



# PRESENTATION: RIU CONFERENCE

ASX: UNV



26 SEPTEMBER 2017

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## Competent Person Statement

The information in this presentation that relates to Exploration Results, Minerals Resources or Ore Reserves relating to the Kangala, NCC, Roodekop, Brakfontein, Arnot South, Eloff and Berenice Projects is based on information summarised by Mr Jaco Malan, who is a registered natural scientist and a member of the South African Council for Natural Scientific Professions. Mr Malan is employed by Universal Coal plc and has sufficient experience which is relevant to the style of mineralisation and the type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 edition of the Australasian Code for Reporting of Exploration Results, Coal Resources and Ore Reserves. Mr Malan consents to the inclusion in this presentation of this information in the form and context in which it appears.

# UNIVERSAL SNAPSHOT

Multi-mine thermal coal producer – diversified revenue stream

Track record of profitable project execution and development

Positioned for 50% increase in sales to 4.5Mt in FY2018

Solid project expansion & development pipeline

Maiden dividend of 1c/share declared for FY2017

**Share Price**  
16c

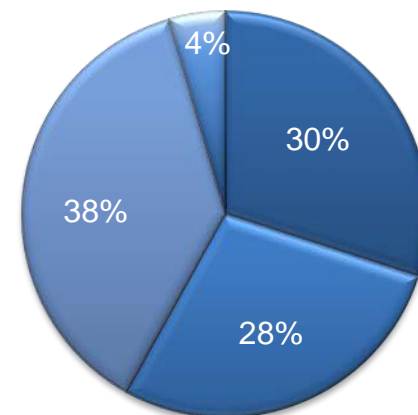
**Market Cap**  
~A\$83m

**Group Cash**  
~A\$15.2m

**Net Debt**  
A\$10.2m

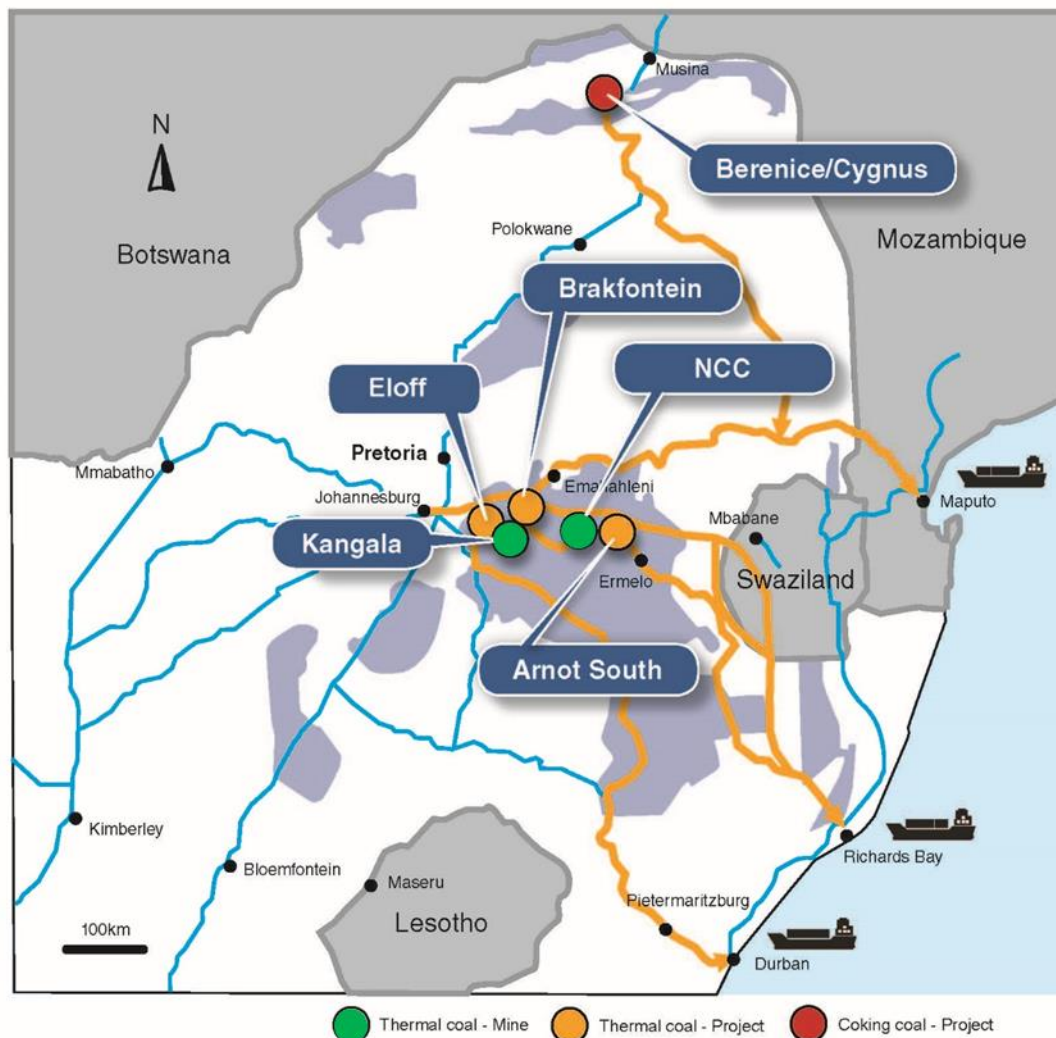
ASX Code: **UNV**  
Shares on Issue: **522m**

