

# Select Exploration Limited

ACN: 062 063 692



**SELECT**  
EXPLORATION



**Targeting large scale  
Coal and Uranium  
deposits in Tanzania**

**September 2012**

# Disclaimer & Important Information



Statements and material contained in this Presentation, particularly those regarding possible or assumed future performance, production levels or rates, resources or potential growth of Select Exploration Limited, industry growth or other trend projections are, or may be, forward looking statements. Such statements relate to future events and expectations and, as such, involve known and unknown risks and uncertainties.

This presentation may describe Measured, Indicated and/or Inferred Resources. Inferred Resources have a greater amount of uncertainty as to their existence and greater uncertainty as to their economic feasibility. It cannot be assumed that all or any part of any Inferred Resource will ever be upgraded to a higher category. Exploration is an inherently risky proposition and investors are advised that most exploration projects fail to identify economic resources. The Company has at present not confirmed the economic viability of any resources at the project. The company plans further drilling programs and studies with the objective of confirmation of any deposits and ultimately completing a feasibility study to demonstrate the economics of the projects.

The information in this report that relates to exploration results is based on information compiled by Ms Cherie Leeden. Ms Leeden is a non executive director of Select Exploration Limited. Ms Leeden is a member of Australian Institute of Geoscientists and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which she is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Ms Leeden consents to the inclusion in the report of the matters based on information in the form and context in which it appears.

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Before making an investment decision, you should consider, with or without the assistance of a financial adviser, whether an investment is appropriate in light of your particular investment needs, objectives and financial circumstances.

# Investment Highlights



- Select is acquiring 100% of 4 key projects in Tanzania which are highly prospective for coal and uranium
- The 38 exploration licences cover >3,700 sq km and are highly prospective for large scale coal and uranium:
  - 100% ownership with no outside equity interests or JV requirements
  - acquisition cost of A\$5.02m vs Independent Valuation<sup>1</sup> of US\$15.3m
- The projects contain units of Karoo Sedimentary Sequence which hosts major deposits within Africa including:
  - significant coal/uranium deposits within Tanzania, and
  - coking coal deposits in neighbouring Mozambique
- The licences have never been drilled and are spread across 4 sedimentary basins, all of which have a history of coal and/or uranium occurrences
- The projects are drill ready with 11,500m of drilling to commence as soon as practicable following re-admission to ASX
  - The first target (Ruhuhu) is < 2km along strike from known coal occurrences
- Experienced board with significant African Coal experience
  - Strong in-country relationships with 2 Africa based directors: Mr Gary Seabrooke and Ms Cherie Leeden
  - Mr Seabrooke and Mr Mark Titchener were both involved in the acquisition and early development of the Riversdale Mining Ltd coal discoveries in Tete, Mozambique
- Market Cap of \$11.61m, Cash of \$3.4m with 38.7m shares on issue post re-compliance

<sup>1</sup> Preferred mid-point of the Independent Experts Report and Valuation undertaken as part of the shareholder approval process for the transaction. Potential investors should refer to the Notice of Meeting dated 21 June 2012 for detailed information in relation to the transaction and valuation.



# Background

- Under the transaction, Select will acquire Tanzanian companies which own 100% of the 4 projects
- The 4 projects include 38 prospecting licenses (21 granted, 17 under application)
- Tanzania is amongst the most politically stable (5 year terms), multi-party democracies of Sub-Sahara Africa, and is party to several trading arrangements including the Southern African Development Community
  - Mining Act enacted in 1998, updated in 2010.
  - Rated the 2nd best country in the world for lack of Permitting Delays (by the Behre Dolbear 2012 Ranking of Countries for Mining Investment)
- Select has received shareholder approval for a change of business, the acquisition, and capital raising of \$3.5m to \$4m, and will apply for re-compliance with ASX listing rules to relist as Select Exploration Ltd.
  - The current directors of Select own seventy six (76%) of the Vendor: Indigo Metals Limited and are therefore related parties.
  - An Independent Expert Report and Valuation provided as part of shareholder approval process (refer Notice of General Meeting dated 21 June 2012).
- Attractive acquisition terms:
  - Acquisition cost of A\$5.02m at proposed capital raising price of \$0.30
  - The Independent Valuation<sup>1</sup> prepared by BDO has a preferred valuation of US\$15.3m

<sup>1</sup> Preferred mid-point of the Independent Experts Report and Valuation undertaken as part of the shareholder approval process for the transaction. Potential investors should refer to the Notice of Meeting dated 21 June 2012 for detailed information in relation to the transaction and valuation.

# Corporate Summary



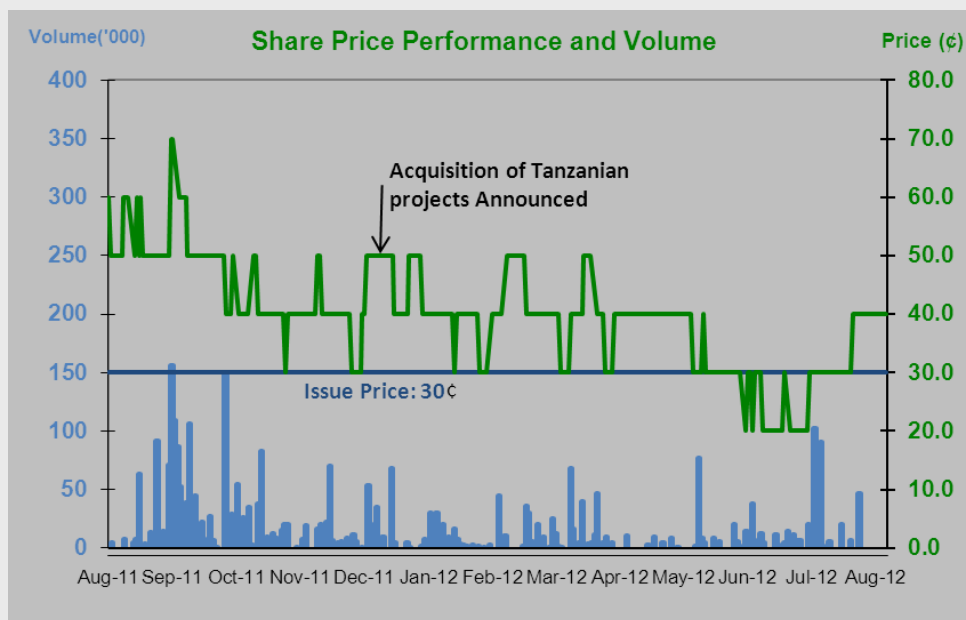
## Top 10 Shareholders (31 August 2012)

