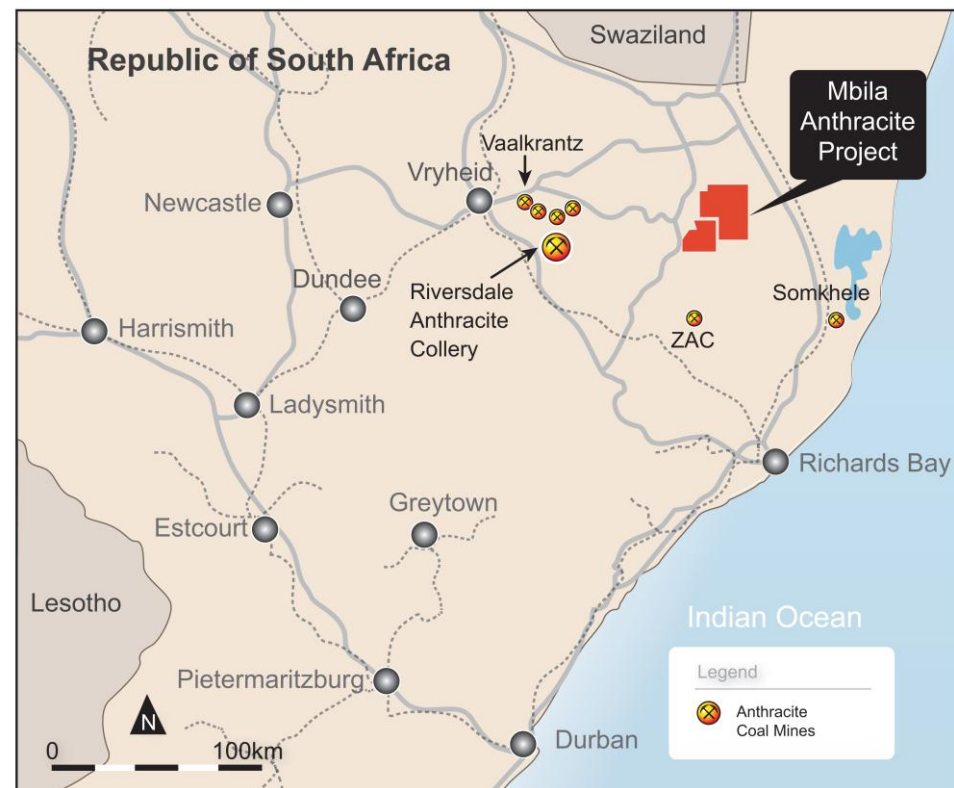
Global resource of 361Mt



		Total JORC-compliant coal resources
		GTIS (Mt)
Mbila Project	Measured coal resources	24.8
	Indicated coal resources	67.1
	Inferred coal resources	32.8
Total		124.7
Kangwane Central	Measured coal resources	-
	Indicated coal resources	54.4
	Inferred coal resources	81.8
Total		136.3
Kangwane South	Measured coal resources	-
	Indicated coal resources	73.9
	Inferred coal resources	25.8
Total		99.7

Mbila: profile

- ZYL (44%), right to earn up to **74%**
- High-grade anthracite product
 - Phase 1 production EOIs received to date exceed 600 000tpa
 - potential for mine gate sales
- **Mbila**
 - 125Mt JORC-compliant resource
 - production rate:
 - Phase 1: 840ktpa ROM
 - Phase 2: 1.5Mtpa ROM
 - road and rail access to Richards Bay and Durban
 - export capacity available at Richards Bay and Durban
 - March 2012: new drilling programme started
- **Msebe**
 - New Order Prospecting Right over 53 000ha

