



COAL of AFRICA LIMITED

ACN 008 905 388

Annual General Meeting – 23 November 2011

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Resource and reserve estimation



Unless otherwise specified, the information in this presentation that relates to mineral resources and ore reserves has been extracted without adjustment from the following document:

INDEPENDENT TECHNICAL STATEMENT FOR COAL OF AFRICA AS AT 18th SEPTEMBER 2011 PREPARED BY VENMYN RAND (PTY) LTD

Recipients of this presentation should refer to the above mentioned Independent Technical Statement, which is available on CoAL's website (www.coalofafrica.com) for full details of the coal resource and reserve estimates referred to in this presentation and the basis on which those estimates have been prepared.

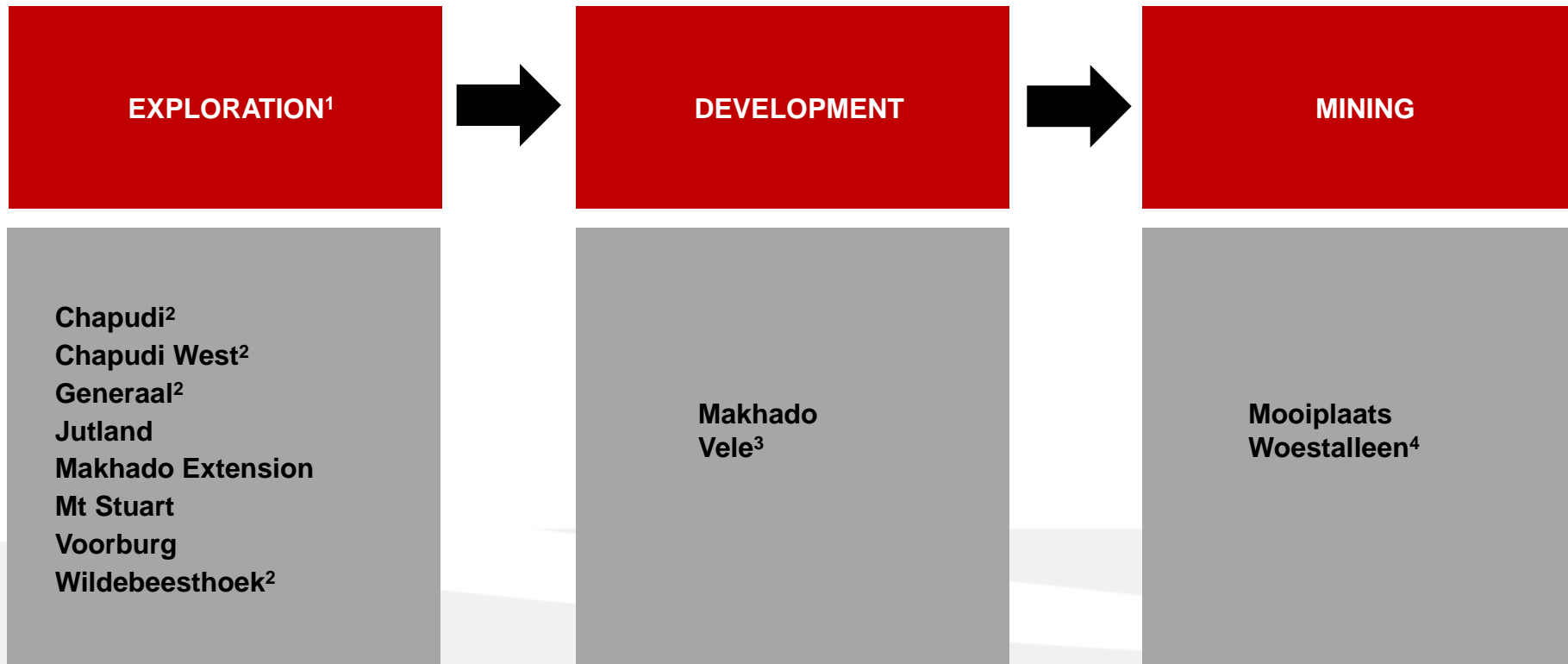
Competent persons

The information in this presentations that relates to mineral resources or ore reserves has been compiled by Ms C Telfer (B.Sc.Hons. (Geol.), (DMS) Dip Bus Man Pr.Sci.Nat., FGSSA, Maus IMM,M.Inst.D) and Mr G Njowa (M.Sc.(Min.Eng), MRM,B.Sc.Hons. (Min.Eng), GradCIS, MSAIMM, PrEng,MIAS), of Venmyn Rand (Pty) Ltd, who both have relevant and appropriate experience and independence to appraise the coal assets. Both Ms C Telfer and Mr G Njowa are considered “Competent Persons”, and each have more than five years relevant experience in the assessment and evaluation of the types of coal exploration and mining properties presented in this presentation. Both Ms C Telfer and Mr G Njowa consent to the inclusion of the resource information in this presentation in the form and context in which it appears.

