

19 September 2016



universal
coal plc

UNIVERSAL COAL'S NEXT PROJECT NOW FULLY PERMITTED

Universal Coal Plc (“Universal Coal”) (ASX:UNV) is pleased to announce that its Brakfontein Coal Project (50.29% owned) has now received all licences required for development, following the granting of a Water Use License by the Department of Water and Sanitation.

Brakfontein is located within ~20 kms of the company's Kangala Colliery in South Africa's premier coal region, the Witbank coalfield. The project hosts a JORC 2012 Mineral Resource of 87.6 million tonnes inclusive of a Proven Ore Reserve of 9.1 million tonnes⁽¹⁾.

With the water use license in hand and having already secured both the Mining Right and the Environmental Authorization in terms of National Environmental Management Act (NEMA), the project now has all licenses required for development. The company has completed a feasibility study, showing potential to be integrated with existing infrastructure and excess capacity at UNV's Kangala operation, thereby substantially reducing capital development costs and the scale of the water licence required.

For further information please contact:

Institutions & Media

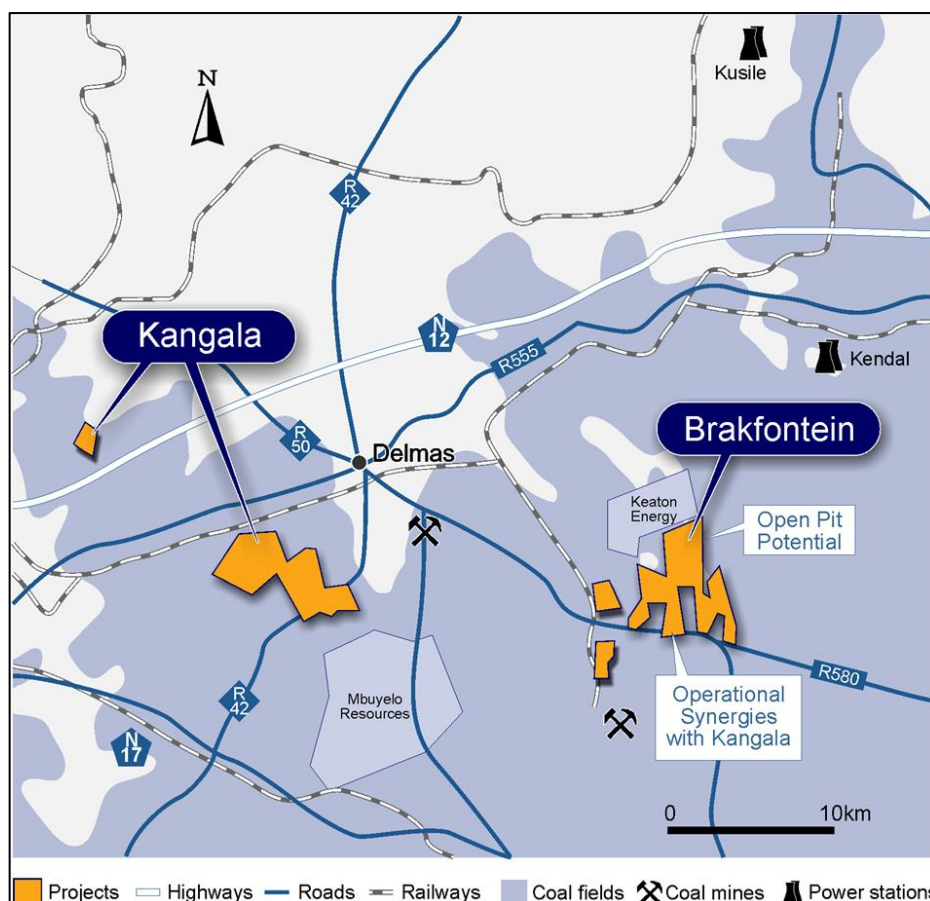
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⁽¹⁾ Mineral Resources stated in announcement titled “Mineral Resources and Ore Reserves Update” released to the market on 29 January 2016.

