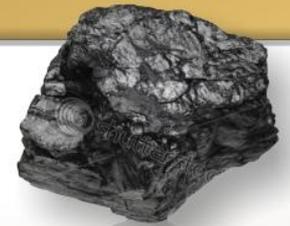


XCEED  
RESOURCES LTD



## ***Building a multi-project African Mining Company***

*Annual General Meeting – 26 November 2012*

[www.xceedresources.com.au](http://www.xceedresources.com.au)

ASX: XCD

# Disclaimer & Attribution



This document has been prepared by Xceed Resources Limited (“XCD”) in connection with providing an overview to interested analysts and investors. The presentation is being provided for the sole purpose of providing background information to enable recipients to review the business activities of XCD. This presentation is thus by its nature limited in scope and is not intended to provide all available information regarding XCD. This presentation is not intended as an offer, invitation, solicitation or recommendation with respect to the purchase or sale of any shares. This presentation should not be relied upon as a representation of any matter that a potential investor should consider in evaluating XCD. Prospective investors should make their own independent evaluation of an investment in XCD.

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The Coal Resources and Reserve estimate for the Moabsvelden thermal coal project is based on Coal Resource estimates compiled by Mr Kobus Dippenaar, Pr.Sci.Nat, B.Sc Hons (Geology), GSSA, who is a senior coal geologist at Gemecs (Pty) Ltd which has consulted to XCD. Mr Dippenaar is a member in good standing of the South African Council for Natural Scientific Professions (SACNASP No. 4090079/94) as well as a member of the Geological Society of South Africa. Both organisations are Recognised Overseas Professional Organisations. Mr Dippenaar has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the ‘Australasian Code for Reporting of Exploration, Mineral Resources and Ore Reserves’. Mr Dippenaar consents to the inclusion in this presentation of the matters based on his information in the form and context in which it appears.

The Coal Reserve estimate was prepared by Mr Van Reenen Jewaskiewitz, who is a registered Professional Mining Engineer with the Engineering Council of South Africa (ECSA) (a Recognised Overseas Professional Organisation) and has a Mine Managers Certificate of competency for coal mines. He has more than 25 years’ experience in the South African coal and minerals industries. Mr Jewaskiewitz is a full time employee of XCD and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the ‘Australasian Code for Reporting of Exploration, Mineral Resources and Ore Reserves’. Mr Jewaskiewitz consents to the inclusion in this presentation of the matters based on his information in the form and context in which it appears.

# Overview – solid progress considering...



## ● ON THE PLUS SIDE

- *Moabsvelden Project independently confirmed to be viable and increasingly looking like a very good starter project*
- *Indicative offers of development finance from two major banks being advanced to credit approved status*
- *Restructuring the project ownership with the introduction of Thebe is significantly positive on a number of fronts*
- *Cash balances preserved ~ only \$3 ½ m spend for the year (including \$1 ¼ m of vendor payments)*
- *Maiden resources established at Bankfontein and Roodepoort, with Bankfontein showing definite potential*

## ● ON THE MINUS SIDE

- *XCD Share price has lost one-third of its value over the past year*
- *More worryingly, trading volumes remain very low*
- *No improvement in the speed of the regulatory process in South Africa*
- *Macro conditions continue to be poor (but definite light at the end of the tunnel)*

# Ticking the boxes....



## What we got done this year or planned to get done

<b>Established maiden reserves at Moabsvelden</b>		<b>Great result – 44 million tonnes Proven and Probable</b>
<b>Completed feasibility study</b>		<b>\$90m + NPV, technically and financially sound</b>
<b>Independent technical review undertaken</b>		<b>No fatal flaws discovered</b>
<b>Confirmed 'bankability' of project</b>		<b>Indicative term sheets received, two banks short listed</b>
<b>Secured cornerstone investor</b>		<b>Thebe Mining Resources to invest \$7.25m into project</b>
<b>Completed application process for various permits</b>		<b>Now we wait...</b>

# Ticking the boxes.... (continued)



What we got done this year or planned to get done

<b>Established maiden resources at Roodepoort project</b>		<b>29 million tonnes Measured, Indicated and Inferred. Mainly low quality</b>
<b>Established maiden resources at Bankfontein project</b>		<b>20 million tonnes Indicated and Inferred. Good quality</b>
<b>Secured credit approved bank finance</b>	<b>Not yet</b>	<b>But hopefully soon</b>
<b>Commence off-site plant fabrication</b>	<b>Not yet</b>	<b>Awaiting the granting of the mining right before we start</b>
<b>Build up XCD South African management team</b>	<b>Not yet</b>	<b>Thebe management team bolstering our own team and proving effective at Regulatory and Eskom level</b>

# Moabsvelden: Feasibility Study



The Moabsvelden project is a 100% open cast project with an average strip ratio of less than 2:1 and a combined 18m coal seam. The project is located in the Witbank coal fields of South Africa; 80kms east from Johannesburg.