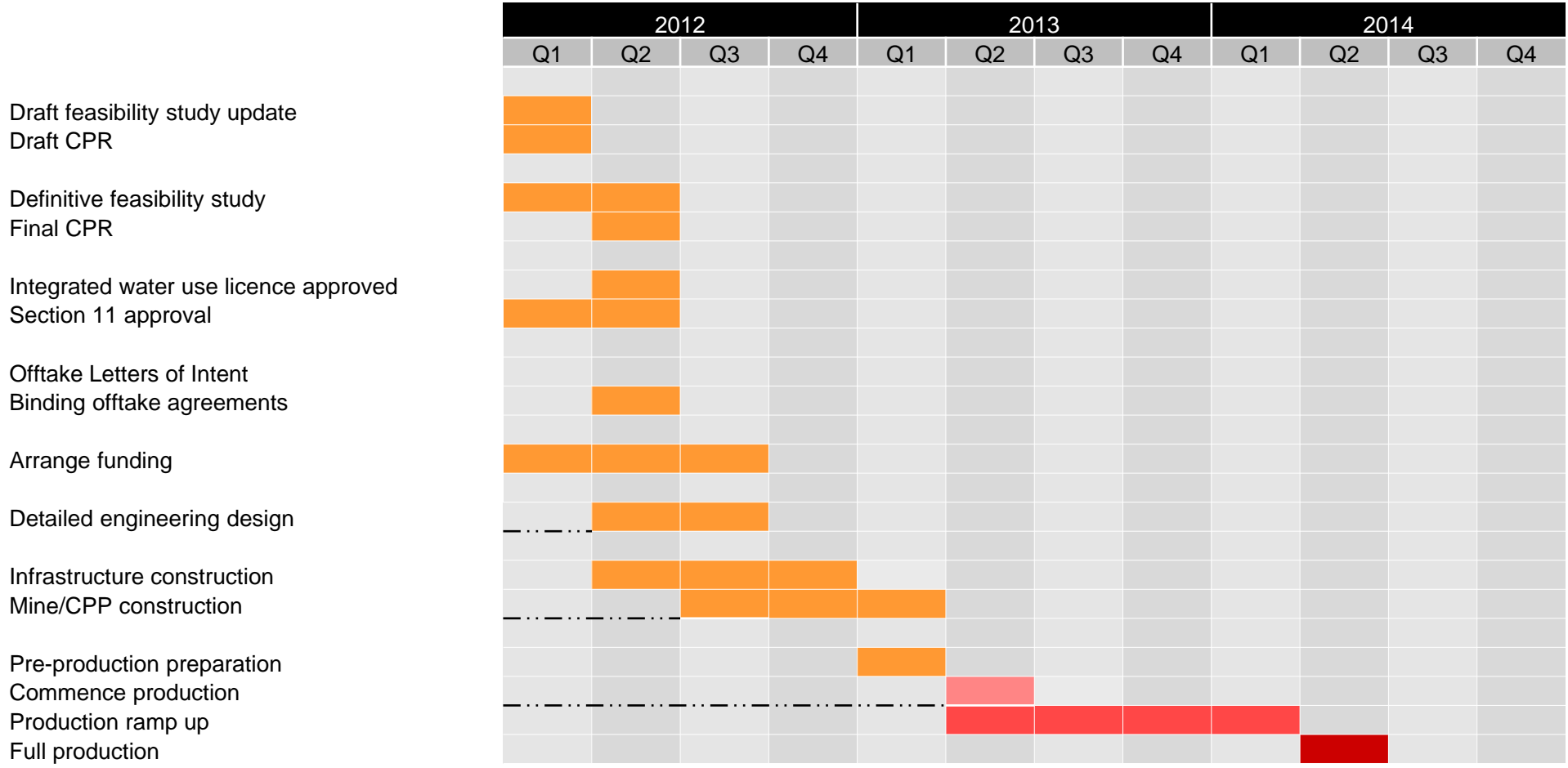


Mbila: Interim Feasibility Study released

- Capex:
 - owner-operated A\$85m to full production
 - with contract mining estimated at A\$50m
- Average operating cost: A\$52/saleable tonnes
- Phase 1 of Production
 - 840 000 tonnes/annum ROM
 - 580 000 tonnes saleable
- Final DFS due Q2 2012
- Open pit and underground mining flexibility
- New order mining right, Social and Labour Plan (SLP) and Environmental Management Programme (EMP) approved

