



**Continental Coal Ltd**

ABN 13 009 125 651 ASX Code CCC AIM Code COOL

29 August 2014

The Manager  
Company Announcements  
Australian Securities Exchange Limited  
Level 6, 20 Bridge Street  
Sydney NSW 2000

**By e-lodgement**

**Letter to Shareholders and Optionholders**

Please find attached the letter to shareholders and optionholders with respect to the company's non-renounceable entitlement issue to raise approximately A\$35.1m by way of the issue of up to 7,035,234,408 new shares.

Shareholders will be entitled to acquire 9 new shares for every 1 existing CCC share held at the record date (being 4 September), at an offer price of A\$0.005 per new share.

If you have any queries in relation to the offer, please contact the Company Secretary on +61 8 9488 5220.

Yours sincerely

**Paul D'Sylva**  
**Executive Chairman**

For further information please contact:

**Investors / Shareholders**

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9th Floor Fredman Towers, 13 Fredman Drive, Sandton 2196      Ground Floor, 1 Havelock Street, West Perth, WA 6005  
PO Box 787646, Sandton 2146      PO Box 684, West Perth, WA 6872

**Executive Chairman:** Dr Paul D'Sylva    **Executive Director:** Mr Peter Landau  
**Non-Executive Directors:** Mr Connie Molusi and Dr Lars Schernikau

## About Continental Coal Limited

Continental Coal Limited (ASX:CCC/AIM: COOL) is a South African thermal coal producer with a portfolio of projects located in South Africa's major coal fields including two operating mines, the Vlakvarkfontein and Penumbra Coal Mines, producing approx. 2Mtpa of thermal coal for the export and domestic markets. A Feasibility Study was also completed on a proposed third mine, the De Wittekrans Coal Project with a mining right granted in September 2013.

## Forward Looking Statement

Certain statements made during or in connection with this communication, including, without limitation, those concerning the economic outlook for the coal mining industry, expectations regarding coal prices, production, cash costs and other operating results, growth prospects and the outlook of Continental's operations including the likely commencement of commercial operations at De Wittekrans, its liquidity and the capital resources and expenditure, contain or comprise certain forward-looking statements regarding the Company's development and exploration operations, economic performance and financial condition.

Although the Company believes that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct. Accordingly, results could differ materially from those set out in the forward-looking statements as a result of, among other factors, changes in economic and market conditions, success of business and operating initiatives, changes in the regulatory environment and other government actions, fluctuations in coal prices and exchange rates and business and operational risk management. For a discussion of such factors, refer to the Company's most recent annual report and half year report. The Company undertakes no obligation to update publicly or release any revisions to these forward-looking statements to reflect events or circumstances after today's date or to reflect the occurrence of unanticipated events.

28 August 2014

Dear Eligible Shareholder

**CONTINENTAL COAL LIMITED – PRO-RATA NON-RENOUNCEABLE RIGHTS ISSUE**

As announced on 6 August 2014, Continental Coal Limited (ACN (009 125 651)) (**CCC** or the **Company**) is undertaking a 9:1 pro rata non-renounceable rights issue (**Rights Issue** or **Offer**) of approximately 7,035,234,408 fully paid ordinary shares (**New Share**) to raise approximately \$35,176,172. The price of New Shares under the Offer is \$0.005 each (**Issue Price**). The Company lodged a prospectus for the Offer (**Prospectus**) with ASIC and ASX on 28 August 2014.

The Offer is fully underwritten by Patersons Securities Limited (**Underwriter**). The Company has agreed to pay the Underwriter a lead manager fee of 1% of the total amount raised under the Offer plus a corporate advisory fee of \$300,000 plus an underwriting fee of 5% of the value of the underwritten securities. The Offer is sub-underwritten by ISSAR Global (**ISSAR**) and Komodo Capital Pty Ltd (**Komodo**). Refer to the Prospectus for details of the underwriting and sub-underwriting of the Offer and the effect they may have on control of the Company.

The use of the funds raised under the Offer is set out in the table below.

