

ASX RELEASE  
24<sup>th</sup> October 2012

## DRAWDOWN OF BRIDGING FACILITY AND KANGWANE BFS UPDATE

- Drawdown of the \$2 million bridging loan completed which is associated with the \$18 million convertible note facility announced on 10 September 2012
- FIRB approval granted for the bridging facility and larger convertible note
- Kangwane Central BFS is on track for completion in mid-November

ZYL Limited (“ZYL” or the “Company”) (ASX: ZYL), the Perth-based emerging anthracite producer with key projects in development in South Africa, is pleased to announce that the Company has drawn down the \$2 million bridging facility.

As announced on 10<sup>th</sup> September 2012, the bridging facility is a component of the \$18 million, 35 month term, Convertible Note facility. The issue of the Convertible Note is conditional upon execution of final documentation by the parties and the usual regulatory approvals, amongst other things; shareholder approval to allow conversion of the Convertible Notes into ordinary ZYL shares and Foreign Investment Review Board (FIRB) approval. FIRB approval was granted on 18th October 2012 and the remaining approvals will be obtained in late November 2012. The convertible note cannot be converted within the first 12 months of issue.

CEO Ian Benning commented, “We are pleased with the finalisation of bridging facility and the progress of the convertible note facility, which will provide longer term finance for the Company”.

### Kangwane Central BFS Update

ZYL continues to move towards the completion of the BFS on the Kangwane Central Project. The Company expects to receive a draft version of the Bankable Feasibility Study (BFS) from RSV Enco, the Company’s lead project consultant, on 1<sup>st</sup> November for review and comment, with the final version being earmarked for release in mid-November. Indications are that the Southern Open Pit and Underground Area of the Kangwane Central project, which has been sized to combine an initial open pit and a later underground operation, will have a life-of-mine of around 20 years.

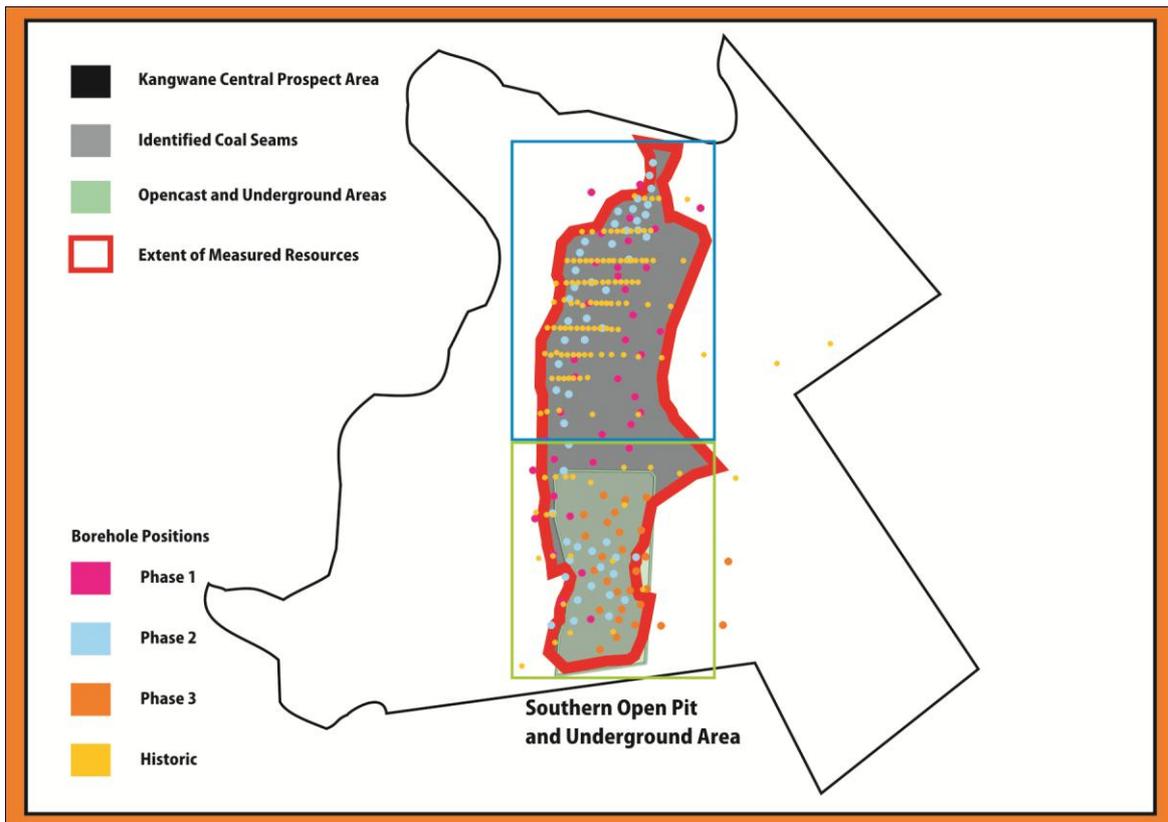
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## **About ZYL Limited**

ZYL Limited is listed on the Australian Securities Exchange (ASX) and aims to become one of the world's leading anthracite coal producers. The mission of ZYL is to develop high-margin metallurgical coal deposits for domestic and export markets. Flagship projects are the Mbila and Kangwane projects in South Africa, located close to rail, port, power and water infrastructure.

## **Important information**

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