Cypress Securities Pty Ltd	8.55%
Jasper Hill Resources Pty Ltd	4.99%
Cornela Pty Ltd	4.90%
Seventy Three Pty Ltd	4.90%
Rovuma Investments Ltd	3.69%
Kingslane Pty Ltd	3.64%
Bt Portfolio Svcs Ltd	1.33%
Elberton Dvlmnts Pty Ltd	1.15%
Octifil Pty Ltd	1.14%
Citicorp Nom Pty Ltd	0.96%
<b>Total</b>	<b>35.2%</b>

**Top 20 Shareholders hold ~41.50%**

## ASX Code: SLTDA, SLTDB

Ordinary Shares on Issue	11.3 million
Options (listed)	4.1 million
Market cap (undil.)	~4.5 million
Average Daily Volume	1.25 million
Number of Shareholders	~1,860



# Board of Directors



The Board of Select Vaccines Limited brings substantial African exploration and resources experience

**Mr Ian Macliver**  
*Non-Executive Chairman*

Mr Macliver is Managing Director of Grange Consulting Group Pty Ltd which provides specialist corporate advisory services to both listed and unlisted companies. He has many years experience as a Senior Executive and Director of both resource and industrial companies, with particular responsibility for capital raising and other corporate initiatives. Mr Macliver is a Director of various listed and unlisted companies .

**Mr Shane Cranswick**  
*Managing Director Elect*

Mr Cranswick is an accomplished mining executive with over 10 years' experience in senior management roles in resources companies both in Australia and overseas with a focus on coal, uranium and iron ore. Mr Cranswick is a Chartered Accountant and spent over 8 years with Apollo Group Pty Ltd, a corporate services provider to listed entities, focusing on the acquisition of resources projects and implementation of management teams to oversee the development of the projects.

Mr Cranswick has acted as Chief Financial Officer of Berkley Resources Ltd (ASX: BKY), as well as a founding director of Mantra Resources Ltd which had significant success in the exploration and development of uranium projects in Tanzania. Most recently, Mr Cranswick held a senior commercial role with Rio Tinto focusing on the development of the large scale Simandou Iron Ore Project in Guinea, Africa.

**Mr Gary Seabrooke**  
*Non-Executive Director*

Mr Seabrooke has been involved in the ownership and management of contract drilling companies in Australia and Africa during the last 25 years.

Mr Seabrooke has been involved in the exploration industry in both Australia and various African countries for the last 15 years in Gold, Base Metals and Coal exploration. Over the last five years Mr Seabrooke has been involved in over 400,000 meters of contract exploration and Resource Definition drilling in Mozambique. Mr Seabrooke was involved with the acquisition and early development of the Riversdale Mining Ltd Coal discoveries in Tete, Mozambique. Mr Seabrooke resides in Africa.

# Board of Directors (cont'd)

**Ms Cherie Leeden**  
*Non-Executive Director*

Ms Leeden is a geologist with extensive experience in exploration and resource development. Her experience covers a broad commodity spectrum spanning countries within Africa, Australasia and the America's. She has successfully lead teams in the discovery and resource development of new base metal, iron ore and coal resources. Ms Leeden is a member of the Australian Institute of Geoscientists and holds a Bachelor of Science in Applied Geology (Honours) from The Western Australian School of Mines. Ms Leeden is also the Exploration Manager of Niassa Resources SA and resides in Africa.

**Mr Mark Titchener**  
*Non-Executive Director*

Mark Titchener is a sophisticated investor specialising in investment strategies for early stage resource projects. Over the past 10 years he has participated in and advised on a significant number of listed and unlisted corporate transactions including capital raisings, reverse takeovers, restructures, seed investments and IPO's. Mark sits on a number of unlisted resource project boards as both a director and significant shareholder. Mark was involved with the acquisition and early development of the Riversdale Mining Ltd Coal discoveries in Tete, Mozambique.

# Senior Management



The new Management Team brings substantial African and exploration mining industry experience

## **Mr John Monaghan** *Exploration Manager*

Mr Monaghan is a Geologist who has been directly involved in advancing mining and exploration projects for the past ten years.

He most recently held the position of Senior Mine Geologist at Xstrata Nickel Australasia where he was responsible for managing all aspects of resource delineation and maximising value during extraction of the resource. Prior to that he has held roles in both exploration and mining whilst working for Newmont and mid tier ASX listed explorers.

Mr Monaghan has a strong track record of adding value through exploration to mining in numerous commodity types and deposit styles.

## **Mr Bangun Maruli N.** *Senior Geologist*

Mr Maruli has been involved in coal exploration for the past decade. He has managed coal exploration drilling programs at JORC standard in Indonesia and Australia. Mr Maruli has been instrumental in the discovery of numerous green-field coal deposits located within Indonesia. Mr Maruli has most recently been involved in project generation work across Mozambique and Tanzania, primarily targeting potential coal and uranium mineralisation.

## *In country office in Tanzania*

The Company has an established office located in Dar es Salaam and existing positive relationships with the Mines Ministry and Government.