- Emerging **developer and producer of export quality thermal mines and large scale coking coal projects**
 - Two operating collieries (Mooiplaats, Woestalleen)
 - Two development projects (Vele – early operations; Makhado – advanced feasibility study)
 - Exploration projects (Chapudi, Chapudi West, Generaal, Jutland, Makhado Extension, Mt Stuart, Voorburg, Wildebeeshoek)
- Primary focus on **development of coking coal asset portfolio**
 - Well positioned to transform into a world class coking coal producer
 - Final regulatory approval under Integrated Water Use Licence (“IWUL”) for Vele received October 2011
 - Development pipeline with two large scale, high quality development projects next in line (Makhado and Chapudi)
- CoAL to evaluate **future funding requirement**
 - Fund development of coking coal assets
 - Completion of the Rio Tinto/Kwezi Chapudi acquisition and other assets to create long term value
- Strategically placed assets with **good access to rail corridors and port capacity**
 - Effectively services both domestic and international markets
 - Provides much-needed resource for growth, regional and national economic benefits
- Committed to **responsible development and management** of collieries and projects
 - Supports and comply with environmental, social and all other legislation
 - Engages regularly and transparently with all stakeholders
 - Creates employment opportunities, and supports skills development and training programmes

CoAL Overview

Projects and Operations



- Assets in three major phases (exploration, development, mining)
- Primary focus: development of coking coal asset portfolio
- Upside potential based on project pipeline
- Substantial growth through the acquisition of the Chapudi and related properties²

¹ Refer to slide 13 with map indicating properties being acquired through the Rio Tinto/Chapudi acquisition

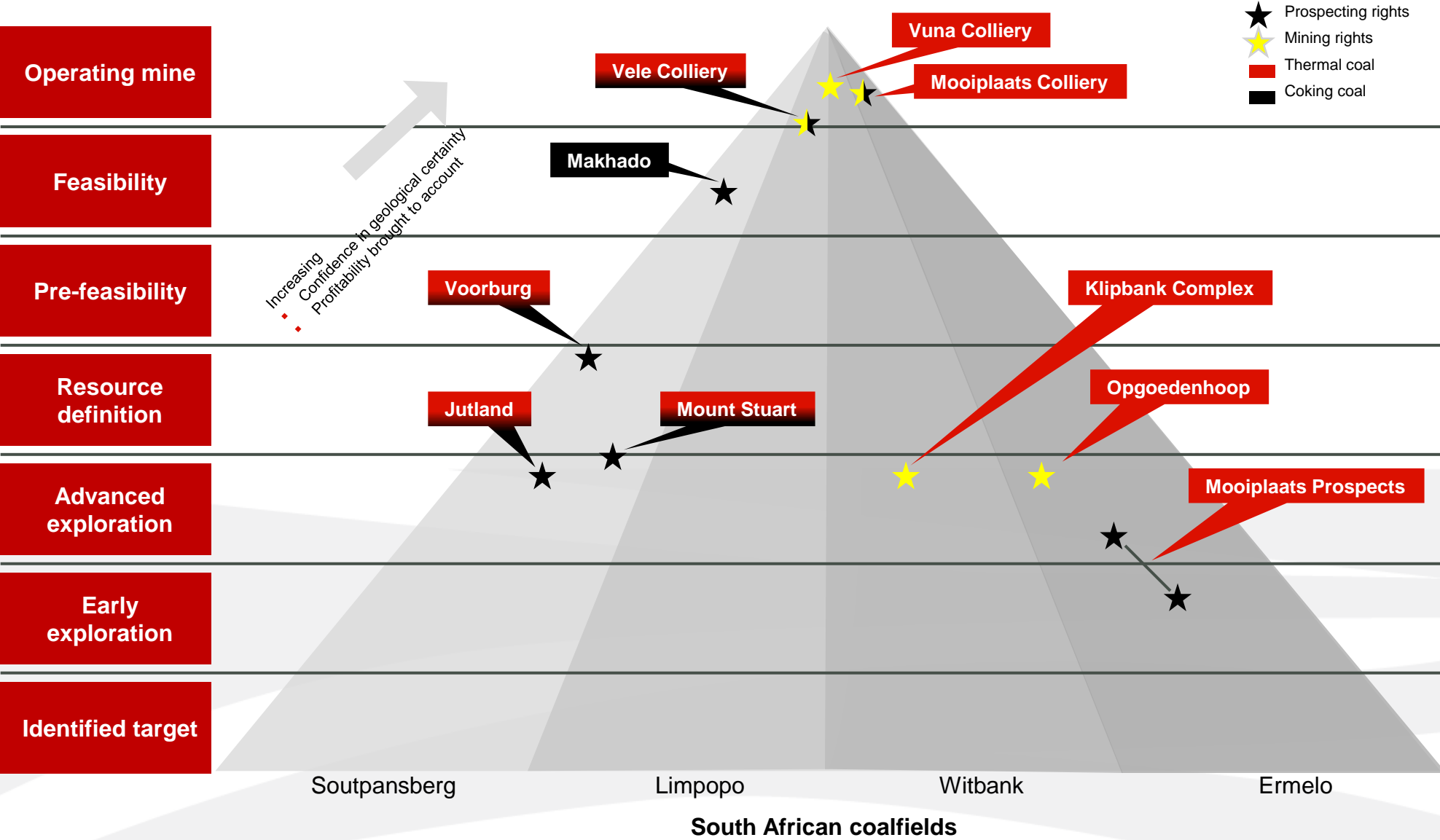
² Subject to completion of the Chapudi acquisition

