

21 August 2014



universal
coal plc

BRAKFORTEIN MINING RIGHT GRANTED

Highlights

- Brakfontein Project earmarked as company's third mine
- Mining Right and NEMA licence granted
- Awaiting only water and waste licence before development can commence
- Clear synergies with nearby Kangala Colliery

Universal Coal Plc (“**Universal Coal**”) (**ASX:UNV**) is pleased to announce that it has been granted a Mining Right over the Brakfontein Coal Project (50.29%-owned) by the Department of Mineral Resources.

Brakfontein, located within ~20 kms of the company's Kangala Colliery in South Africa's Witbank coalfield, has the potential to be Universal Coal's third mine. With the Mining Right in hand and having already secured the National Environmental Management Act (NEMA) authorisation, the project now only awaits the granting of the Integrated Water Use Licence and the Waste Licence (IWUL) before development activities can commence. Brakfontein currently hosts a JORC compliant thermal coal resource of 87.6 million tonnes, of which 70.5 million are in the measured category. The company is progressing well with a feasibility study, scheduled for finalisation by the end of the year.

Commenting on the granting of the Mining Right, CEO Mr Tony Weber said: "We are delighted to have taken another key step in the development of Brakfontein, which will be our third mine following successful development of the Kangala Colliery and the New Clydesdale Colliery acquisition.

"Kangala has excess capacity, enabling production to increase from its current 2.4Mtpa Run-of-Mine (ROM) rate to 4.25 Mtpa. Given Brakfontein's close proximity to the Kangala Colliery, Universal Coal is evaluating the trucking of ROM coal to Kangala as an option in the feasibility study, thereby substantially reducing capital development costs and the scale of the water licence required."

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About Universal Coal

ASX-listed Universal Coal (ASX: UNV) is focused on becoming a leading mid-tier coal company.

Universal Coal has a portfolio of producing, development and exploration assets located across South Africa's major coalfields, and which contain in excess of 2 billion tonnes of JORC-compliant resources, some 1 billion tonnes attributable to the company.

The Kangala mine in the Witbank coalfield, commenced first production in February 2014. Kangala produces at the rate of 2.1 million tonnes per annum saleable thermal coal, primarily for the domestic market.

Following Kangala will be development of the export-focused Roodekop project located contiguous to Exxaro's New Clydesdale Colliery (NCC). Universal Coal has announced a deal to acquire NCC, which will fast track the company's progress towards becoming a multi-mine producer.

Besides its thermal coal projects (including Brakfontein), the company has completed earn-in agreements over two coking coal project areas (Berenice/Cygnus and Somerville/Donkin) that combined contain 1.67 billion tonnes of JORC-compliant resources.

The following map and schedule provides information pertaining specifically to the location and tenure of interests held by Universal Coal Plc in Mining Rights (MR) and Prospecting Rights (PR) in South Africa.



Project	Property	Permit Type & Number	Location	Size (ha)	Beneficial Interest Held	Change in Interest from previous Quarter
Kangala	Wolvenfontein 244IR: Portion 1 and RE of Portion 2	Mining Right: MP30/5/1/2/2/429MR	Delmas, Mpumalanga Province, South Africa	951	70.5%	None
	Middelbult 235IR: Portions 40 and 82	Prospecting Right: MP30/5/1/1/2/641PR	Delmas, Mpumalanga Province, South Africa	942	70.5%	None
	Modderfontein 236IR: Portion 1	Prospecting Right: MP30/5/1/1/2/639PR	Delmas, Mpumalanga Province, South Africa	127	70.5%	None
Roodekop	Roodekop 63IS	Mining Right: MP30/5/1/1/2/492MR	Kriel, Mpumalanga Province, South Africa	835	74%	None
Brakfontein	Brakfontein 264IR : Portions 6, 8, 9, 10, 20, 26, 30 and Remaining Extent	Prospecting Right: MP30/5/1/1/2/1879PR	Delmas, Mpumalanga Province, South Africa	879	50.29%	None
Berenice & Somerville	Berenice 548MS, Celine 547MS, Doorvaardt 355MS, Longford 354MS, Somerville 9MS and adjacent farms	Prospecting Right: LP30/5/1/1/2/376PR	Waterpoort, Limpopo Province, South Africa	39,484	50%	None
Cygnus	Cygnus 543MS and adjacent farms	Prospecting Right: LP30/5/1/1/2/1276PR	All Days, Limpopo Province, South Africa	12,299	50%	None
Donkin	Donkin 72MS	Prospecting Right: LP30/5/1/1/2/2074PR	All Days, Limpopo Province, South Africa	1,178	15%	None

The company has an experienced team of directors, senior managers and geoscientists with extensive expertise in both coal exploration and mining in South Africa and who have a proven track record of project development.