## Shareholding



- Ichor Coal
- AMED
- Other
- Universal Coal Management

# CURRENT OPERATIONS AND PROJECTS





# RESOURCE AND RESERVE STATEMENT

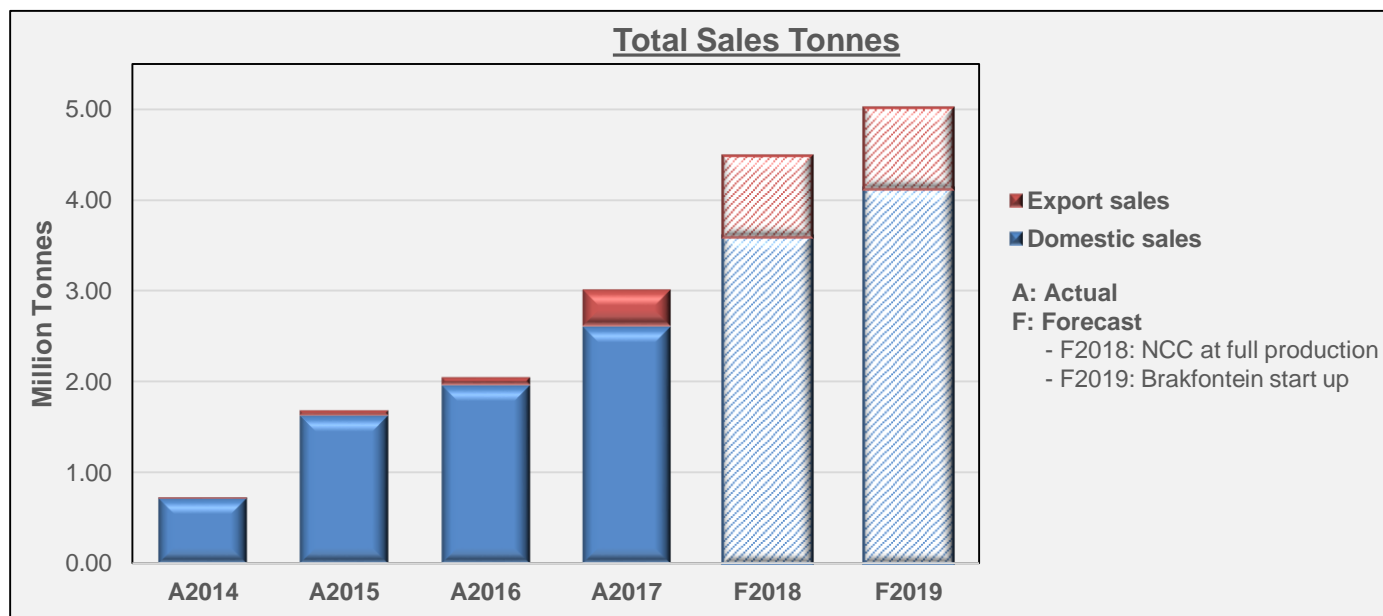
Project	Resources (Mt)				Reserves (Mt)
	Measured	Indicated	Inferred	Total	Proven/ Probable
<b>Thermal Coal (Witbank)</b>					
Kangala (domestic/export)	61.2	15.0	32.3	108.5	12.3
Eloff (domestic)	9.4	213.5	201.1	424.0	-
NCC (domestic/export)	96.0	41.8	6.0	143.9	57.3
Brakfontein (domestic)	31.7	39.4	4.7	75.8	9.1
Arnot South (domestic/export)	2.3	65.3	139.0	206.6	-
<b>Subtotal</b>	<b>200.6</b>	<b>375.0</b>	<b>383.2</b>	<b>958.8</b>	<b>78.7</b>
<b>Coking Coal (Limpopo)</b>					
Berenice-Cygnus (soft)	424.9	800.9	124.3	1,350.1	-
<b>Subtotal</b>	<b>424.9</b>	<b>800.9</b>	<b>124.3</b>	<b>1,350.1</b>	<b>-</b>
<b>Total</b>	<b>625.5</b>	<b>1175.9</b>	<b>507.5</b>	<b>2,308.9</b>	<b>78.7</b>