³ Upon completion of construction and the commissioning of the Vele mine by circa Q1 2012, the mine will be in commercial production and form part of the mining portfolio

⁴ Includes the Zonnebloem (Vuna) Colliery, the remaining open cast pit in operation

CoAL Overview

Summary of Assets



Source: Venmyn Rand (Pty) Ltd's Independent Competent Persons' Report

Summary Reserve and Resource Statement, 18 Sep 2011



Coal Reserves of CoAL's Principal Mineral Assets

Project Name	Mineable Tonnes in SITU (MTIS)	RoM Tonnage (t)	Saleable Primary Product (t)	Saleable Secondary Product (t)	Coal Attributable (%)
Mooiplaats	31,590,200	18,656,800	9,433,300	779,900	100% ⁽¹⁾
Vuna	6,155,700	6,547,400	3,381,600	2,101,200	100% ⁽²⁾
Vele	332,709,000	299,391,000	92,387,000	0	100%
Total	370,454,900	324,595,200	105,201,900	2,881,100	100%

Coal Resources of CoAL's Principal Mineral Assets (Inclusive of Reserves)

Project Name	Gross Tonnes in SITU (GTIS)	Total Tonnes in SITU (TTIS)	Mineable Tonnes in SITU (MTIS)	Coal Attributable (%)
Mooiplaats	92,322,689	85,619,262	50,760,100	100%
Vuna	6,820,858	6,479,815	6,155,700	100% ⁽²⁾
Vele	803,820,826	680,202,877	369,629,400	100%
Makhado	879,734,822	764,699,202	411,156,500	100%
Voorburg	217,778,959	188,929,976	181,811,100	100%
Mount Stuart	407,162,828	325,730,262	55,460,000	100%
Total	2,407,640,982	2,051,661,394	1,074,972,800	100%

Source: Independent Technical Statement prepared by Venmyn Rand (Pty) Ltd

Note: CoAL has a 49% legal interest but a 100% economic interest in Vuna Colliery which forms part of Woestalleen

CoAL Overview

At a Glance



Thermal Coal Assets Resources/Reserves¹

Mooiplaats	50.760 / 31.590 Mt MTIS
Woestalleen wash plant and related pits	6.155 / 6.155 Mt MTIS
Chapudi ²	1,040.000 ³ / n/a ⁴ Mt MTIS

Coking Coal Assets Resources/Reserves¹

Makhado	411.156 / n/a ⁴ Mt MTIS (O/C area)
Vele	369.629 / 332.709 Mt MTIS (O/C & U/G)
Mount Stuart	In process ~55.460 / n/a ⁴ Mt MTIS
Voorburg (CoAL)	In process ~181.811 / n/a ⁴ Mt MTIS

Port Allocation

- Matola Terminal: Currently 3.0 Mtpa (of 6.0 Mtpa);
- Option over phase 4 expansion for additional 10–20 Mtpa; study completed
- Richards Bay Coal Terminal: 207 Ktpa (Quattro allocation)

