

20 April 2015


universal
 coal plc

RECORD QUARTERLY PRODUCTION DELIVERS A\$3.3M OPERATING CASH, A\$5M+ EBITDA

Thousands of tonnes	Quarter Ended			YTD		
	Mar 2014	Dec 2014	Change	Mar 2014	Mar 2013	Change
ROM Coal Production	572	503	14%	1,656	-	-
Domestic Sales	432	348	24%	1,124	-	-
Export Sales	30	17	68%	47	-	-
Total Coal Sales	462	366	26%	1,171	-	-

HIGHLIGHTS

Operation

- Domestic sales increase 24% to 432,251 tonnes (previous quarter 348,476 tonnes)
- Export sales increase 68% to 29,761 tonnes (previous quarter 17,728 tonnes)
- Kangala reaches steady-state operations and exceeds projected output
- 2 million tonnes milestone of coal processed achieved

Development

- NCC awaiting Section 11 prior to commencement of development activities
- Subsequent to the end of the quarter, NCC Reserves increased by 289%, resources increased by 20%

Corporate

- Group cash generated from operations (excluding interest) of A\$3.3 million for the quarter
- Group EBITDA exceeds A\$5 million for the quarter

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Universal Coal exceeds quarterly production target

Universal Coal Plc reported significant sales growth for the quarter ending 31 March 2015 on the back of taking distribution control to its primary customer, Eskom. Domestic sales increased 24% from 348,476 tonnes in the previous quarter to 432,251 tonnes in the March 2015 quarter, marking a new quarterly sales record. .

“Domestic sales in the last quarter were affected by the fact that distribution was primarily dependent on Eskom,” says Chief Executive Officer, Tony Weber. “This meant that if there was a delay in distribution due to factors beyond our control, the entire distribution cycle was affected.”

Universal now manages contractor owned truck fleets to transport coal to Eskom power stations, and has greater control and certainty over distribution as a result. This means that if there is a delay in distribution for any reason, the company has the flexibility to make up for this later in the distribution cycle.

Logistical improvements have also been a key success factor in export sales, which have grown from 17,728 tonnes to 29,761 tonnes quarter-on-quarter. This is a direct result of Universal fielding an additional two trains to transport coal to export hubs, increasing its shipments to a total of five trains for the quarter.

“The importance of distribution cannot be underestimated,” says Weber. “For a company like ours, the first challenge is to get the coal out of the ground, but the second is to deliver it to our customers in the correct quantities and on time.”

This has been a major focus for the company during this quarter, and it has met and exceeded its targets in this aspect of its business.

Kangala Colliery reaches steady-state production

From an operational point of view, Kangala Colliery, Universal’s maiden operation, has reached steady-state production with run-of-mine of 572,376 tonnes during the quarter. Kangala consistently reaches or exceeds its tonnage targets, which Weber notes is a significant success for a relatively new producer.

“Globally, junior sector producers are being decimated by fluctuations in the price of commodities. However Universal’s robust business model acts as a buffer against the uncertainty this generates, delivering positive cashflow independent of the macro environment for coal. Accordingly, our results are counter-cyclical, as we have been able to shield ourselves against the effects of falling commodities pricing.”

New Clydesdale Colliery on track

The development of Universal's second operation, the New Clydesdale Colliery (NCC), remains on track for first production in 2015. While the company is still waiting for Section 11 consent to begin operations, this is expected to be obtained within the current quarter. In terms of Section 11 of the Mineral and Petroleum Resources Development Act (MPRDA), the written consent of the Minister of Mineral Resources is required for the sale and transfer of all mining rights.

"We are nevertheless ready to commence operations within the current quarter," says Weber. "The development team has been commissioned and the tender process for open-cast mining at NCC has already been completed. Tenders for the operation of the processing plant are also due to be sent out to a list of pre-selected companies during the month of April."

A Bankable Feasibility Study (BFS) for the first phase over the joint NCC and Roodekop projects is currently being finalised, and the results of this will be released to market in due course.

Universal's robust business model

With production at Kangala exceeding targets and with the development of NCC running according to plan, Universal's robust business model is proving its mettle.

Not only is the company holding steady in an uncertain global environment, it is fulfilling its obligations to investors. The first tranche of investment funding for Kangala has been paid back to Rand Merchant Bank on schedule, and a second tranche is due to be paid in April. Further, all equity earmarked for development has been carefully allocated on developing and optimising operations.

"We have obviously had our setbacks," says Weber, referring to a Section 54 notice issued to the company in terms of the Mine Health and Safety Act in the middle of March. After several employees sustained minor injuries during a blast, blasting operations were halted at Kangala until the incident could be investigated.

"We were sincerely disappointed that this incident affected our otherwise impeccable record, as the safety of our staff is of paramount importance to us. We were therefore pleased that the notice was unconditionally lifted shortly after it was issued, and that no significant production losses were experienced during this period."

Sustainability

Sales growth has not been pursued at the cost of sustainability, with Universal taking a long-term view of skills development in particular.

“Our aim is to go beyond training staff for our own collieries, but to transfer the kind of skills that can be used throughout the industry,” says Weber. “In this way we hope to be able to address the issue of transformation on a broad basis.”

When Universal commenced mining operations in July 2013, recruiters found it was extremely difficult to find local staff with the appropriate mining skills. The company therefore embarked on a programme to train up to one hundred residents from the Victor Khanye Local Municipality, in which the Kangala Colliery is based, within its first year. The aim was to equip operators with a Mining Qualification Authority (MQA) qualification, which would enable them to find employment throughout the mining sector.