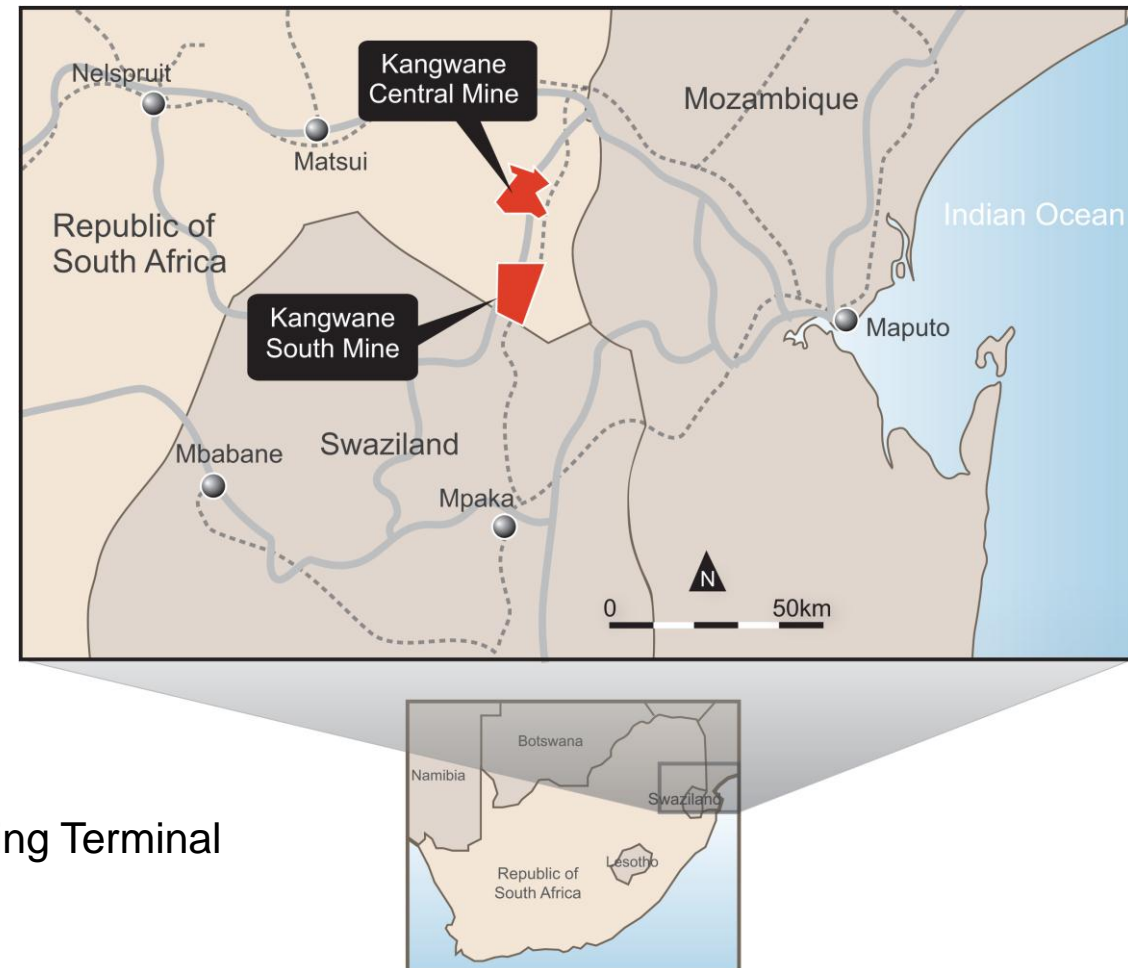


Mbila: project timeline

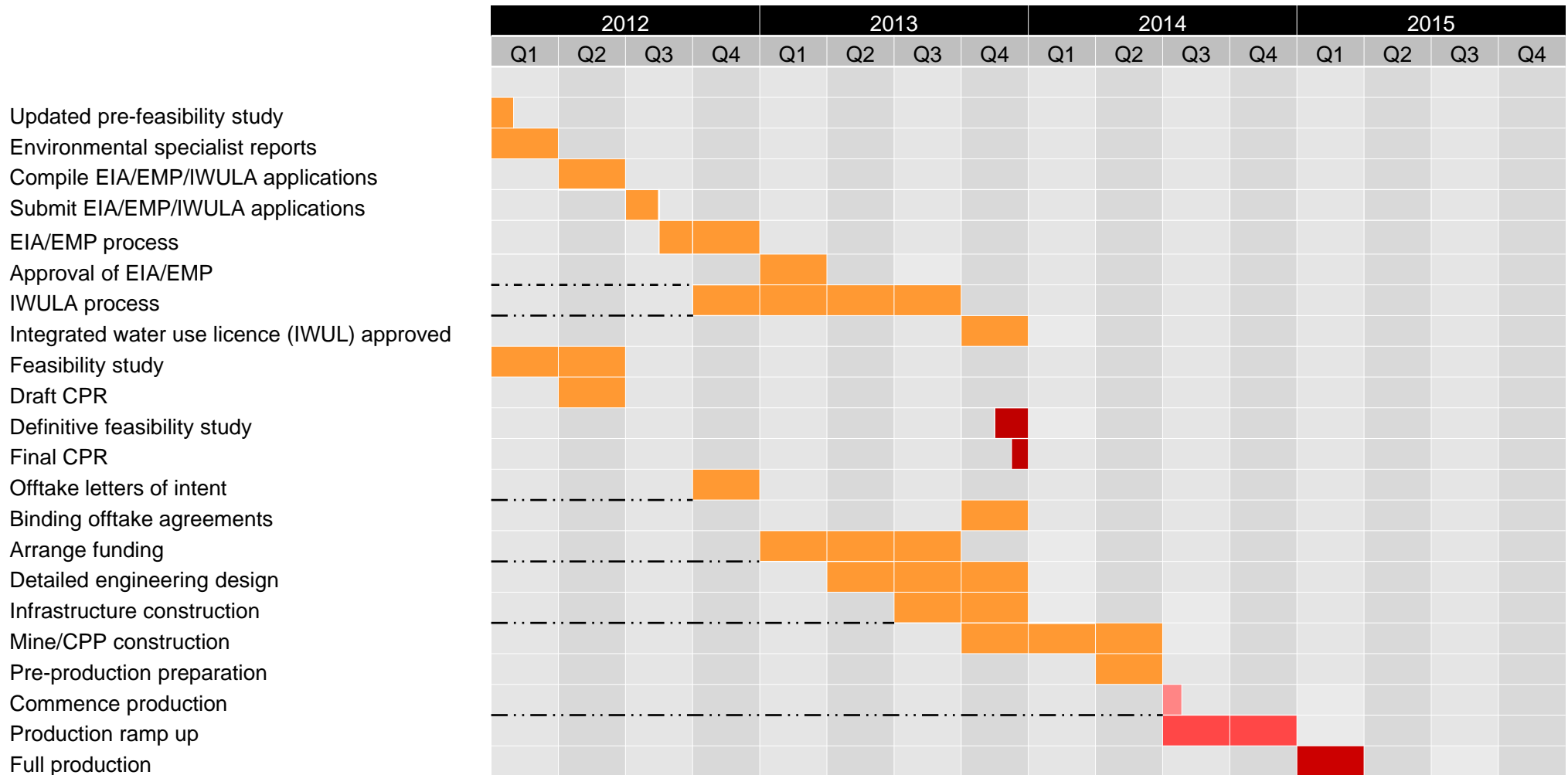


Kangwane profile

- Pre-feasibility study proves viability
 - capex: AUD \$ 58m (ZYL portion)
 - production rate:
 - 1.8Mtpa ROM
 - 1.2Mtpa saleable
- Feasibility study due 2012
- Export focus
 - rail siding on site
 - well located for trucking to Maputo Port (Mozambique)
 - discussions re port allocation, stockpiling, etc. under way
 - capacity available at Maputo Bulk Handling Terminal