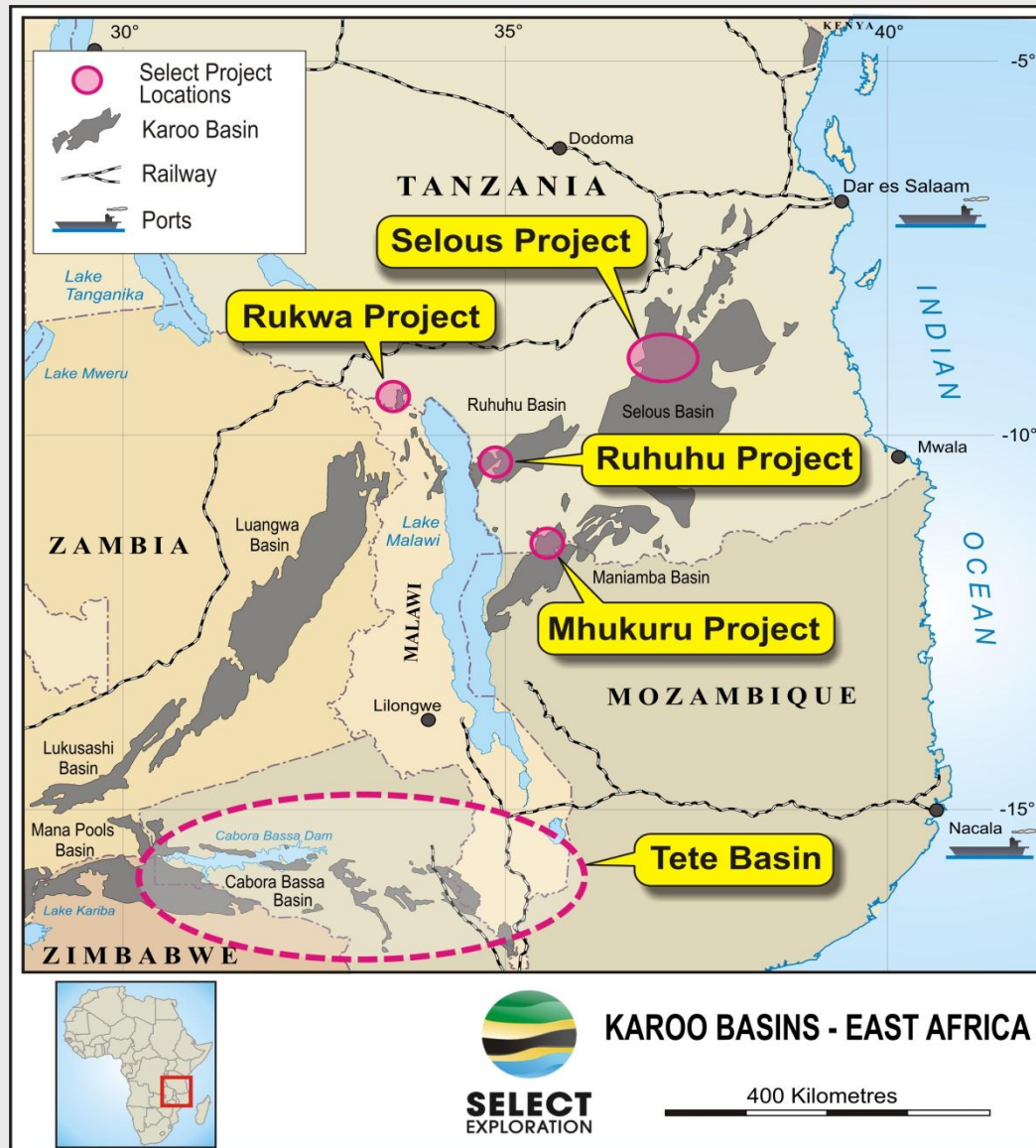
# Assets Purchased

Project	Description	Commentary
Ruhuhu	<ul style="list-style-type: none"> <li>7 Licenses (4 granted)</li> <li>494 km<sup>2</sup></li> <li>Lower Karoo outcrops</li> </ul>	Project geology is interpreted to contain the same sedimentary sequence that hosts nearby Intra Energy's 251 MT Coal JORC Resource (refer Appendix 1).
Selous	<ul style="list-style-type: none"> <li>11 Licenses (11 granted)</li> <li>2,480 km<sup>2</sup></li> <li>Karoo sediments</li> </ul>	Karoo sedimentary sequence identified in the field where previously, the geological survey has mapped Colluvium (cover). Prospective for coal and uranium.
Rukwa	<ul style="list-style-type: none"> <li>7 Licenses (2 granted)</li> <li>526 km<sup>2</sup></li> <li>Potential sub-crops of Karoo survey</li> </ul>	Historical reports of coal occurrences within the licence package.
Mhukuru	<ul style="list-style-type: none"> <li>5 licenses (1 granted)</li> <li>223 km<sup>2</sup></li> </ul>	Prospective Lower Karoo interpreted to continue into the licence.

**Independent Valuation<sup>1</sup> of 4 Projects: US\$15.3m**

<sup>1</sup> Preferred mid-point of the Independent Experts Report and Valuation undertaken as part of the shareholder approval process for the transaction. Potential investors should refer to the Notice of Meeting dated 21 June 2012 for detailed information in relation to the transaction and valuation.

# Karoo Sedimentary Basins across Eastern Africa



The distribution Map of Karoo basins in south-central Africa

# Ruhuhu Project

- Tanzania's richest coal basin – tightly held (100% covered by exploration licences + numerous reports of coal and uranium 'resources')
- Ground traversing has revealed units of the lower Karoo, prospective for both coal and uranium are present within the Ruhuhu Project licences →
- Project area is located approximately 1 km along strike from Intra Energy's Ngaka-Mbalawala Coal Project, and 6km along strike of Intra Energy's 251 MT JORC Resource Mbuyura Coal Project

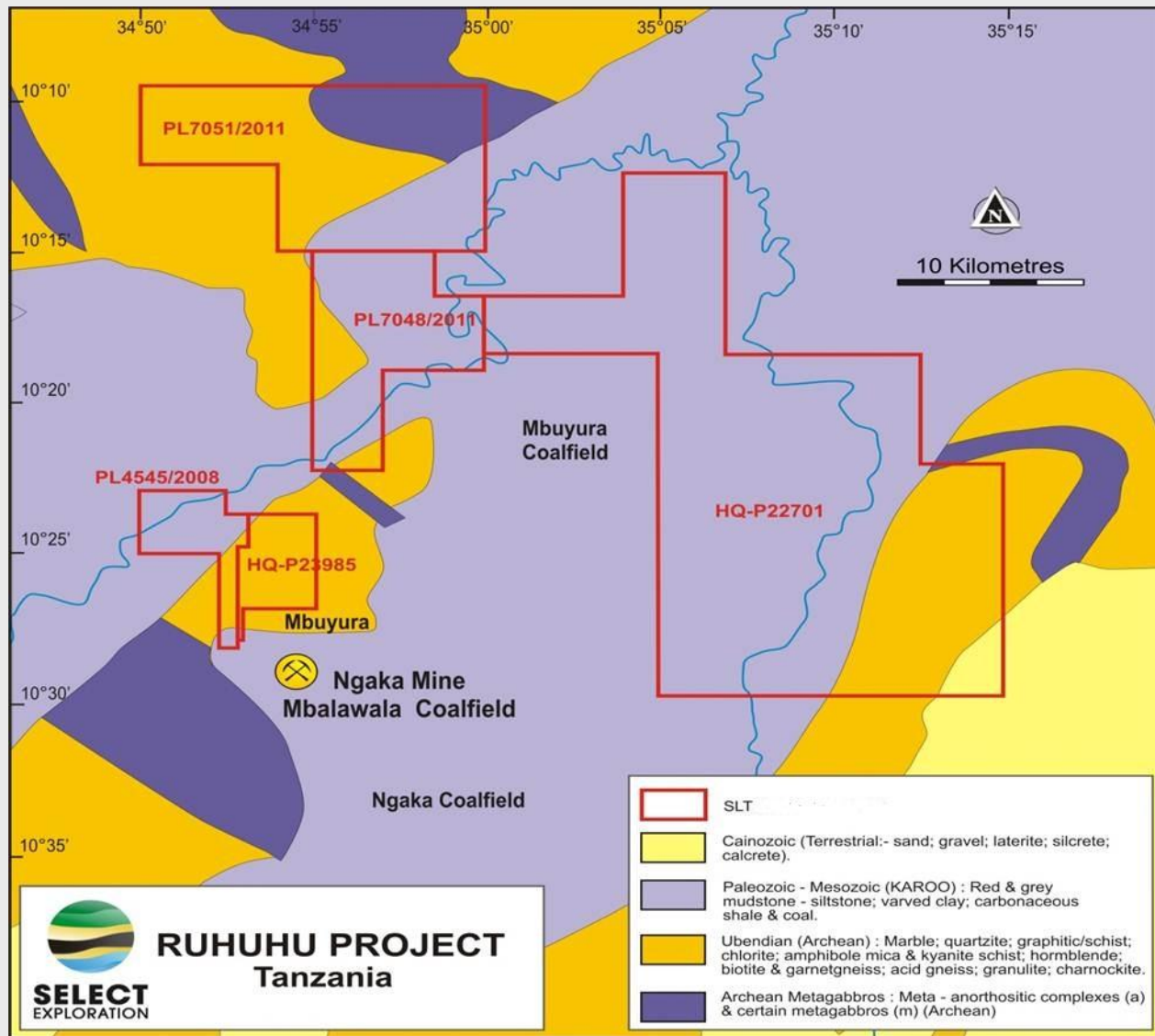
**EXPLORATION POTENTIAL**  
**Large scale Coal deposit**  
**+ significant uranium potential**