## Notes:

1. The Resource/Reserve estimates were prepared and disclosed under the JORC Code 2012
2. Mineral resources are stated inclusive of mineral reserves and on a gross in situ basis
3. Universal has an attributable interest of 70.5 per cent. of the Kangala Project
4. Universal has an attributable interest of 14.2 per cent of the Eloff Project
5. Universal has an attributable interest of 49 per cent. in the NCC Project
6. Universal has an attributable interest of 50.29 per cent. in the Brakfontein Project and the right to negotiate to acquire up to a 74 per cent. interest
7. Universal has an attributable interest of 50 per cent. in the Arnot South project
8. Universal has an attributable interest of 50 per cent. in the Berenice & Cygnus Projects with an option to acquire up to a 74 per cent. interest

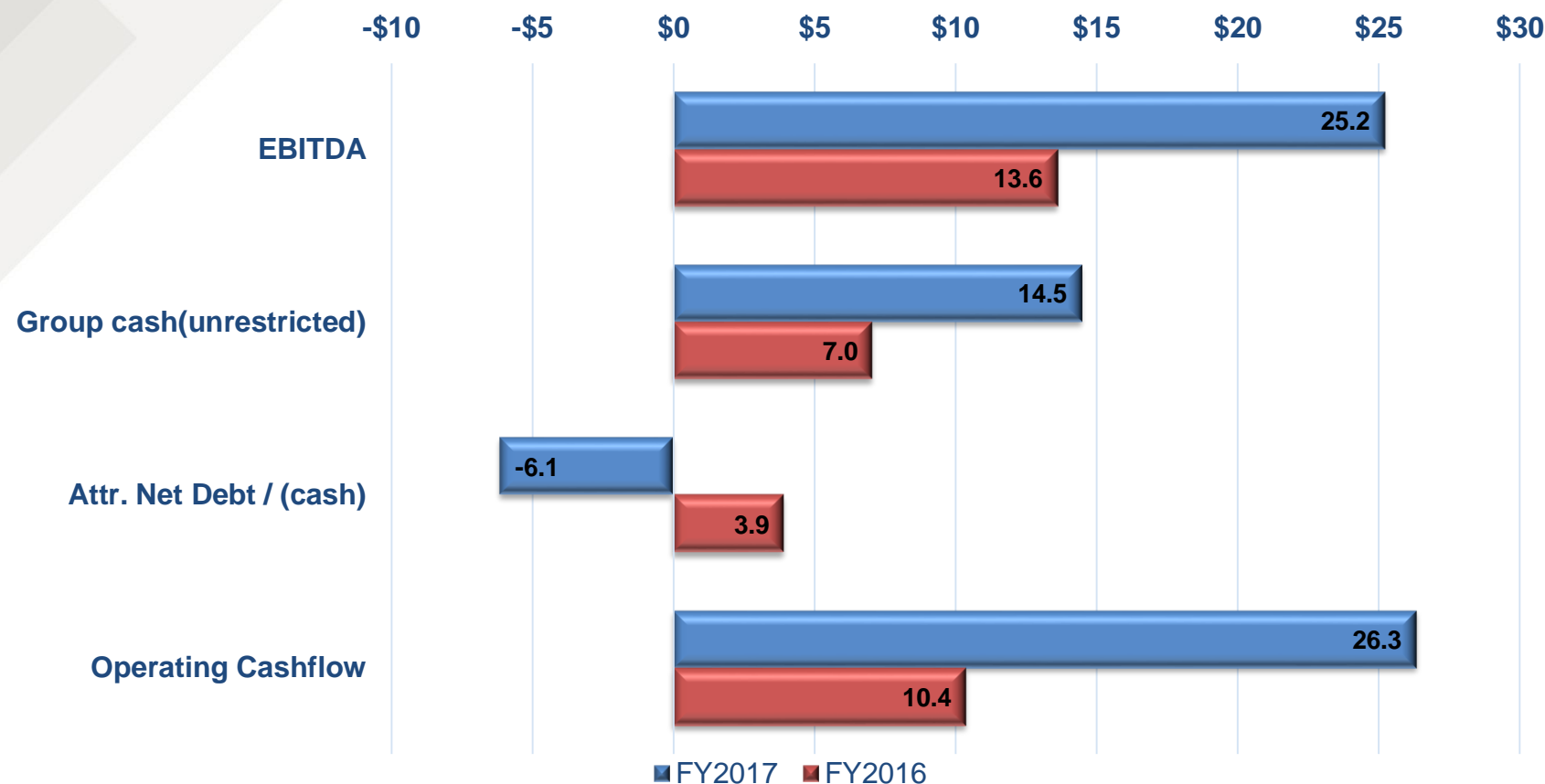
# OPERATIONAL PERFORMANCE

	UNIT	FY2017 GROUP	FY2016 GROUP	CHANGE	
Run of Mine Tonnes	Mt	4.4	2.9	52%	↑
Domestic Thermal Sales Tonnes	Mt	2.6	1.9	37%	↑
Export Thermal Sales Tonnes	Mt	0.4	0.1	300%	↑



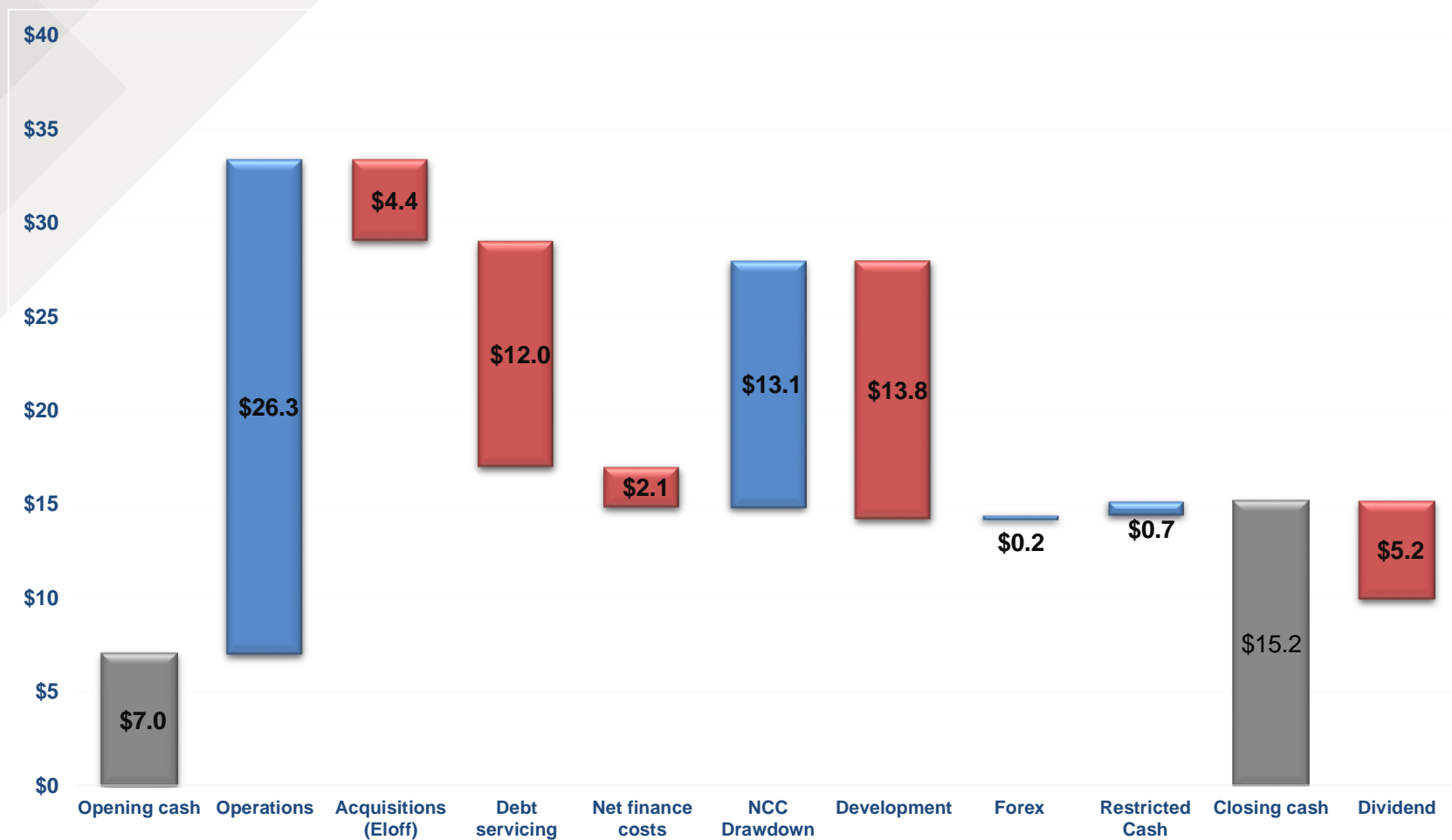
Forecast based on assumptions stated in announcements titled "Annual Statement of Mineral Resources and Ore Reserves" released to the market on 26 September 2016 and "NCC Ore Reserve Doubled to 58.24Mt" released to the market on 27 April 2017