- Kangwane South
 - Mining Right application submitted

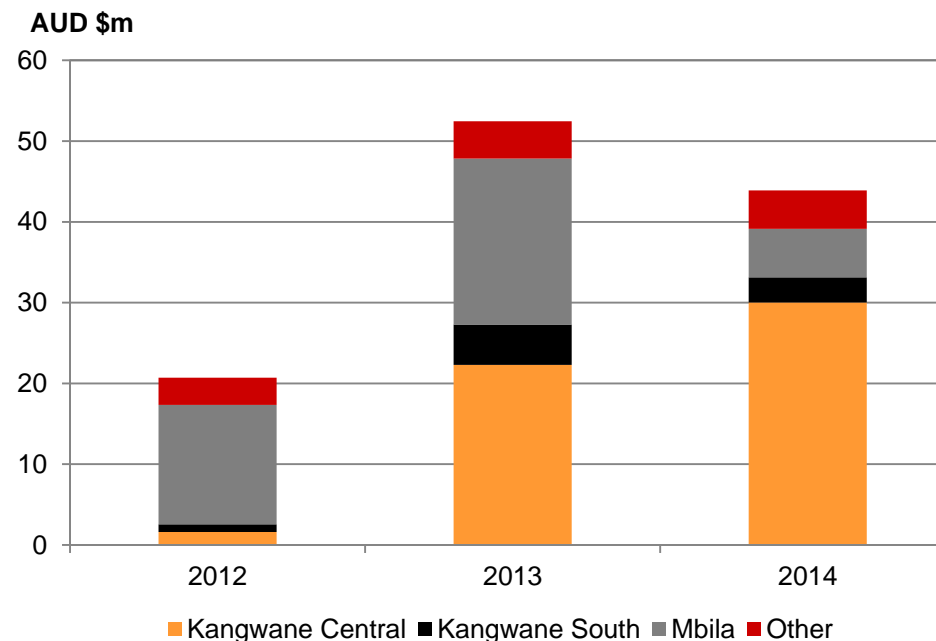


Kangwane Central: project timeline



Capital profile

- Debt funding commitments expected by mid 2012
 - expressions of interests received from various development agencies, commercial lenders
- Macquarie Bank appointed to evaluate funding options
- Pre-delivery funding (from strategic offtakers)
- Trade finance
- Equity investments to secure offtake