*A carbonaceous sedimentary sequence exposure within HQ-P22701 (Ruhuhu Project)*

# Ruhuhu Project

- Immediately adjacent and along strike of 2 known coal deposits
- Project geology appears to be a continuation of the same geology which hosts the Mbuyura and Ngaka-Mbalawala Coal Projects





# Ruhuhu Project

- Ground traversing by Select's geologists has revealed carbonaceous mudstone/siltstone sequences within the licence packages which have been interpreted to represent the lower Karoo stratigraphy - prospective for coal and uranium mineralisation.



Carbonaceous mudstone interpreted to represent part of the lower Karoo stratigraphy  
– licence HQ-P22701 within the Ruhuhu Project

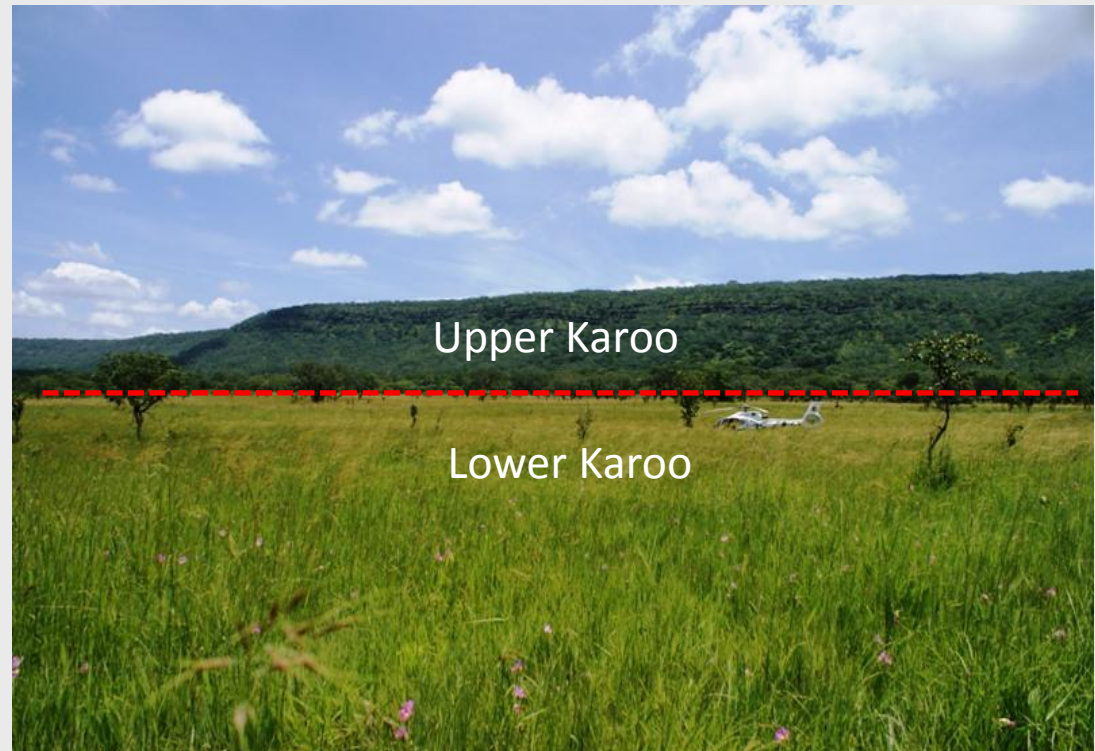


# Ruhuhu Project



*Sandstone with 15 degree dip, interpreted to represent part of the lower Karoo stratigraphy – licence PL7048/2011 within the Ruhuhu Project*

- Prospective stratigraphy is located less than 1km along strike of known coal occurrences
- Project is drill ready – and will be the first to be drilled in 2012