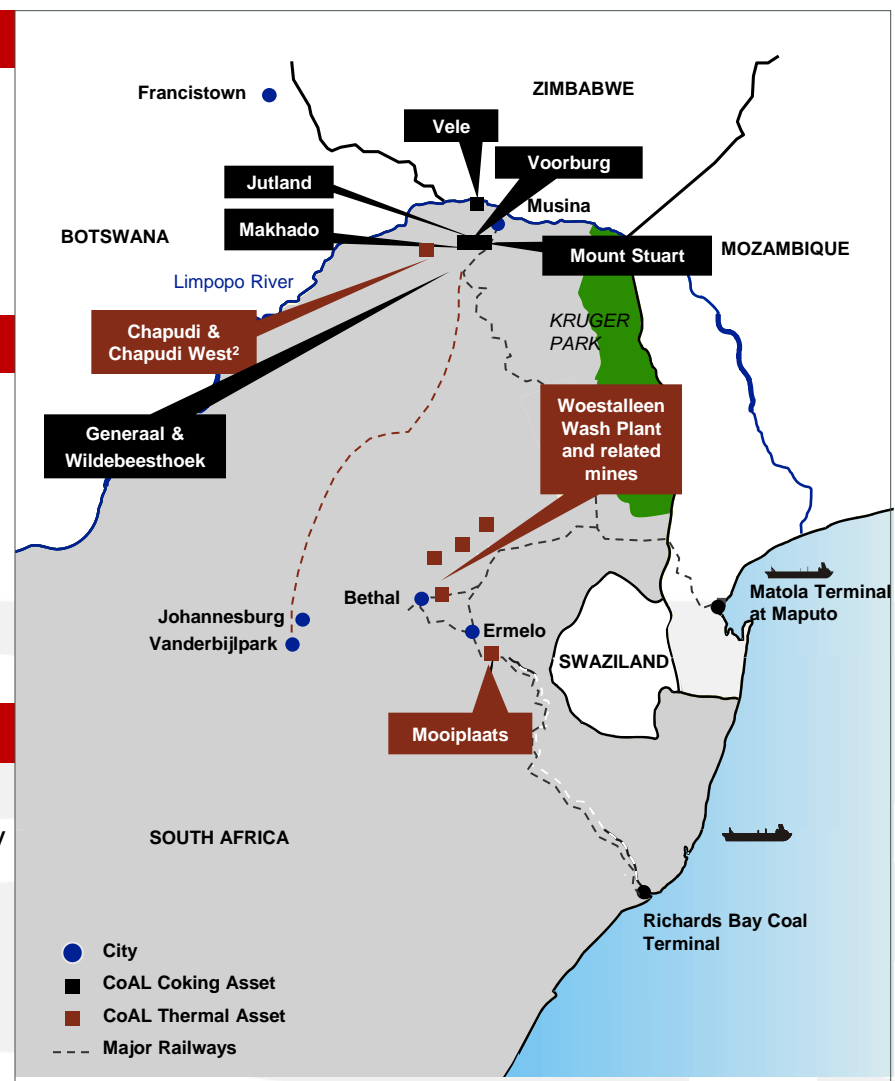
MTIS: Mineable tonnes in situ

¹ Resources are inclusive of reserves

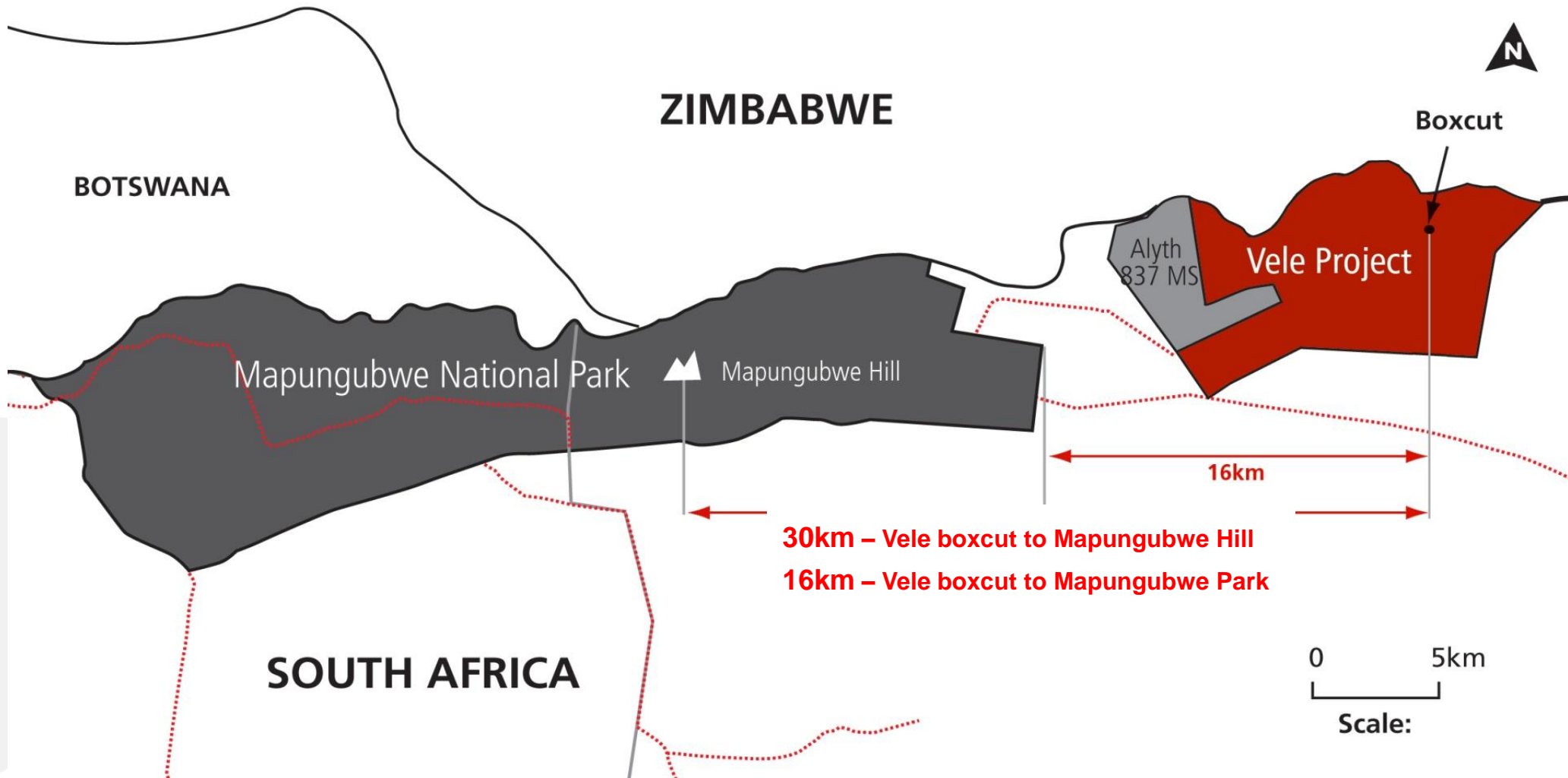
² Subject to completion of the Chapudi acquisition