## FY2017 GROUP FINANCIAL PERFORMANCE (A\$M)



*Attributable net debt/(cash) includes interest bearing debt and the full NCC vendor loan receivable has been offset*

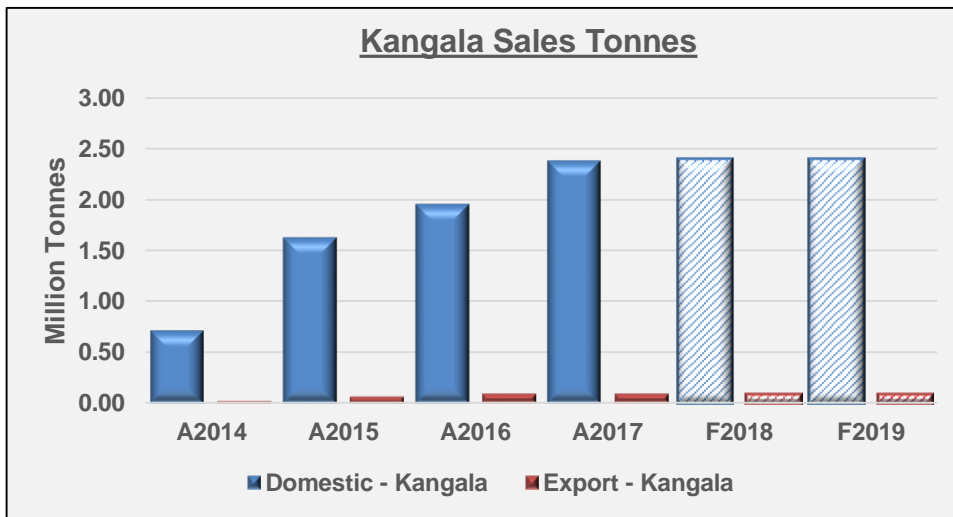
## FY2017 GROUP CASHFLOW BREAKDOWN (A\$M)





# KANGALA COLLIERY

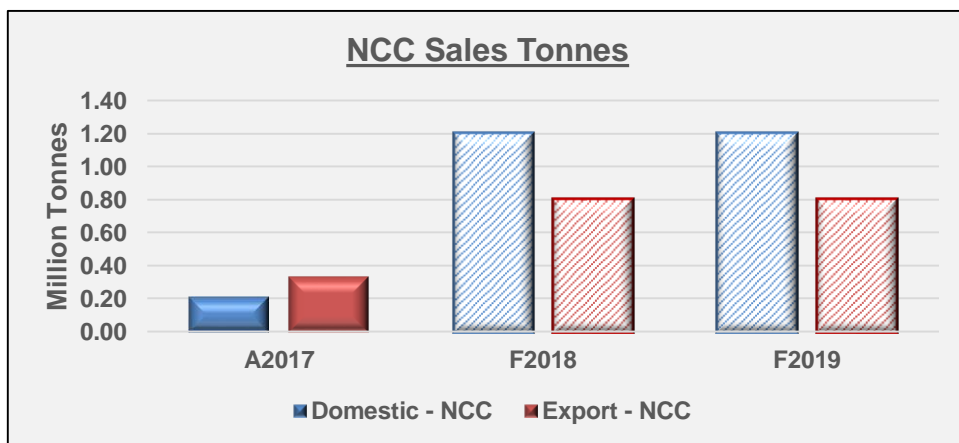
- Open pit, truck and shovel operation (~**1.8:1 strip ratio**)
- Thermal coal: ~3.7Mt annual ROM production
- Off-take agreements:
  - Domestic Coal: 2.4Mtpa off-take contract with Eskom to 2023
  - Export Coal: ~60Ktpa sales, spot market