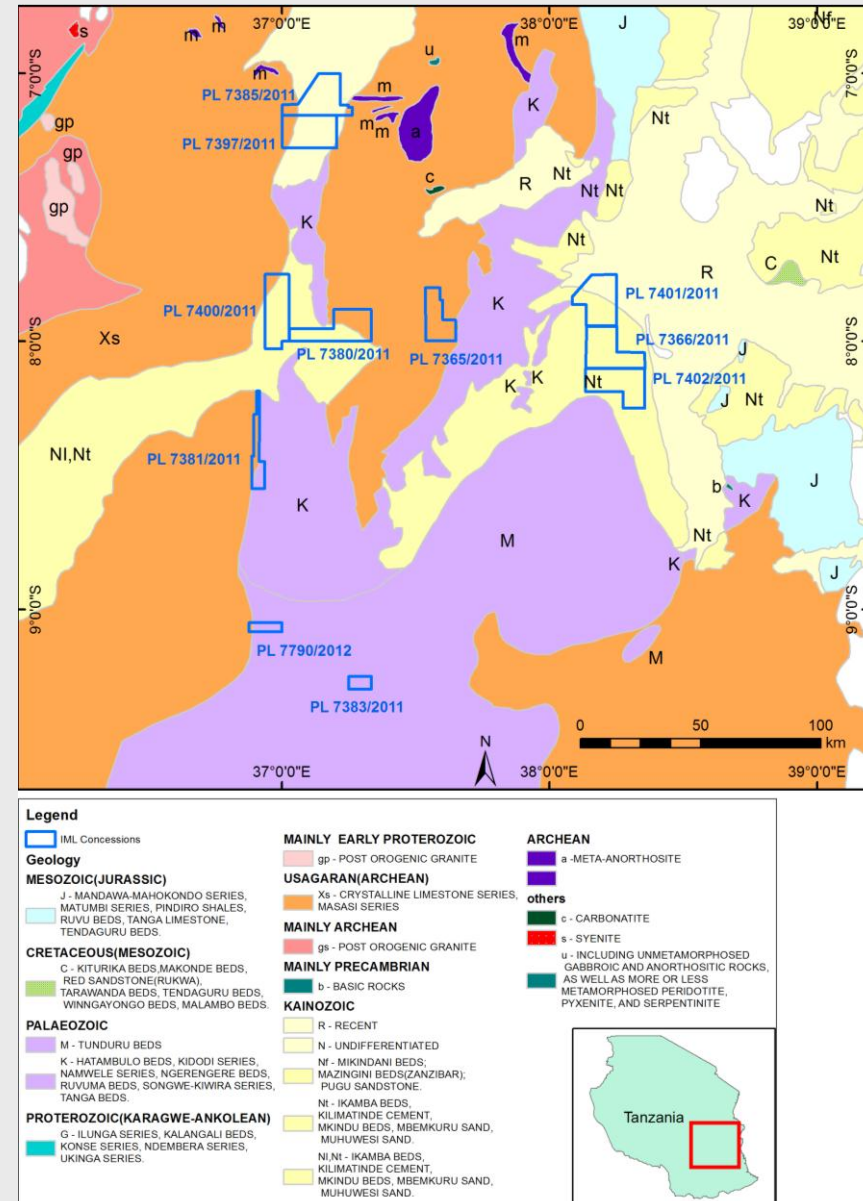


*Regional view of the Ruhuhu Project, depicting the topographically obvious contact between the lower and upper Karoo contact within the project area.*

# Selous Project

- Majority of the licence areas were incorrectly mapped by the Tanzanian Geological Survey as being Colluvium, however ground traversing has revealed that Karoo sandstone outcrops are clearly visible in creek beds
- The northern Selous Basin has never previously been explored for coal or uranium (probably because it was thought to be colluvium/sand cover)
- Stratigraphic drilling is required to determine which section of the Karoo sequence is present in the northern Selous Basin

**EXPLORATION POTENTIAL**  
**Roll front Uranium mineralisation**  
**(Mantra style deposit)**  
**+ potential for large scale Coal deposits**





# Selous Project

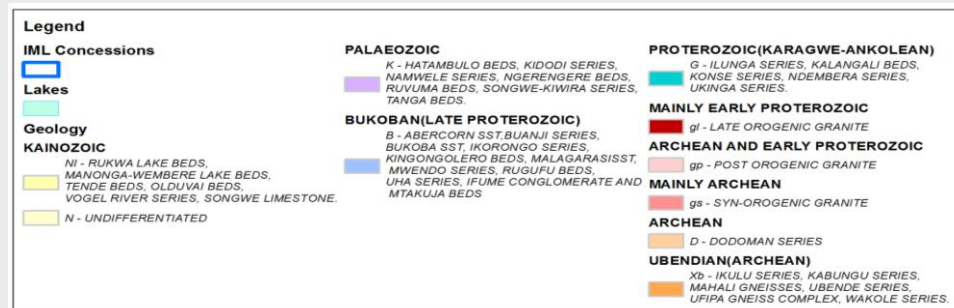
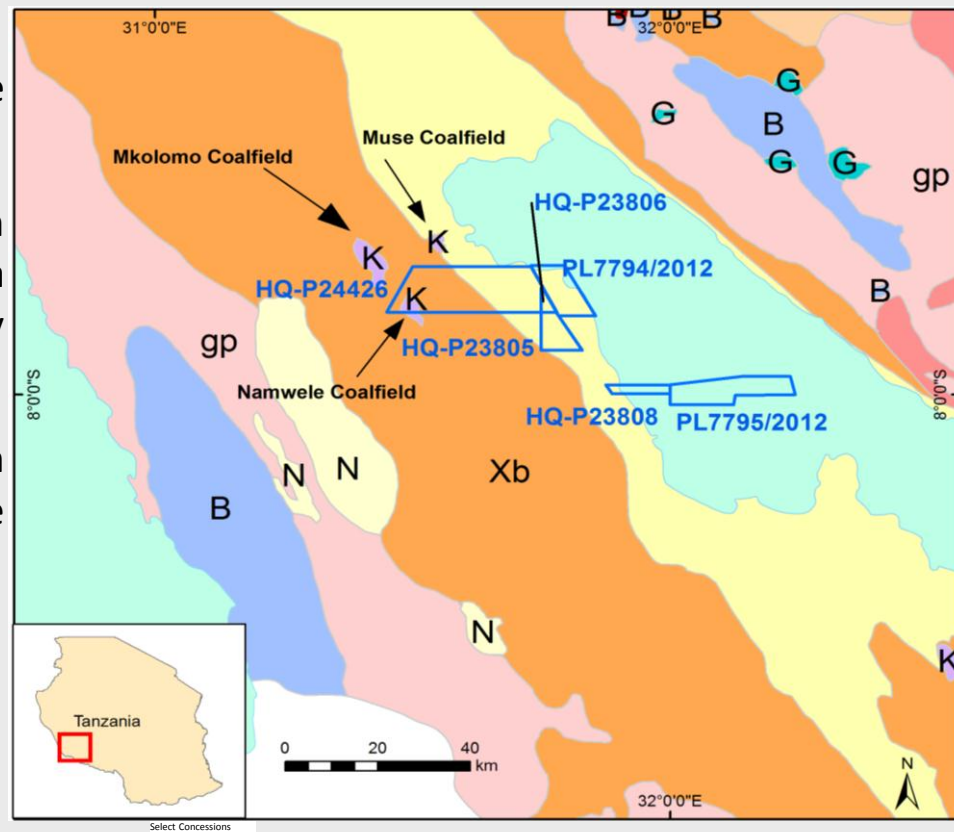
Select's Geologists discovered numerous Karoo sedimentary outcrops in creek beds within the Selous Project – (which was historically mapped as being colluvium/sand cover) illustrating the vastly under explored potential of the basin. Independent geologist site visit confirmed this interpretation.