<b>Proceeds of the Offer</b>	<b>Full Subscription (\$)</b>	<b>%</b>
Repayment of existing Company debt to convertible noteholders, lenders and royalty holders pursuant to a Standstill and Forbearance Deed	18,560,738	52.77%
Payment of bridging loan to financiers of the Company	7,500,000	21.32%
Payments to other existing creditors of the Company	724,376	2.06%
Repayment of debt to EDF Trading pursuant to Finance Agreement	2,500,000	7.11%
Expenses of the Offer	3,517,617	10.00%
Working capital	2,373,441	6.75%
<b>Total</b>	<b>35,176,172</b>	<b>100.00%</b>

The Offer is being made to all shareholders of the Company (**Shareholders**) named on its register of members at 5:00 pm (WST) on 4 September 2014, whose registered address is in Australia, New Zealand or the United Kingdom.

South Africa	Australia
T +27 11 881 1420 F +27 862064487 W www.conticoal.com	T +61 8 9488 5220 F +61 8 9324 3400 W www.conticoal.com
9th Floor Fredman Towers, 13 Fredman Drive, Sandton 2196	Ground Floor, 1 Havelock Street, West Perth, WA 6005
PO Box 787646, Sandton 2146	PO Box 684, West Perth, WA 6872

**Executive Chairman:** Dr Paul D'Sylva **Executive Director:** Mr Peter Landau  
**Non-Executive Directors:** Mr Connie Molusi and Dr Lars Schernikau

New Shares will rank equally with all fully paid ordinary shares in the capital of the Company (**Shares**) already on issue.

Following completion of the Offer, the Company will have issued approximately 7,035,234,408 New Shares resulting in total Shares on issue of approximately 7,816,927,120.

A copy of the Prospectus is available on ASX's and the Company's website. Eligible Shareholders will be mailed a Prospectus together with an Entitlement and Acceptance Form no later than 9 September 2014. Your entitlement will be set out on the personalised Entitlement and Acceptance Form accompanying the Prospectus.

For the purposes of calculating each Eligible Shareholders' entitlement, fractions of entitlements have been rounded up to the nearest whole number of New Shares.

### **Actions required of Eligible Shareholders**

There are a number of actions Eligible Shareholders may take:

- You may wish to accept all of your rights to subscribe for New Shares pursuant to the Prospectus (**Entitlement**). To take up all of your Entitlement you will need to ensure your application money for all your Entitlement is received by the Company by no later than 5.00pm (WST) on 25 September 2014, by completing and returning your Entitlement and Acceptance Form together with your cheque, drawn on an Australian bank or bank draft made payable in Australian currency, for the amount indicated on the Entitlement and Acceptance Form.
- You may wish to accept part of your Entitlement. To take up part of your Entitlement you will need to ensure your application money for the Entitlement you wish to take up is received by the Company by no later than 5.00pm (WST) on 25 September 2014, by completing and returning your Entitlement and Acceptance Form by filling in the number of New Shares you wish to accept in the space provided on the Entitlement and Acceptance Form together with your cheque, drawn on an Australian bank or bank draft made payable in Australian currency, for the appropriate application monies (at \$0.005 per New Share).
- You may wish to accept your full Entitlement and apply for additional Shortfall Shares under the Shortfall Offer. To do this, complete the Entitlement and Acceptance Form including filling in the number of Shortfall Shares you wish to apply for in the shortfall section on the Entitlement and Acceptance Form and attach your cheque, drawn on an Australian bank made payable in Australian currency, for the appropriate Application monies (at \$0.005 per Share).
- You may do nothing. If you choose to do nothing with your Entitlement, while you will continue to hold the same number of Shares, your interest in the Company will be diluted and you will receive no value for your Entitlement.