A: Actual    F: Forecast

# NEW CLYDESDALE COLLIERY

- Underground and Open Pit operation
  - **At steady state production rates from 1Q2018**
  - Underground: Room & Pillar, 3 sections
  - Open pit :~3:1 strip ratio, truck and shovel
- Thermal coal
  - 3.3Mt annual ROM production, 2.0Mtpa sales
  - 35% API4-linked export coal, 65% domestic coal
- Off-take agreements:
  - 5 year ~650Ktpa 6000Kcal export spot market contract
  - 7 year ~1.2Mtpa domestic contract



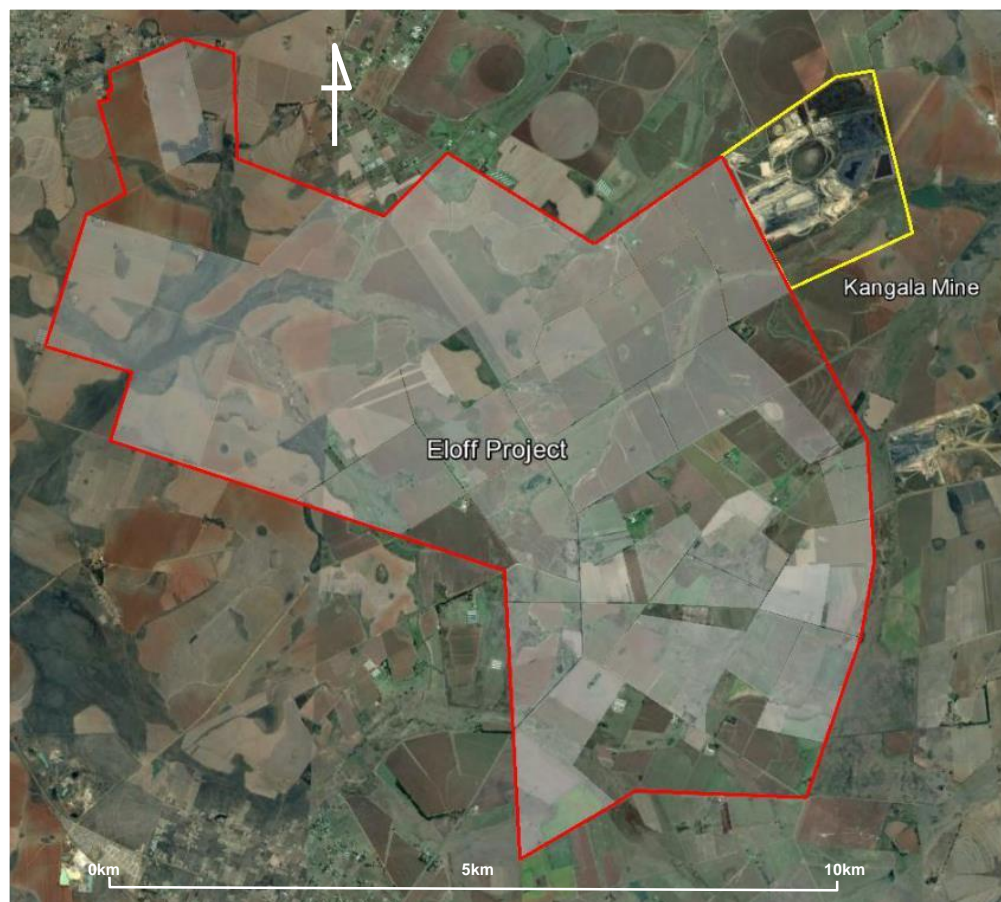
A: Actual   F: Forecast

Forecast based on assumptions stated in announcements titled "NCC Ore Reserve Doubled to 58.24Mt" released to the market on 27 April 2017

# PROJECT PIPELINE – KANGALA EXPANSION

## Eloff

- Contiguous to the current Kangala operation, allowing for optionality in terms of low cost expansion and long term sustainability
- Thermal coal project covering;
  - An area of 8,168Ha
  - Surface rights of 6,146.7Ha included
- Total of 424Mt JORC 2012 Resource (open pit area only)
- Mining Right in application
- UNV currently holds 29% through its 49/51 joint venture with Ndalamo Resources, paid for out of cash flows
- Intention to acquire controlling stake



The Eloff project in relation to Kangala, illustrating both the continuity of the assets but also the size of the project area.