*A sandstone outcrop within granted licence PL 7380/2011 of the Selous Project*

# Rukwa Project

- Rukwa Licence HQ-P24426 contains the historical Namwele Coal field
- Coal discoveries on this project could form an ideal domestic power supply point in a remote region of the country that is hungry for additional energy sources
- Detailed geological mapping is required in order to gain an understanding of the projects potential





# Rukwa Project

- Lower Karoo outcrops visible within project area which is recorded to host an historical coal occurrence
- Adjacent licence (owned by Edenville Energy PLC) located immediately to the west of Select's Rukwa Project recently reported the discovery of coal within their drilling

## EXPLORATION POTENTIAL

Small to medium scale  
coal deposit  
(due to steep dip of  
geology)

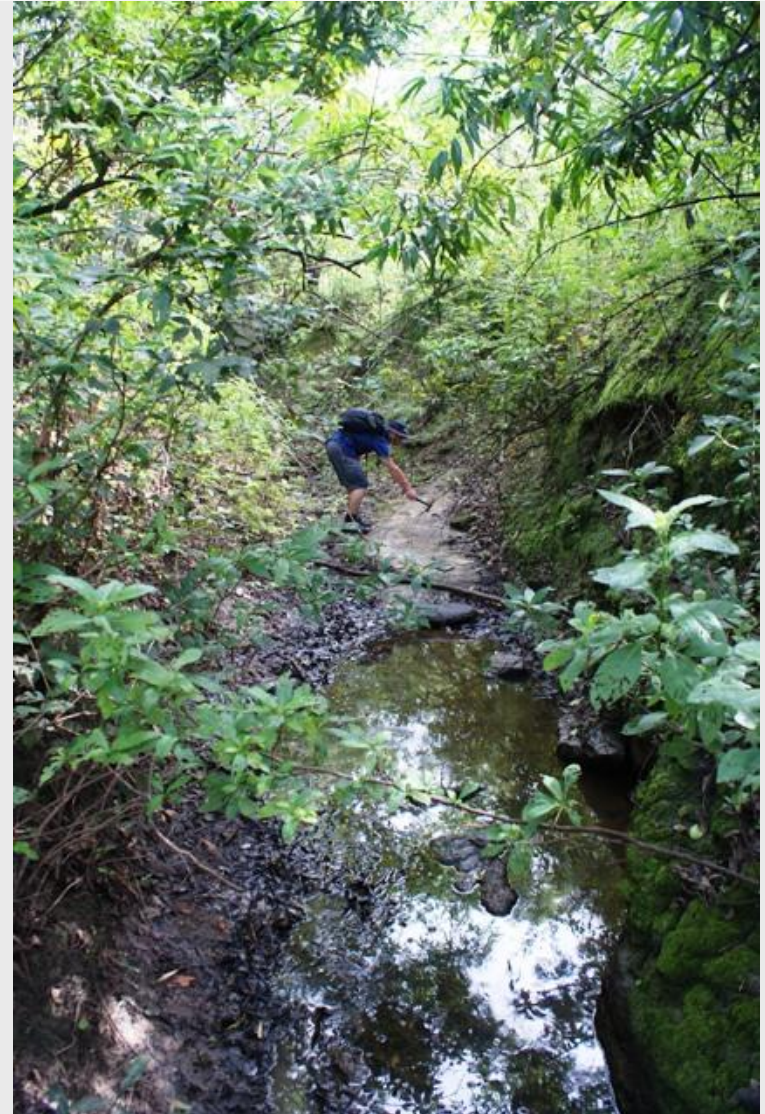


*A sandstone and siltstone sequence interpreted to represent part of the lower Karoo stratigraphy – licence HQ-P24426 within the Rukwa Project*



# Mhukuru Project

- Lower Karoo visible in creek bed located 500m south of most southern licence boundary (carbonaceous mudstone)
- No rock outcrop on surface within licences, however interpreted to contain lower Karoo based on field observations and geophysics
- A 'hot spot' on the regional radiometric data map with uranium anomalies
- Detailed airborne radiometric survey proposed, with follow-up drilling of any significant uranium anomalies identified
- Stratigraphic drilling proposed to investigate coal bearing potential of the surrounding lithology



*Carbonaceous mudstone interpreted to represent part of the lower Karoo stratigraphy – located 500m south of licence PL 7386/2011*



# Mhukuru Project

- Only approximately 2m of sand cover above lower Karoo geology within Select licences (based on outcrop observations located 500m outside of licence PL 7386/2011)

## EXPLORATION POTENTIAL

Medium - Large scale Coal deposit

+ Excellent prospectivity for  
Uranium mineralisation



*Siltstone and mudstone sequences with fine carbonaceous laminations within: interpreted to represent part of the lower Karoo stratigraphy – located 500m south of licence PL 7386/2011 of the Mhukuru Project*

# Exploration Strategy

- Complete detailed geological mapping over known Karoo and interpret airborne imagery
- Conduct stratigraphic drilling in prospective areas of the lower Karoo sequence
  - 10,000m of open hole PCD drilling plus 1,500m of diamond drilling (for approximately 70 holes)
- Conduct detailed airborne geophysical surveys (radiometrics + magnetics) over areas prospective for uranium mineralisation
- The highly prospective lower Karoo geology is present at the surface within many of the Company's licences
  - Surface expressions of the lower Karoo will be targeted for stratigraphic exploratory drilling