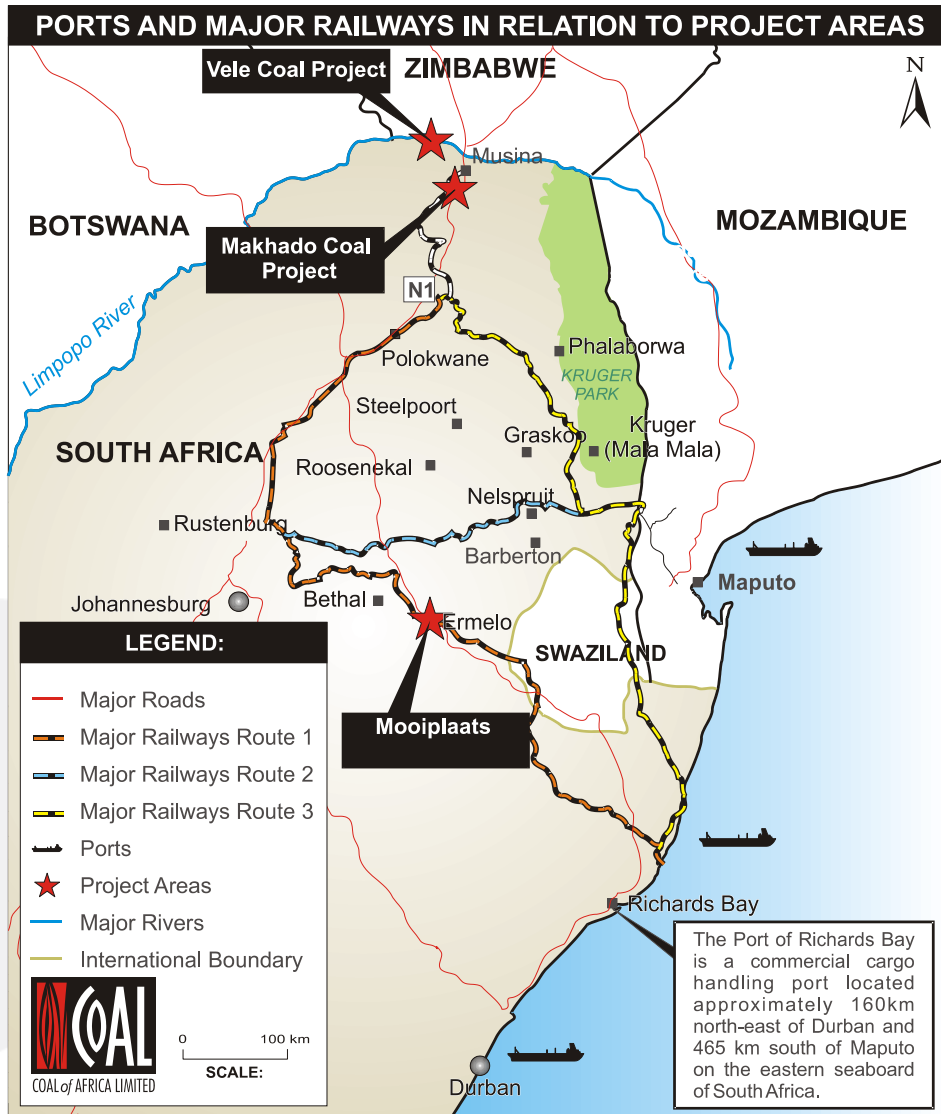
³ Rio Tinto estimate (JORC)

⁴ Currently insufficient information available to generate estimate of reserves



Vele: Distance from Mapungubwe





- Increase rail capacity in line with evolution of production / export profile
- Discussion with Transnet Freight Rail (“TFR”) on expansion of Maputo rail corridor and 10 year plan on the mobilization of the required rolling stock to meet the planned future port ramp up and the total demand on the Maputo corridor.
 - Estimated to be in excess of 10 million tons per annum from the Limpopo Province as per Transnet TIP
- 1 million tons from Vele Mine to ArcelorMittal from the Mactransco siding in Musina. Dependent on current off-take agreement in negotiation : 0.5mtpa of this production may be allocated to TCM exports (2012)

Matola Port Overview – Mozambique



Port

- Phase 3
 - Terminal capacity recently expanded from 2 Mtpa to 6 Mtpa
 - Terminal allocation
 - 4.5 Mtpa coal, CoAL at 3 Mtpa
 - 1.5 Mtpa Magnetite
 - CoAL co-funded expansion with Grindrod
- Phase 4 option
 - Increase of 10-20 Mtpa
 - Secured right to any increased capacity in consideration for providing funding
 - Design phase underway
- Production from Makhado with an annualized build up of 2.5mtpa by end 2014. A portion of this tonnage to be railed to Arcelor Mittal with the balance to be exported via Maputo.
 - The Huntleigh siding has been identified as part of the feasibility of the Makhado project and the EIA process has commenced



Matola Dry Bulk Terminal

Recent Developments



Significant progress made on Vele

- Feb 2010: New Order Mining Right granted
- April 2011: Integrated Water Use Licence (“IWUL”) granted and administrative fine paid to facilitate rectification and granting of environmental authorisations
- July 2011: Environmental Authorisation granted (Compliance Notice lifted)
- July/August 2011: Appeal lodged against granting of IWUL and the IWUL is suspended
- August 2011: Limited activities commenced and petition submitted to the Minister for the lifting of the suspension of the IWUL
- September 2011: Landmark memorandum of agreement signed between the DEA, SANParks and CoAL relating to responsible development and co-operation in relation to Vele and Mapungubwe Heritage Site
- October 2011: Lifting of suspension of the IWUL on 18 October 2011; full operations commenced