The project is forecast to produce 666,000 tonnes export quality product (26Mj) and 890,000 tonnes of domestic product (20Mj) per annum for over 15 years.

Most significantly, the project is free of infrastructure constraints with all coal sales priced at the mine gate.

**Independent Technical Review undertaken on behalf of banks confirms study findings and concludes no fatal flaws found**

## Project Snapshot *(Bankable Feasibility Study Results)*

● JORC Resource:	<b>66.1 mt</b>
● JORC Reserve:	<b>43.8 mt</b>
● Annual ROM Production:	<b>3 mt</b>
● Estimated CAPEX:	<b>\$30mil</b>
● Annual Forecast Sales:	<b>\$73mil</b>
● Annual Forecast OPEX:	<b>\$36mil</b>
● <b>Annual Forecast Cash flow:</b>	<b>\$19mil</b>
● <b>Project NPV :</b>	<b>\$99mil</b>

1. Fx A\$1=ZAR9

2. NPV 10% nominal



Moabsvelden, with Kendal power station in the background

# Moabsvelden: Development Schedule



EVENT	CY2012				CY2013			
	03 12	06 12	09 12	12 12	03 13	06 13	09 13	12 13
Permitting (all applications lodged)	<i>Mining Right</i>				<i>Others</i>			
Off-take arrangements								
Contractor arrangements								
Financing - equity								
Financing - debt								
Fabrication / Construction								
Site works / plant construction								
Commissioning								

## Notes:

- I. All permit applications are lodged. Expected that the mining right will be granted by March 2013.
- II. We expect that the remaining permits will be granted by July 2013.
- III. Off-take discussions are advancing and Eskom to carry out ignition tests on Moabsvelden samples by the end of Q1 2013

Timetable is indicative only and dependent upon a number of factors including receipt of all required mining permits

# *Strategic Cornerstone: Thebe Investment Corporation*



Thebe Investment Corporation is a Level 1 Broad-Based Black Economic Empowerment (“BBBEE”) contributor.

Thebe manages in excess of R5.5bn (A\$600m), with a specific capital allocation dedicated to investing in green fields exploration and pre-production natural resources projects.

Thebe is a 51.7% owned subsidiary of the Batho Batho Trust; a trust established by Nelson Mandela, Walter Sisulu and Beyers Naudé amongst other notables.

## **Strategic Advantages to Xceed Resources Limited**

- **Enhanced working relationships with regulators and Eskom,**
- **Enhanced project sponsor status leading to reduced cost of capital via competitive debt financing and greater leverage,**
- **Introduction to new projects.**
- **Enhanced in-country management**

For more Information, visit [www.thebe.co.za](http://www.thebe.co.za)

# Thebe: Deal Structure

- Thebe has executed agreements whereby it will invest R65m (\$7.5m) directly into Neosho to secure a 30% stake in the Moabsvelden Project,
- Neosho has entered into an agreement with its existing BEE partners to buy back their shares with the consideration payable over 4 years from future profits,
- This transaction values Moabsvelden at **\$25m** at its current stage, Xceed shareholders will own the remaining 70% (**\$17.5m**)
- **Essentially the Thebe transaction replaces a free carried BEE partner with a BEE partner which pays its way and therefore greatly reduces the amount of new capital we need to raise whilst only reducing our project interest by 4%.**
- In addition, Thebe may invest a further ZAR25m directly into Xceed if and when required.



# Growth of Reserves and Resources



2011

Project	Measured Resources	Indicated Resources	Inferred Resources	Total Resources
Moabsvelden	63 745 154	2 393 471	-	66 138 625

2012

Project	Proven Reserves	Probable Reserves	Total Reserves
Moabsvelden	30 708 330	13 160 713	43 869 043

2012

Project	Measured Resources	Indicated Resources	Inferred Resources	Total Resources
Moabsvelden	63 745 154	2 393 471	-	66 138 625
Roodepoort	9 860 000	13 590 000	5 850 000	29 300 000
Bankfontein	-	5 935 000	13 829 000	19 764 000
<b>Totals</b>	<b>73 605 154</b>	<b>21 918 471</b>	<b>19 679 000</b>	<b>115 202 625</b>

