

ASX Release

6 February 2014

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FEASIBILITY STUDY DELIVERED TO ESKOM AND FINAL BURN TEST NEARING COMPLETION

LETTER OF INTENT SIGNED WITH ARDBEL

Highlights

- **Eskom Feasibility Study delivered**
- **Final bulk sample burn test presently underway**
- **Final Coal Supply Agreement negotiations continue**
- **Letter of Intent for Engineering and Procurement and Construction Contractor Signed**

The Waterberg Coal Joint Venture Partners (**WCJVP**) are very pleased to report that they have completed a Feasibility Study (**Study**) into the development of an opencast mining operation to produce 10 million tonnes of coal (**Product**) per annum for Eskom for an initial term of 30 years.

The Study was completed pursuant to the Memorandum of Understanding (**MOU**) with Eskom for the proposed Coal Supply Agreement (**CSA**) and is confidential.

The WCJVP are presently updating the Study which will be released as a full Bankable Feasibility Study (**BFS**) on completion.

A condition precedent of the CSA is for Eskom to complete a burn test on a bulk sample of approximately 200,000 tonnes of Product. Eskom has now taken delivery of this bulk sample and it is expected that this Product will be tested over the course of the next 30 days.

Discussions between the WCJVP and Eskom as to the terms of the CSA are well advanced.

The Company is also very pleased to announce that it has entered into a Letter of Intent with Ardbel, a joint venture between ELB engineering services and the DRA group, which collectively are the pre-eminent materials handling and engineering services provider to the mining sector in South Africa as its preferred Engineering, Procurement and Construction contractor for the proposed development of the Waterberg Coal Project.

Stephen Miller
Director
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