Universal Coal Global Coal Resources/Reserve Summary

Project	Reserve Proved Mt	Resource Measured Mt	Resource Indicated Mt	Resource Inferred Mt	Total Mt	Attributable to Universal Mt ⁷
Thermal Coal (Witbank)						
Kangala ¹	21.55	93.48	19.35	33.64	146.47	103.25
Roodekop ² /NCC ³	12.9	114.16	24.74	-	138.9	89.86
Brakfontein ⁴	-	70.50	15.00	2.20	87.70	44.10
Total Thermal Coal⁸	34.45	278.14	59.09	35.84	373.07	237.21
Coking Coal (Limpopo)						
Berenice ⁵	-	393.97	694.27	116.07	1,204.31	602.16
Cygnus ⁶	-	30.94	106.65	8.22	145.81	72.91
Somerville ⁵	-	-	-	274.22	274.22	137.11
Donkin ⁷	-	-	-	42.42	42.42	6.36
Total Coking Coal⁸	-	424.91	800.92	440.93	1,666.76	818.54
Total⁸	34.45	703.05	860.01	476.77	2,039.83	1,055.75

Notes:

- The Resources and Ore Reserves for Kangala, Brakfontein, Berenice, Cygnus, Somerville and Donkin were prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.
 - The Resource and Ore Reserve for Roodekop have been updated to comply with the JORC Code 2012.
 - The Resource/Reserve Statement for the NCC project is a SAMREC compliant estimate and a "qualifying foreign estimate" for the purpose of ASX Listing Rules.
 - Mineral resources are stated inclusive of mineral reserves.
1. Universal has an attributable interest of 70.5% of the Kangala Project.
 2. Universal has an attributable interest of 74% in the Roodekop Project.
 3. Universal has an attributable interest of 49.9% in the NCC project (under acquisition).
 4. Universal has an attributable interest of 50.29% in the Brakfontein Project and the right to negotiate to acquire up to a 74% interest upon completion of the BFS and award of a mining right..
 5. Universal has an attributable interest of 50% in the Berenice and Somerville Projects with an option to acquire up to a 74% interest.
 6. Universal has an attributable interest of 50% in the Cygnus Project with an option to acquire up to a 74% interest.
 7. Universal has an attributable interest of 15% in the Donkin Project that will increase to 50% on completion of certain exploration milestones.
 8. Rounding (conforming to the JORC Code) may cause computational discrepancies.

Competent Person's Statement

The information in this report that relates to Coal Resources for Kangala, Roodekop, Brakfontein, Berenice, Cygnus, Somerville and Donkin is based on information reviewed and compiled 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 in the 2012 edition of the JORC Code. Mr Denner consents to the inclusion in this report of this information in the form and context in which it appears.

The information relating to NCC Coal Resources and Reserves has been provided under ASX Listing Rules 5.12.2 to 5.12.7 and is an accurate representation of the available data and studies for NCC by Exxaro as certified by the SAMREC compliant report '*NCC Mine Mineral Resource and Ore Reserve Statement, 31 December 2012*' as reviewed by Mr. Jaco Malan. Mr Malan is a registered natural scientist and member of the South African Council for Natural Scientific Professions (a Recognised Overseas Professional Organisation). Mr Malan is employed by Universal Coal 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 in the 2012 edition of the JORC Code. Mr Malan consents to the inclusion in this report of this information in the form and context in which it appears.

The Kangala Coal Reserve estimate was prepared by Mr Ben Bruwer, who is a Principal Mining Engineer and Co-owner of VBKom Consulting Engineers who are the preferred mining consultants to Stefanutti Stocks Mining Services (Pty) Ltd. He is a member of the Engineering Council of South Africa (ECSA) (a Recognised Overseas Professional Organisation) and member of SAIMM. He has more than 15 years' experience in the South African coal and minerals industries. VBKom CE has sufficient experience which is relevant to the type of mineralisation and the Kangala deposit and to the activity which Mr Bruwer is undertaking to qualify as a Competent Person as defined by the SAMREC and JORC Codes for Reporting of Exploration, Mineral Resources and Ore Reserves'.

The Roodekop Coal Reserve estimate was prepared by Mr Mike Seeger. Mr Seeger was employed by Universal Coal at the time as Chief Mining Engineer and is a member of the South African Institute of Mining and Metallurgy (Overseas Professional Organisation). He has more than 20 years' experience in the South African coal and minerals industries. Mr Seeger has sufficient experience which is relevant to the type of mineralisation and the Roodekop deposit and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 edition of the JORC Code for Reporting of Exploration, Mineral Resources and Ore Reserves'.

Reporting on Exploration Results

The Resource/Reserve Statements for Kangala, Brakfontein, Berenice, Cygnus, Somerville and Donkin were prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported. The Resource/Reserve Statement for Roodekop was updated since to comply with the JORC Code 2012. The statement also complies with the recommendations and guidelines set out in the revised 2007 South African Code for The Reporting of Exploration Results, Mineral Resources and Mineral Reserves (SAMREC Code) and the rules and guidelines relating to the independent expert's reports set by ASIC and ASX.

The information in this report that relates to Coal Resources and Reserves for NCC is based on the SAMREC Code. The SAMREC Code for Reporting of Exploration Results, Coal Resources and Ore Reserves is a rigorous Code that delivers compliant resource and reserve estimates and is a "qualifying foreign estimate" for the purpose of ASX Listing Rules. Insufficient work was done to classify the foreign estimates at NCC as Coal Resources and Reserves in accordance with the 2012 edition of the JORC Code and it is therefore uncertain that following evaluation and/or further exploration work the foreign estimates will be JORC 2012 compliant.

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