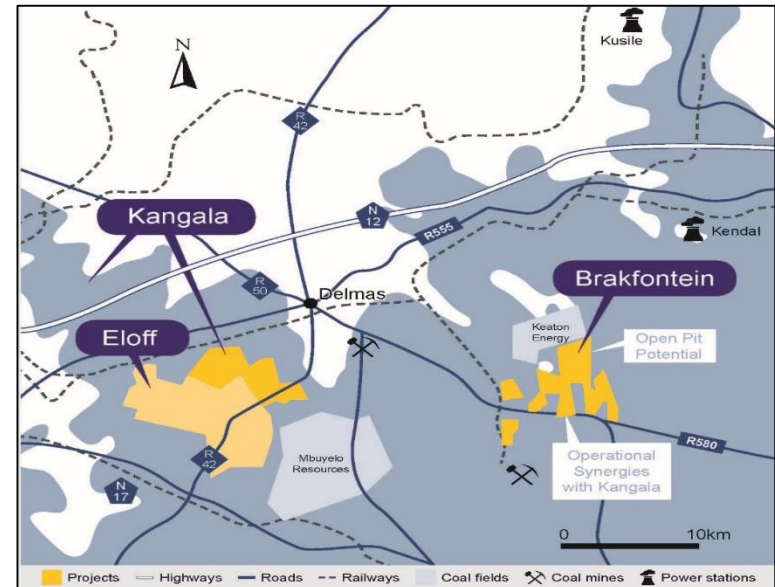
## PROJECT PIPELINE – CONTINUED

### Brakfontein

- Thermal coal project, 9.1Mt JORC reserve
- Proposed 1.2Mtpa ROM operation
- 25km east of Kangala mine, close to existing infrastructure.
- All regulatory authorisations granted
- Awaiting offtake agreement before construction commences

### Berenice Cygnus

- Blend coking & thermal coal project, JORC resource of 1.35 Bt (billion tonnes)
- DRA scoping study confirms viability for sustainable 10Mtpa open cut operation
- 20km from existing railway infrastructure
- Mining right and environmental authorisations in application



# OUTLOOK

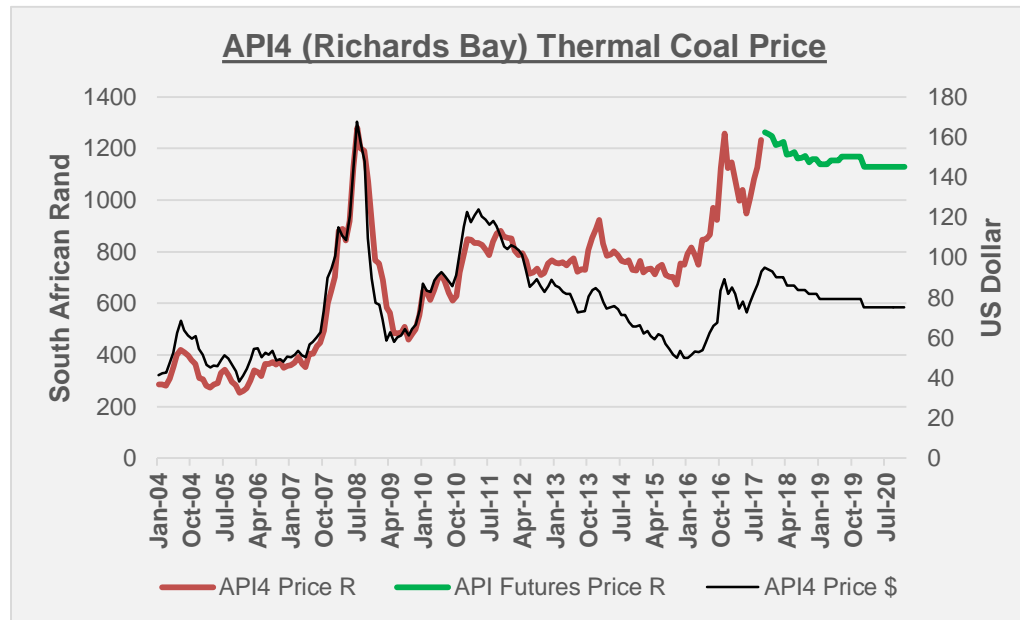
- ✓ NCC at steady state from 1Q2018 onwards
- ✓ Forecast increase in coal sales to ~4.5Mtpa (+50%) and EBITDA to A\$45m (+78%) in FY2018
- ✓ Positive attributable net cash position, generating sustainable cash flows
- ✓ Dividend distributor, new shareholder interest