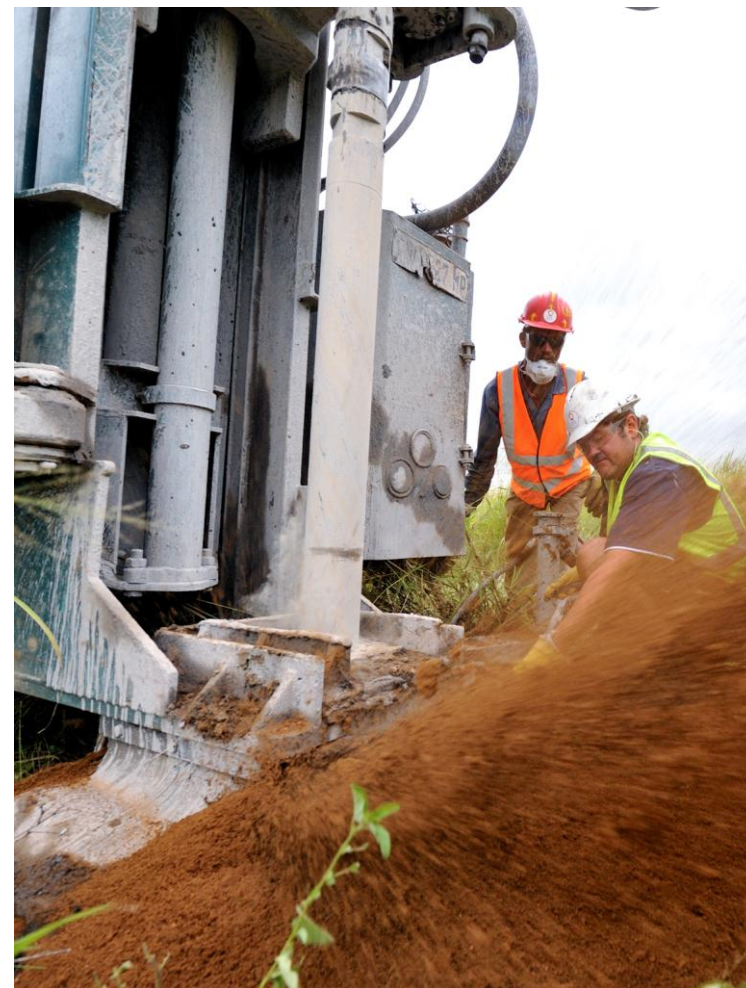
Share data



Current share price	AUD \$0.25
Market capitalisation	AUD \$122m
Shares in issue	488 535 899
Number of shareholders	2 873
Major shareholders	Macquarie Bank (8.13%) Sin-Tang Development Pte Ltd (5.48%) (All other shareholdings <4%)
Cash at bank	Cash at Bank: AUD \$26.6m

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Annexure A – Mbila project coal qualities



Mbila project - Washed		
	Ecca Seam	Beaufort Seam
Coal Classification	High Rank B Anthracite	High Rank C Anthracite
Yield %	65.5	57.1
Phosphorus %	0.008	0.012
Ash Content %	9.9	15.1
Inherent Moisture %	1.5	2.0
Volatile Matter %	5.2	5.9
Fixed Carbon %	84.9	79.0
Gross Calorific Value MJ/kg	32.25	29.78
Total Sulphur %	1.06	0.65

Annexure B – Kangwane Central coal qualities



Kangwane Central - Washed		
	@ 20% ASH	@ 16% ASH
Yield %	79.34	66.36
Ash Content %	17.78	15.46
Inherent Moisture %	2.43	2.40
Volatile Matter %	6.35	6.17
Fixed Carbon %	74.32	76.80
Gross Calorific Value MJ/kg	27.74	28.70
Total Sulphur %	0.62	0.61

Annexure C – Kangwane South coal qualities



Kangwane South – Washed @ 20%		
	Seams 5 & 6	Seam 3
Yield %	45.33	60.57
Ash Content %	20.00	20.00
Inherent Moisture %	3.46	3.45
Volatile Matter %	8.54	7.49
Fixed Carbon %	68.00	69.06
Gross Calorific Value MJ/kg	26.82	26.88
Total Sulphur %	0.75	1.05