Positive developments at Makhado

- Definitive Feasibility Study at an advanced stage
- Detailed independent testing and reporting of bulk sampling in process
- Offtake discussions with ArcelorMittal in progress (product testing finalised, Letter of Intent executed)

Mooiplaats: improved yield and production

- Transition from contract mining to an owner-managed operation
- Fifth underground section commissioned

Corporate

- Experienced management team and new board members appointed
- Updated Mineral Expert’s Report
- Conversion of reporting currency to US\$ for FY2011 accounts

Near Term Operational Priorities and Targets

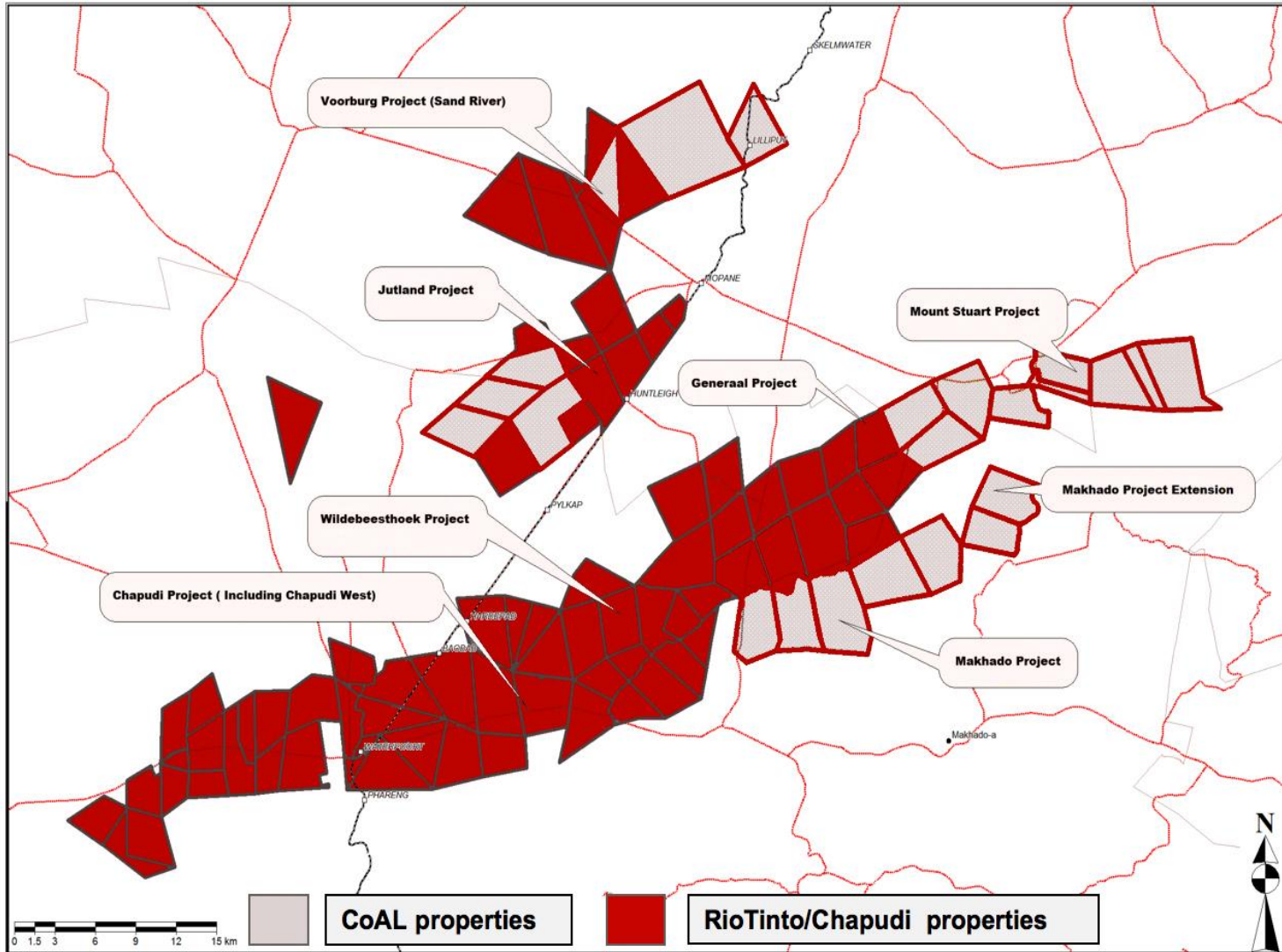


	Target (CY)	Event
Vele	<ul style="list-style-type: none"> ▪ Q1 2012 	<ul style="list-style-type: none"> ○ Complete construction and commissioning/commence production (Initial phase of mine plan: target coking coal production of 2.7Mtpa run of mine and 1.0Mtpa saleable)
Makhado	<ul style="list-style-type: none"> ▪ Q4 2011 ▪ Ongoing ▪ H1 2012 	<ul style="list-style-type: none"> ○ Complete Definitive Feasibility Study ○ Arcelor Mittal off-take agreement negotiation ○ Obtain various regulatory approvals and trigger exercise period for Exxaro's 30% buy-in option
Chapudi	<ul style="list-style-type: none"> ▪ By April 2012¹ ▪ During 2012/13 	<ul style="list-style-type: none"> ○ Finalise remaining conditions (including regulatory approval) and complete Chapudi Acquisition ○ Carry on exploration and technical studies, update Resource & Reserves estimate and prepare a new order mining right ("NOMR") application
Thermal Coal Assets	<ul style="list-style-type: none"> ▪ Ongoing ▪ Ongoing 	<ul style="list-style-type: none"> ○ Continue to optimise production targeting 5.0Mtpa run of mine production in FY2012 ○ Consider alternative options to extend life of mine at Woestalleen
Logistics	<ul style="list-style-type: none"> ▪ Ongoing ▪ Ongoing ▪ TBD 	<ul style="list-style-type: none"> ○ Increase rail capacity in line with evolution of production/export profile ○ Discussion with Transnet Freight Rail ("TFR") on expansion of Maputo rail corridor ○ Phase 4 expansion at Matola Port – option to take up to 100% of any potential additional 10–20Mtpa expansion
Corporate	<ul style="list-style-type: none"> ▪ Q4 2011 ▪ Ongoing 	<ul style="list-style-type: none"> ○ "Go live" date on new Microsoft Dynamics AX ERP system ○ Move from AIM to Main Board

¹ 30 April 2012: Date for fulfilment of the conditions precedent according to the Sale and Purchase Agreement with the vendors

Proposed Chapudi acquisition

Consolidation of Coking Coal Assets



- Acquisition of the Chapudi coal project and several other coal exploration properties from Rio Tinto and Kwezi Mining
- Current estimated 1,040Mt JORC resource¹
 - Both thermal and coking coal development projects
 - Significant exploration potential