## Growth:

- ✓
  - Majority stake in Eloff Mining Company being pursued, provides size and scale to Kangala expansion
  - Decision on development of Brakfontein pending

# THERMAL COAL MARKET

- Richards Bay API4 (6000kcal/kg) coal price increased from US\$49 to US\$93 since Jan 2016
- Signs of sustainable global thermal coal price recovery



- Demand for high-energy thermal coal to remain strong in developing nations
  - Demand for power in north-east Asia to increase
  - High efficiency, low emissions (HELE) plants (reduce carbon emissions by >20%) the new norm



# PROVEN MANAGEMENT TEAM



**Tony Weber**

MSc Mining Eng  
Chief Executive Officer

Prior to joining Universal Coal, Tony Weber was an Executive Director at Nkwe Platinum Limited, as well as Operations Manager at the Potgietersrus Platinum Mine and at the Gamsberg Project. He is a Mining Engineer with 20 years' experience in mining, spanning project assessment, finance, development and operations. Tony's coal experience includes working at the New Clydesdale Colliery and Greenside Colliery for Gold Fields Limited, as well as a brief period at the Prosper Haniel Colliery in Germany. He has significant skills and experience in coordinating project feasibility studies and hands-on operational experience in the coal extraction industry.



**Minah Moabi**

MSc Environmental Science  
Director Corporate Affairs

A qualified Environmental Scientist and member of the South African Council for Natural Scientific professions (SACNASP), Minah Moabi has 10 years' experience in environmental management, water management and sustainable development.

Prior to joining Universal, Minah worked for BHP Billiton (BECSA) as a Project Manager, managing environment-related projects. She is responsible for developing and managing social and environmental management systems, strategies and action plans that ensure corporate sustainable development.



**Shammy Luvhengo**

BSc Geology  
Director Business Development

Investment banker and qualified Geologist. Shammy Luvhengo started his career with Exxaro Resources Limited before moving into the investment world.

Previous work experience includes positions at Investec Bank and Nedbank Capital, where Shammy was involved in structuring and implementing project finance and BEE deals within the resources industry. Prior to joining Universal Coal, he worked at Nkwe Platinum Limited as Head of Business Development and Investor Relations.



**Simon Mokitimi**

BSc Geology (Hon), MBA  
Chief Geologist

Geologist with more than 19 years experience in coal exploration, resource modelling and mine geology and registered member of the South African Council of Natural Scientific Professions.

Prior to joining Universal Coal, Simon held positions within Anglo Coal, Xstrata and BHP Billiton. Simon provides specialised geological support to Universal Coal and ensures that projects are executed in adherence to set geological standards, procedures and policies. He also provides critical input to feasibility studies and ensure that resources are mined optimally on all operating mines.



**Celeste van Tonder**

CA/CPA  
Chief Financial Officer

Celeste van Tonder is a Chartered accountant with over 10 years of professional experience in mining finance and business development.

Prior to joining Universal Coal, she was Group Business development and Investor Relations manager at Coal of Africa, an Australian coal exploration and development company listed on the ASX, JSE and AIM. Celeste is responsible for all financial and commercial facets of the business, and is an integral part of the management team responsible for returning shareholder value.



**Kevin Donaldson**

BSc Mining Eng  
Chief Development Engineer

A Mining Engineer with over 20 years experience in coal mining. Kevin Donaldson started his career in operations at the then Rand Mines Limited ("Rand Mines"), where he reached the level of Mine Overseer. He later joined Anglo American Plc, where he moved into the mine planning and technical side of mining and project development.

Kevin will be involved in the study phases of Universal Coal's projects, and will be responsible for the implementation of the Kangala Mine project.

# CONTACTS

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## Universal Coal Plc

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