Project	Metres
Ruhuhu	5,500
Selous	3,000
Rukwa/Mhukuru	3,000

# Proposed Timeline

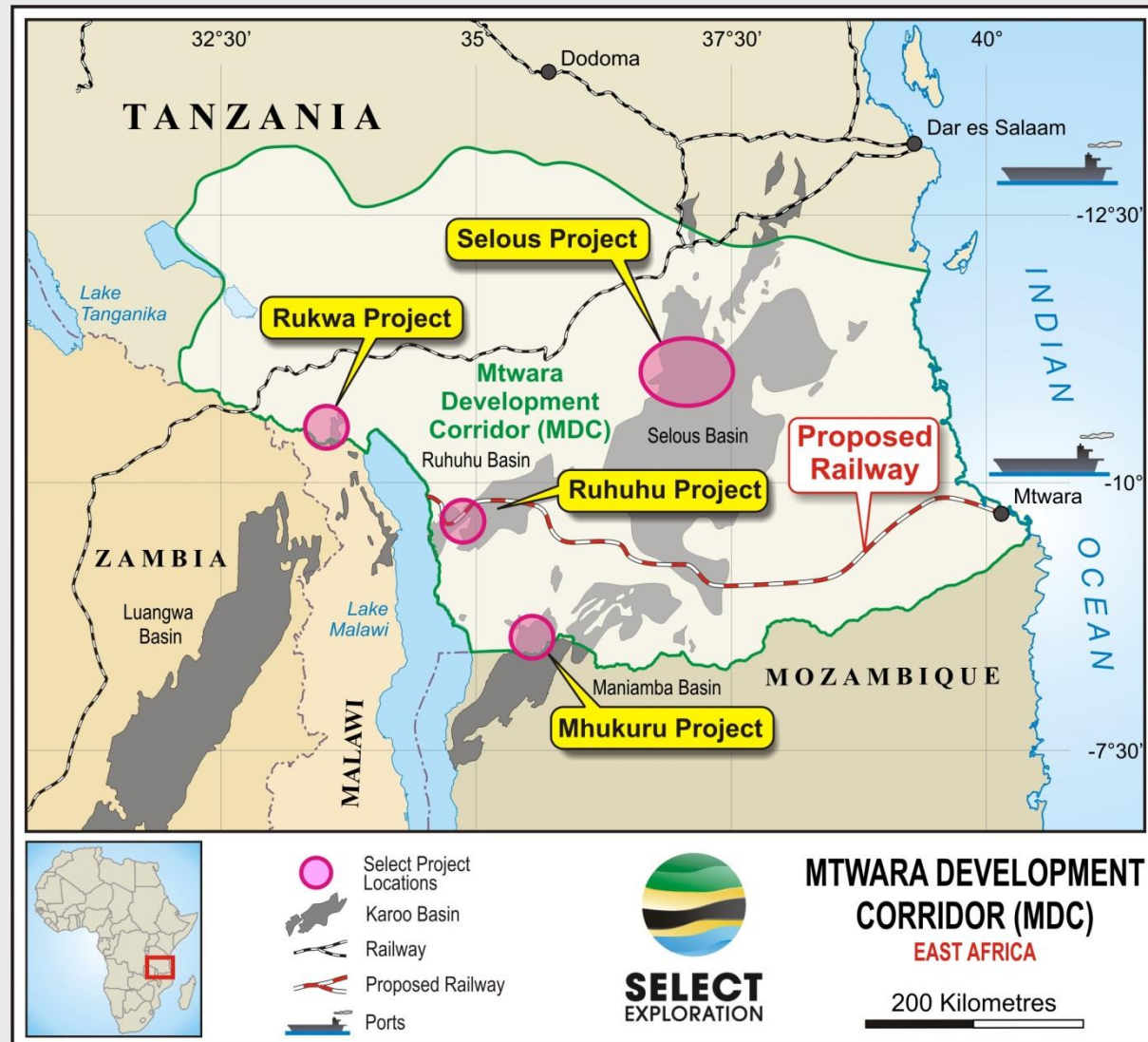
- Identify prospective Stratigraphic units and advance the projects rapidly via Stratigraphic drilling
- 70 hole (approximate) drill program commences in late 2012
- Rigs will stay onsite to move to resource delineation drilling where significant mineralisation is intercepted

Post Completion	Q3 2012	Q4 2012	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014	Q2 2014
Conduct detailed geological mapping	Ruhuhu & Mhukuru	Selous & Rukwa						
Obtain ground disturbance approvals	Ruhuhu & Mhukuru	Selous & Rukwa						
Stratigraphic Drilling Campaign		Ruhuhu	Selous, Rukwa, Mhukuru					
Airborne Geophysics			Mhukuru					
Resource delineation drilling subject to results				Where coal or uranium discovered	Where coal or uranium discovered	Where coal or uranium discovered	Where coal or uranium discovered	Where coal or uranium discovered



# Path to Market

- Select's Project areas fall within the Mtwara Development Corridor, a regional development initiative of the Tanzanian government.
- Major export markets including India and China are accessible via the Mtwara port using existing road and rail networks.
- The proposed railway to the Mtwara Port passes directly through Select's Ruhuhu Project.
- Coal produced (targeting 30,000 tonnes per month) from Intra Energy's Ngaka Mine (adjacent to Ruhuhu Project) is currently being sold to industrial plants in Tanzania and Malawi.
- Select intends to capitalise on regional industrial and power generation sales opportunities in Tanzania as well as neighbouring Malawi, DRC, Zambia and Kenya.





# Acquisition Terms

- **Select is acquiring 100% ownership of the projects from the Vendors for \$5.0m .**
- **The \$5.0m acquisition cost compares with the Independent Valuation range of \$10.2m to \$20.4m.**
- **The Vendor's consideration is almost entirely comprised of equity:**
  - 14,750,000 Vendor Shares on a post consolidation basis, valued at \$4.4m at the 30¢ offer price
  - 1,000,000 Vendor Shares issued at \$0.40 per Share in lieu of \$400,000 cash consideration\*
  - \$200,000 cash consideration\*
- **Additional incentive payments are subject to performance:**
  - 25,000,000 Class A Performance Shares (post-consolidation), convertible on a 1 for 1 basis subject to achieving the following hurdles:
    - 2,500,000 on achievement of at least 100 million tonnes of a JORC Inferred Coal Resource
    - 25,000 shares for each additional 1m tonnes of Coal resource in all JORC categories, up to a maximum of 1 billion tonnes of Coal
  - 25,000,000 Class B Performance Shares (post-consolidation), convertible on a 1 for 1 basis subject to achieving the following hurdles:
    - 2,500,000 on achievement of at least 5 million pounds of a JORC Inferred Uranium Resource
    - 500,000 shares for each additional 1m pounds of uranium resource in all JORC categories, up to a maximum of 50 million pounds of uranium