ABOUT BRAKFONTEIN

The Brakfontein project is located in the Delmas district, 20km east of the Kangala Mine. The area is well serviced by roads and railways and sizeable towns are located at Delmas, 5km to the north and Witbank, 60km to the east.



Brakfontein hosts a JORC 2012 Mineral Resource of 75.8Mt of which 31.7Mt is classified as Measured, 39.4Mt as Indicated and 4.7Mt as Inferred. Brakfontein currently has a Proven Ore Reserve of 9.1Mt.

The following table provides a breakdown of the Resource and Reserve estimates.

Seam	Reserve Proven Mt	Resource Measured Mt	Resource Indicated Mt	Resource Inferred Mt	Total Mt	Attributable to Universal Coal Mt
S5	-	-	1.8	-	1.8	0.9
S4U	1.6	6.4	3.2	3.7	13.3	6.6
S4L	3.0	9.6	8.0	0.2	17.8	8.9
S2	4.5	14.8	25.7	0.8	41.3	20.8
S1	-	1.0	0.9	0.1	1.8	0.9
Total	9.1	31.7	39.4	4.7	75.8	38.1

- Mineral Resources are stated on a gross tonnes in-situ basis, inclusive of Ore Reserves
- The tonnages are quoted in metric tonnes and million tonnes is abbreviated as Mt
- Rounding (conforming to the JORC Code) may cause computational discrepancies

The Brakfontein project hosts bituminous coal that would have to be beneficiated to produce saleable products. The raw air dried qualities of the seams within the Ore Reserve area are summarised below.

Seam	RD	CV Mj/kg	Ash %	VM %	IM %	S %
S4U	1.78	14.33	44.95	15.52	3.75	1.04
S4L	1.56	21.53	26.92	19.55	3.90	1.14
S2	1.57	21.16	28.20	22.35	4.16	1.22

- RD – relative density (as determined in lab), CV – calorific value, VM – volatile matter, IM – inherent moisture, S – sulphur
- Coal qualities are quoted on a gross tonnes in-situ and an air-dried basis

For the Project, a single thermal coal product for domestic power generation, produced at a wash density of 1.80, is considered to be the most economic. The qualities (on an air dried basis) and expected yield for this product from the Ore Reserve area are summarised in the table below:

Seam	Primary Product (air dried basis)					
	YL %	ASH %	CV Mj/kg	VM %	IM %	S %
S4U	43.7	28.09	21.13	19.02	4.03	0.92
S4L	81.4	29.45	21.21	18.44	3.74	0.90
S2	89.9	30.79	20.56	21.40	4.01	1.10

- YL – theoretical borehole yield, CV – calorific value, VM – volatile matter, IM – inherent moisture, S – sulphur, P – phosphorus
- Coal qualities are quoted on a gross tonnes in-situ and on an air-dried basis

COMPETENT PERSON'S STATEMENTS

The Coal Resource estimate for Brakfontein was prepared by Mr Nico Denner, who is a registered natural scientist and a member of the South African Council for Natural Scientific Professions (a Recognised Overseas Professional Organisation). Mr Denner is employed by Gemecs (Pty) Ltd 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 by the JORC Code. Mr Denner consents to the inclusion in this document of this information in the form and context in which it appears.

The Brakfontein Coal Reserve estimate was prepared by Mr. Michael Vertue who is a mining consultant associate of Mindset mining Consultants (Pty) Ltd. Mr Vertue is a registered Professional Certified Mining Engineer and has over 30 years' experience in the mining industry. He is a member of the Engineering Council of South Africa (ECSA) (a Recognised Overseas Professional Organisation) and the South African Collieries Managers Association (SACMA). Mr Vertue has sufficient experience which is relevant to the type of mineralisation and the Kangala deposit and to the activity which he is undertaking to qualify as Competent Persons Person as defined by the JORC Code. Mr Vertue consents to the inclusion in this document of this information in the form and context in which it appears.