- Expected to cement CoAL as the largest holder of prospecting rights in the highly prospective Soutpansberg Basin
- US\$75m total consideration
 - US\$2m cash deposit (paid Nov 2010)
 - US\$43m upfront cash consideration payable on regulatory approval (by April 2012)
 - US\$30m deferred cash consideration payable on the earliest of:
 - (i) The granting of a NOMR for any farm
 - (ii) 24 months from fulfillment of all condition precedents for the sale

Investment Highlights



- 1 Multiple large scale coking coal projects and significant resource base (>1bn tonnes MTIS on current asset portfolio¹)
- 2 Strategy to create scale via consolidation of coking coal assets
- 3 Well-defined path for long-term growth in coking coal to enhance the existing thermal coal assets portfolio
- 4 Assets strategically located with access to key potential domestic clients and main coal export corridors with current capacity of 3Mtpa (rail and port infrastructure)
- 5 Future expansion potential in port capacity by a further 10-20Mtpa to accommodate planned production growth
- 6 Compelling sector dynamics with attractive coking and thermal coal demand and supply fundamentals
- 7 Strong and experienced management team
- 8 Stable and concentrated shareholder register

MTIS: Mineable tonnes in situ

¹ Excluding Chapudi resource of 1,040 million tonnes based on estimate by Rio Tinto as per announcement by CoAL on 29 November 2010

Financial Highlights



Vele Plant

FY 2011 Highlights

Financial Summary



- Revenue
 - 165% increase to US\$261.4m (FY2010: US\$98.4m)
 - FY2011 – 12 months production at Woestalleen; build up phase at Mooiplaats
 - FY2010 - 6 months production and sales at Woestalleen and Mooiplaats
- Gross profit
 - 40% increase to US\$37.9m (FY2010: US\$27.1 m)
- Operating costs¹
 - Flat year on year at US\$49.3m (FY2010: US\$49.6m) with increase size of business and full year costs for Woestalleen
- Adjusted loss before tax¹
 - 49% decrease to US\$11.4m (FY2010: \$22.5m)
- Forex loss
 - US\$29.9m loss (FY2010: US\$3.0m gain) of which US\$29.3m (FY2010 US\$2.7m loss) was unrealized and non-cash related
- Non-cash charges
 - \$176.9m (FY2010: \$159.2m) consisting of the following:

	FY2011	FY2010
Impairment losses	\$97.4m	\$54.0m
Depreciation & amortisation	\$79.5m	\$26.7m
Share based payments (BEE option)	\$nil	\$78.5m
Total	\$176.9m	\$159.2m

- Net loss before tax²
 - 21% increase to \$218.1m (FY2010: \$178.7m)
- Net loss after tax³
 - 31% increase to \$219.0m (FY2010: \$167.8m)

¹ Excludes other gains and losses, which includes cash and non-cash losses totaling US\$0.4m (FY2010: US\$1.4m)

² Adjusted net loss before tax (excluding certain non-cash items and foreign exchange gains and losses) includes net interest income of US\$0.6m (FY2010: US\$1.4m)

³ After tax charge of US\$0.9m (FY2010: US\$10.9m credit)