\* Cash/Share split subject to confirmation with ASX

# Offer Details



- **Select is undertaking a Placement of 11.67m shares at \$0.30 per share to raise \$3.5m**
  - Over-subscriptions of up to \$0.5m will be accepted
  - Free attaching Option issued on a 1 for 2 basis, exercisable at \$0.35 on or before 30 September 2015
  - Priority offer of up to 8,166,667 shares (\$2.45m) to existing shareholders of SLT
  - Last price: \$0.40, 60 day VWAP: \$0.33 (adjusting for 1:100 consolidation)
- **Additional Loyalty Option issued on a 1 for 2 basis to all shareholders registered approximately 2 months after the close of the Placement**
  - Each Loyalty Option exercised will receive one share and one Secondary Option
  - Secondary options will not be issued until a disclosure document is issued on or around the Loyalty Option expiry date
  - Options to be listed on ASX when quotation requirements are met
  - Option terms:

## **Loyalty Option**

Expiry date	30 September 2015
Exercise period	at any time until expiry
Exercise price	35 cents
Exercise terms	Into one share and one Secondary option

## **Secondary Option**

Expiry date	31 March 2017
Exercise period	at any time until expiry date
Exercise price	45 cents
Exercise terms	Into one share

# Final Capital Structure

Description	Shares	Options <sup>2</sup> (SLTO)	New Options	Market Cap at Issue Price (\$m)
Existing	11,321,091	4,175,030		\$3.40
Vendor Shares (acquisition of Panama & Shira) <sup>1</sup>	15,750,000	-		\$4.72
Capital Raising/Attaching Options <sup>3</sup>	11,666,667	-	5,833,333	\$3.50
<b>Sub Total</b>	<b>38,737,758</b>		<b>5,833,333</b>	<b>\$11.62</b>
Loyalty Options (1 for 2) <sup>4</sup>			19,368,879	
<b>Total</b>	<b>38,737,758</b>	<b>4,175,030</b>	<b>25,202,212</b>	<b>\$11.62</b>

1. Excludes Performance Shares convertible up to a maximum of 50 million ordinary shares subject to Select the achieving all the performance hurdles (i.e. 1 Billion tonne inferred coal and 50 Million pound inferred uranium JORC resources) and assumes \$400,000 of the cash consideration converted to shares.
2. SLTO are exercisable at 20¢ post-consolidation, expiry 31 July 2013.
3. Assumes minimum Capital Raising of \$3.5m through the issue of 11.67m shares at 30¢ per share. Investors receive free attaching Options on a 1 for 2 basis on the same terms as Loyalty Options set out below.
4. The Loyalty Options will be issued on a 1 for 2 basis to all shareholders registered approximately 2 months after the close of the Placement. Assumes completion of the full Placement. The Loyalty Options are exercisable into one Share and one Secondary Option on the terms set out on slide 25.

# Use of Funds

<b>Description</b>	<b>Min</b>	<b>Max</b>
<b>Source of Funds</b>		
Cash (@ 30 June 2012)	\$255,210	\$255,210
Capital Raising	\$3,500,000	\$4,000,000
<b>Total</b>	<b>\$3,755,210</b>	<b>\$4,255,210</b>
<b>Use of Funds</b>		
Exploration – Tanzanian Projects	\$2,000,000	\$2,200,000
Cash Consideration payable to Indigo	\$200,000	\$200,000
General administration	\$375,000	\$375,000
Costs of the Offer	\$529,000	\$559,000
General working capital	\$651,210	\$921,210
<b>Total</b>	<b>\$3,755,210</b>	<b>\$4,255,210</b>



# Indicative Timetable

<b>Description</b>	<b>Date (2012)</b>
<b>Lodgement of Prospectus Dispatch of Notice of Meeting</b>	<b>11 September</b>
<b>Priority and General Offers Open</b>	<b>17 September</b>
<b>Priority Offer Closing Date</b>	<b>3 October</b>
<b>General Offer closing date</b>	<b>5 October</b>
<b>Shareholder Meeting</b>	<b>9 October</b>
<b>Settlement of acquisitions</b>	<b>10 October</b>
<b>Expected Reinstatement of trading following re-compliance with Listing Rules</b>	<b>23 October</b>

*Note: This timetable is indicative only and is subject to change*

# Why Select?

- **Highly prospective tenements**
  - Numerous licences located in productive Karoo sedimentary sequences
  - Ruhuhu Project is 1 km along strike from Intra Energy's Ngaka-Mbalawala Coal Project & approximately 6km along strike of Intra Energy's Mbuyura Coal Project
  - The Namwele Coal occurrence is located within the Rukwa Project
  - Proven coal basins acreage (Ruhuhu & Rukwa)
  - Proven uranium basin acreage (Selous & Mhukuru)
- **Drilling to commence in late 2012**
  - 11,500m program, low cost drilling (majority open hole, with geophysical logging)
- **Experienced in-country team**
- **Tight capital structure**
  - <40m shares on issue
  - Enterprise value \$8.6m at completion vs independent valuation<sup>1</sup> of \$15.3m
- **Strong leverage to upside**
  - Capital structure
  - Option leverage

<sup>1</sup> Preferred mid-point of the Independent Experts Report and Valuation undertaken as part of the shareholder approval process for the transaction. Potential investors should refer to the Notice of Meeting dated 21 June 2012 for detailed information in relation to the transaction and valuation.

# Mbalawala Deposit – Ruhuhu Basin

- **Intra Energy Limited** has identified a significant 251 MT coal resource in the Ruhuhu basin at the Mbalawala deposit. Intra Energy intends to commence production in 2012.
- The Mbalawala deposit sits 6km along strike from Select’s Ruhuhu licences.

Summary of coal qualities per defined resources in Mbalawala				
Resource Category	Measured	Indicated	Inferred	Total
Tonnes (million)	139	66	46	251
Inherent Moisture (%)	2.9	2.8	2.6	2.8
Ash (%)	18.9	19.0	23.8	19.9
Fixed Carbon (%)	52.0	51.4	46.3	50.8
Volatile Matter (%)	26.3	26.9	27.3	26.6
Calorific Value (MJ/kg)	26.5	26.6	24.9	26.2
Total Sulphur (%)	1.4	1.3	0.8	1.3
RD (g/cm <sup>3</sup> )	1.5	1.5	1.6	1.5

Source: Radley, 2010 Notes, Company announcements

Coal resources have been rounded to appropriate levels of accuracy in accordance with the JORC Code (2004). The estimators of Coal Resources in this table have been carried out by Ravensgate Geological Consultants in accordance with the JORC Code (2004). Coal quality data report is based on weighted averages for all seams. The Inherent Moisture is reported as an as received basis; all other analysis are reported air dried “air dried basis”.