

Coal of Africa Limited  
(previously, "GVM Metals Limited")  
(Incorporated and registered in Australia)  
(Registration number ABN 008 905 388)  
JSE/ASX/AIM Share code: CZA  
ISIN AU000000CZA6  
(`CoAL` or `the Company`)

APPENDIX 3B NEW ISSUE ANNOUNCEMENT, APPLICATION FOR QUOTATION OF ADDITIONAL SECURITIES AND AGREEMENT

CoAL, today, Friday 30 October 2009, submitted to the Australian Securities Exchange ("ASX") an Appendix 3B "New issue announcement, application for quotation of additional securities and agreement" in respect of 59,867,731 fully paid ordinary shares at a deemed issue price of 95 pence.

Following the admission of the shares, the number of ordinary shares on issue will be 474,242,606.

QUOTE

Name of entity  
Coal of Africa Limited

ABN  
98 008 905 388

We (the entity) give ASX the following information.

PART 1 - ALL ISSUES

1. Class of securities issued or to be issued  
Shares
2. Number of securities issued or to be issued (if known) or maximum number which may be issued  
59,867,731 shares
3. Principal terms of the securities (eg, if options, exercise price and expiry date; if partly paid securities, the amount outstanding and due dates for payment; if convertible securities, the conversion price and dates for conversion)  
Fully paid ordinary
4. Do the securities rank equally in all respects from the date of allotment with an existing class of quoted securities?
  - the date from which they do
  - the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
  - the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest paymentYes
5. Issue price or consideration  
£0.95each
6. Purpose of the issue

(If issued as consideration for the acquisition of assets, clearly identify those assets)

The Company intends to use the net proceeds of the Placing to fund the ZAR650m acquisition of the entire issued share capital of NuCoal Mining (Pty) Limited (the "Acquisition") with the remainder being used for some or all of the following: to increase logistics capacity (including the first instalment of capital required to effect wagon acquisitions from Transnet Freight Rail), to accelerate capex at the Vele and Makhado projects, to pursue other smaller, opportunistic bolt on acquisitions of coal projects, and for general working capital requirements.

In the event that the Acquisition does not complete, the Company envisages using those proceeds earmarked for the Acquisition to accelerate expansion of logistic facilities at the Matola Terminal and Maputo port, for alternative acquisitions and for general working capital purposes.

7. Dates of entering securities into uncertificated holdings or despatch of certificates  
3 November 2009

8. Number and class of all securities quoted on ASX (including the securities in clause 2 if applicable)

Number	Class
474,242,606	Fully paid ordinary shares

9. Number and class of all securities not quoted on ASX (including the securities in clause 2 if applicable)

Number	Class
9,200,000	Class A Options exercisable at \$0.50 each on or before 30 September 2011
250,000	Class B Options exercisable at \$2.05 each on or before 1 May 2012
7,000,000	Class D Options exercisable at \$1.25 each on or before 30 September 2012
171,305	Class E Options exercisable at £0.65 each on or before 30 November 2009
1,000,000	Class G Options exercisable at \$1.90 each on or before 30 September 2012
600,000	Class H Options exercisable at \$1.25 on or before 1 May 2012
1,650,000	Class I Options exercisable at \$3.25 on or before 31 July 2010

10. Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)  
Not applicable

PART 2 - BONUS ISSUE OR PRO RATA ISSUE  
Questions 11 to 33 - Not Applicable

PART 3 - QUOTATION OF SECURITIES

34. Type of securities (tick one)  
a. Securities described in Part 1 (Yes)  
b. All other securities (No)

Questions 35 to 42 - Not Applicable

QUOTATION AGREEMENT

- 1 Quotation of our additional securities is in ASX's absolute discretion. ASX may quote the securities on any conditions it decides.
- 2 We warrant the following to ASX.
  - The issue of the securities to be quoted complies with the law and is not for an illegal purpose.
  - There is no reason why those securities should not be granted quotation.
  - An offer of the securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.
  - Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty
  - Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any securities to be quoted and that no-one has any right to return any securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the securities be quoted.
  - We warrant that if confirmation is required under section 1017F of the Corporations Act in relation to the securities to be quoted, it has been provided at the time that we request that the securities be quoted.
  - If we are a trust, we warrant that no person has the right to return the securities to be quoted under section 1019B of the Corporations Act at the time that we request that the securities be quoted.
- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
- 4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before quotation of the securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Signed: 30 October 2009

Company secretary: Shannon Coates

UNQUOTE

Johannesburg  
30 October 2009

Sponsor  
Macquarie First South Advisers (Pty) Ltd