## Key dates for the Offer

Event	Proposed Date
Prospectus and Appendix 3B lodged with ASX	28 August 2014
Notice sent to Optionholders in respect of the Offer	28 August 2014
Notice sent to Shareholders in respect of the Offer	29 August 2014
Existing shares quoted on an 'ex' basis	2 September 2014
Record date	4 September 2014
Despatch of Prospectus to Eligible Shareholders Offer Period Opens	9 September 2014
Shareholder meeting to approve the Offer	24 September 2014
Closing Date of the Offer (5.00pm WST)*	25 September 2014
Securities quoted on a deferred settlement basis	26 September 2014
ASX notified of under subscriptions under the Offer	30 September 2014
Issue Date under the Offer	1 October 2014

If you have any queries concerning the Rights Issue, or the action you are required to take to subscribe for New Shares, please contact your financial adviser or Jane Flegg, CCC's Company Secretary, on +61 8 9488 5220.

Yours sincerely

**Paul D'Sylva**  
Executive Chairman

28 August 2014

Dear Ineligible Shareholder

**CONTINENTAL COAL LIMITED – PRO-RATA NON-RENOUCEABLE RIGHTS ISSUE**

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The Offer is fully underwritten by Patersons Securities Limited (**Underwriter**). The Company has agreed to pay the Underwriter a lead manager fee of 1% of the total amount raised under the Offer plus a corporate advisory fee of \$300,000 plus an underwriting fee of 5% of the value of the underwritten securities. The Offer is sub-underwritten by ISSAR Global (**ISSAR**) and Komodo Capital Pty Ltd (**Komodo**). Refer to the Prospectus for details of the underwriting and sub-underwriting of the Offer and the effect they may have on control of the Company.

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**Executive Chairman:** Dr Paul D'Sylva **Executive Director:** Mr Peter Landau  
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### **Ineligible shareholders**

A Shareholder who has a registered address outside Australia, New Zealand or the United Kingdom (**Ineligible Shareholder**) will not be eligible to participate in the Offer.

You are not eligible to participate in the Offer and you will not be sent a copy of the Prospectus. This decision has been made pursuant to Listing Rule 7.7.1(a) of the ASX Listing Rules after taking into consideration the costs of complying with legal and regulatory requirements in jurisdictions outside of Australia, New Zealand and the United Kingdom compared with the small number of Ineligible Shareholders and the number and value of New Shares to which they would otherwise be entitled.

If you have any queries concerning the Rights Issue, or the action you are required to take to subscribe for New Shares, please contact your financial adviser or Jane Flegg, CCC's Company Secretary, on +61 8 9488 5220.

Yours sincerely



**Paul D'Sylva**  
**Executive Chairman**

28 August 2014

Dear Optionholder

**CONTINENTAL COAL LIMITED – PRO-RATA NON-RENOUNCEABLE RIGHTS ISSUE**

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New Shares will rank equally with all fully paid ordinary shares in the capital of the Company (**Shares**) already on issue.

Following completion of the Offer, the Company will have issued approximately 7,035,234,408 New Shares resulting in total Shares on issue of approximately 7,816,927,120.

### **Optionholders**

The terms and conditions of the options you currently hold do not entitle you to participate in the Rights Issue unless you exercise your options in time for new shares to be issued and to be entered on the Company's register of members on or before 5:00pm (WST) on 4 September 2014 (**Record Date**).

To exercise your options and thereby participate in the Rights Issue, you will need to deliver the following to the Company at Ground floor, 1 Havelock Street, West Perth, WA 6005:

- (a) A notice of exercise of options;
- (b) An option certificate (where the options are certificated) or a copy of a holding statement (where the options are uncertificated) in respect of those options to be exercised; and
- (c) Payment for the exercise price in respect of those options to be exercised by way of a cheque made payable to "Continental Coal Limited".

To ensure that your new shares are allotted prior to the Record Date, the above must be received by the Company **no later than 2 September 2014**. If received after this date, issue of new shares prior to the Record Date cannot be assured.

Before deciding whether to exercise any or all of your options, you should read the Prospectus in its entirety.

If you have any queries concerning the Rights Issue, or the action you are required to take to subscribe for New Shares, please contact your financial adviser or Jane Flegg, CCC's Company Secretary, on +61 8 9488 5220.

Yours sincerely



**Paul D'Sylva**  
**Executive Chairman**