# Project and Strategy Overview

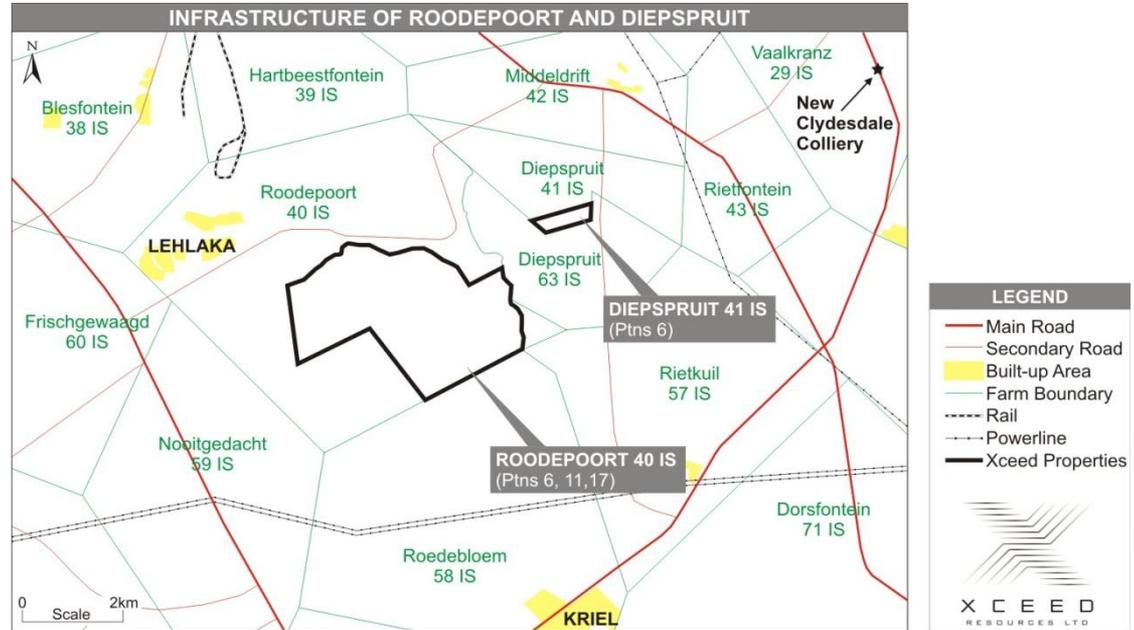


Project Name	Location	Ownership	Stage	Comments
Moabsvelden	South Africa	70%	Pre-Production	Company starter project, to begin production in 2013
Roodepoort	South Africa	15% - 70%	Exploration	Existing resource, with remaining exploration potential
Bankfontein	South Africa	15% - 70%	Exploration	35km from Richards Bay coal line, a well established area

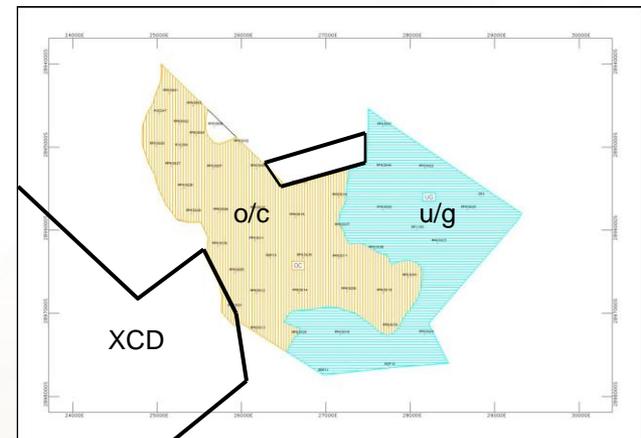
- Bringing Moabsvelden into production in 2013 is a priority for Xceed and the project is on track to meet this target.
- The Directors believe that bringing Moabsvelden into production presents the best outcome for Xceed and its shareholders - the outlook for thermal coal prices is positive and only production will allow us to benefit from this.
- The Roodepoort and Bankfontein projects represent add-on exploration opportunities not currently requiring significant capital or management time,.
- We continue to review either “add on” projects which can add critical mass to our existing hubs or larger stand alone projects, but not at the expense of taking our eye off the ball. Once we are in production and have bedded down steady state cash flows, the focus will switch to acquiring or developing other projects.

# Roodepoort:

- Xceed to acquire 70% of Roodepoort on a ROM/t basis
- Adjacent to UNV's Roodekop project (84mt) and Exxaro's New Clydesdale colliery, in the heart of the Witbank coal field
- 30 million tonnes in resources
- Unlikely to be developed on its own but could be the basis for further project acquisitions in the area, or we could deal the project.



Project straddles UNV project which has 48mt O/C export & domestic grade coal



# Bankfontein:

- 20 million tonnes in resources including high quality B Lower and C Lower seams
- Principally underground mining proposition but obvious open cast potential from which to develop high wall access to the underground potential (see example below).
- We are looking at other projects nearby which can add critical mass and enable this to become a new hub for Xceed.





THANK YOU  
QUESTIONS?