FY 2011 Highlights

Income Statement



US\$ Millions	FY2011	FY2010
Revenue	261.425	98.376
Cost of sales	(223.483)	(71.242)
Gross profit	37.942	27.134
Employee benefit expenses	(21.362)	(10.354)
Other expenses	(26.134)	(35.085)
Operating leases	(1.874)	(1.008)
Other losses	(0.498)	(1.344)
Take or pay obligations	–	(3.199)
Net loss before foreign exchange adjustments	(11.926)	(23.856)
Foreign exchange (loss)/gain	(29.923)	2.953
Adjusted net loss after foreign exchange	(41.849)	(20.903)
Impairment losses	(97.400)	(53.961)
Depreciation and amortisation	(79.521)	(26.684)
Share-based payments (Broad-Based Black Economic Empowerment option)	–	(78.515)
Operating loss	(218.770)	(180.063)
Net finance income	0.664	1.407
Loss before income tax	(218.106)	(178.656)
Income tax (charge)/credit	(0.897)	10.898
Net loss for the year	(219.003)	(167.758)
Loss per share – basic and diluted (US cents)	0.41	0.37

FY 2011 Highlights

Balance Sheet



US\$ Millions	30 June 2011	30 June 2010
Non-current assets	478.794	522.931
Current assets	90.617	123.319
Assets held for sale	22.268	14.638
Total assets	591.679	660.888
Non-current liabilities	39.869	39.296
Current liabilities	118.176	90.918
Liabilities classified as held for sale	2.843	–
Total liabilities	160.888	130.214
Net assets	430.791	530.674
Issued capital	686.577	685.740
Accumulated deficit	(429.589)	(210.586)
Reserves	173.228	51.242
Non-controlling interest	0.575	4.278
Net Assets	430.791	530.674

FY 2011 Highlights

Cashflow Statement



US\$ Millions	FY2011	FY2010
Cash used in operations	(2.527)	(7.629)
Other	0.290	(1.540)
Cashflow from operating activities	(2.237)	(9.169)
Purchase property plant and equipment	(34.975)	(7.728)
Increase in development assets	(21.320)	(96.804)
Increase through business combinations	–	(64.057)
Increase in exploration assets	(19.350)	(2.528)
Other	5.621	(1.737)
Net cash used in investing activities	(70.024)	(172.854)
Net change in working capital facility	(20.000)	20.000
Increase in export trade finance facility	32.500	–
Proceeds from issue of shares	0.309	167.827
Other	2.644	(8.171)
Net cash (used in) generated by financing activities	10.908	179.656
Net decrease in cash and cash equivalents	(61.353)	(2.367)
Net foreign exchange differences	12.060	4.442
Cash and cash equivalents at beginning of the year	72.054	69.979
Cash and cash equivalents at the end of the year	22.761	72.054

FY 2011 Highlights

Shareholders

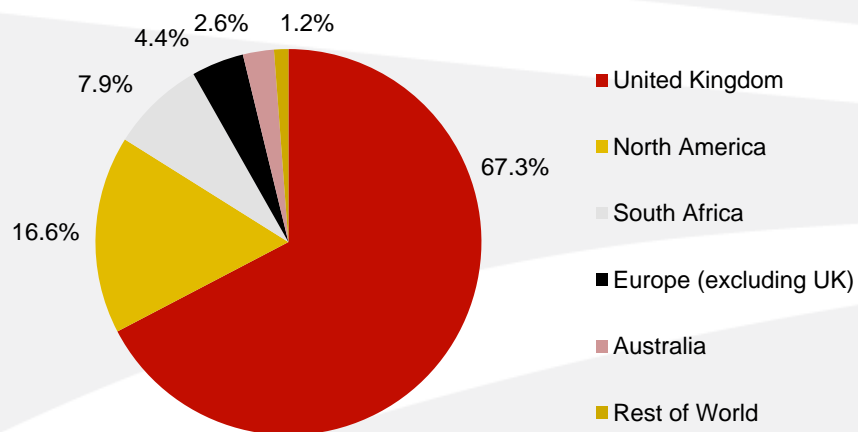


Substantial Shareholders over 5% post capital raising¹ (Undiluted, Ordinary Shares)

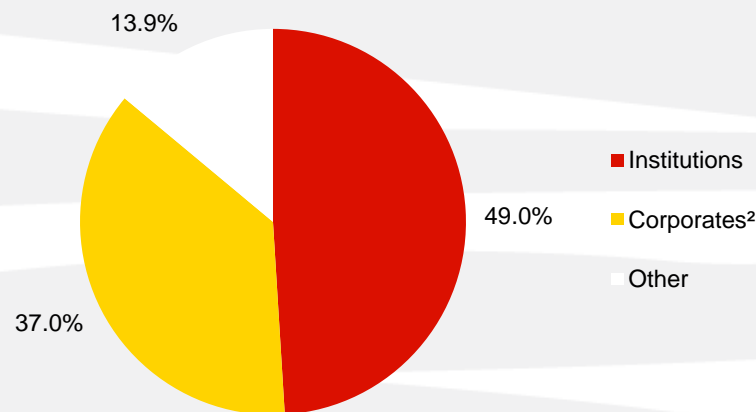
Name	Percentage
M&G Investment Management Ltd	18.1%
ArcelorMittal S.A.	15.9%
Africa Management Limited	13.3%
Capital Research Global	6.5%

Total Number of Issued Shares post capital raising¹: 662,284,573

Breakdown of Institutions by Location (Number of Shares)



Breakdown by Investor Type (Number of Shares)



Source: Company Announcements, J.P. Morgan Cazenove Shareholder Analysis (as at 31 October 2011)

¹ Announced on 3 November 2011, subject to shareholder approval on 50,323,963 conditional shares at the EGM on 14 December 2011

² Including Africa Management Limited



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