During the quarter, the company has established its fifth production team from the graduates of this programme, and has employed eight dump truck operators through the local Community Skills Training Programme.

Universal has also funded the building of the Nkangala FET Satellite College, in partnership with Department of Education, Victor Khanye Local Municipality and Exxaro Leeuwpan. The first students are expected to be able to enrol during Q1 2016.

Proactive environmental management

Universal has a proactive approach to environmental management and, prior to commencing mining operations, all potential impacts are identified and environmental management plans (EMPs) are put into place. Clearly defined objectives and targets provide benchmarks against which to measure environmental impact and mitigation programmes.

Environmental monitoring reviews include inspections, risk assessments, internal and independent audits, and the processing and analyses of environmental data. These are conducted on a regular basis to assess the environmental impact of mining operations, and to review and adapt mitigation plans.

Summary

“In conclusion, we’re proud to announce the growth in our sales figures and also that plans to begin operations at NCC are on track,” says Weber. “We’re equally proud to announce that we’re meeting our obligations to investors on schedule, making a tangible difference to the communities in which we operate, and maintaining a good record when it comes to environmental impact management.”

Operational Report

Kangala Colliery

Run-of-Mine (ROM)

The 572 376 ROM tonnes mined plus coal purchased of 26 000 tonnes and the balance being contributed from previously mined ROM stockpiles resulted in 621 565 tonnes being sent to the Coal Handling and Processing Plant (CHPP) for the production of saleable product.



CHPP at Kangala Colliery

Domestic Product Sales

Domestic product sales were 24% above previous quarter results due largely to Universal taking control of the distribution of thermal-grade coal to its primary customer.

Export Product Sales

Export sales during the quarter exceeded expectations with 5 fully loaded trains being directed to the Richards Bay Coal Terminal.



Trucks being loaded at Kangala Colliery

Operational Performance (tonnes)	Quarter ended 31 March 2015	Quarter ended 31 Dec 2014	% Change	Total YTD 31-Mar-14	Previous Year 30-Jun-14	% Change	Total from SOP
Run-of-mine (ROM) production							
Kangala Colliery	572,376	503,162	14%	1,655,545	633,384	161%	2,288,929
Total ROM production	572,376	503,162	14%	1,655,545	633,384	161%	2,288,929
Feed to plant							
Kangala Colliery	621,565	576,522	8%	1,787,197	429,933	316%	2,217,130
Total feed to plant	621,565	576,522	8%	1,787,197	418,450	327%	2,217,130
Plant Yields							
Kangala Colliery	71.8%	72.6%	-1.0%	70%	100%	-30%	76%
Domestic sales	432,251	348,476	24%	1,123,592	375,333	199%	1,498,925
Export sales	29,761	17,728	68%	47,489	0	100%	47,489
Total sales	462,012	366,204	26%	1,171,081	375,333	212%	1,546,414

Health, Safety and Environment

Universal Coal is deeply committed to health, safety and environmental issues, and continues to implement its strategy in this regard.

Development Activities

NCC

The following key development milestones for the quarter were achieved:

Exploration Activities

Subsequent to the end of the quarter, an updated resource and reserve estimate for the integrated New Clydesdale Colliery and Roodekop projects has been concluded resulting in a 289% increase in Coal Reserves to 40.75Mt and an increase of 20% in Coal Resources to 165.4Mt.

The Resource and Reserve estimate follows the development of a geological model for the integrated New Clydesdale Colliery and Roodekop areas and the finalisation of mine design and scheduling for the Roodekop opencast and the Diepspruit underground areas by Mindset Mining Consultants (Pty) Ltd in preparation of the Bankable Feasibility Study.

The table below provides a breakdown of the Resource and Reserve estimate reported in accordance with the JORC 2012 code.

The study resulted in a net increase in the total coal resource from the previously reported 138.9 million tons to 165.40 million tons, with more than 87% of the resource reporting to the Measured category.

Seam	Reserve		Resource				
	Proved Mt	Probable Mt	Measured Mt	Indicated Mt	Inferred Mt	Total Mt	Attributable to Universal Coal Mt
S5	28.75	12.00	3.55	-	0.14	3.69	1.81
S4U			3.50	-	-	3.50	1.72
S4L			18.13	-	10.23	28.36	13.89
S2U			45.40	1.62	-	47.02	23.04
S2L			38.31	1.39	-	39.70	19.45
S2A			2.93	-	-	2.93	1.44
S1			27.93	0.57	6.50	35.00	17.15
S1A			5.20	-	-	5.20	2.55
Total			40.75		144.95	3.58	16.87

- Mineral resources are stated inclusive of mineral reserves
- The tonnages are quoted in metric tonnes and million tonnes is abbreviated at Mt.

The minimum borehole spacing for the Measured resource category was reduced to 350m (previously 500m) to compensate for irregularities within the historic NCC borehole dataset. The increase is largely due to the inclusion of areas, particularly along the shared boundary, where the combination of the drill data sets improved the interpretation of the coal seams' distribution.

The raw coal quality for the different seams, present at NCC, is summarised in the Table below:

Seam	RD	CV Mj/kg	Ash %	VM %	IM %	S %
S5	1.59	22.09	29.51	26.97	2.58	1.82
S4U	1.64	19.72	34.61	22.58	2.28	1.62
S4L	1.63	20.18	32.97	22.37	2.34	1.07
S2U	1.70	18.55	35.48	19.06	2.50	0.68
S2L	1.63	20.35	31.54	23.37	2.40	1.04
S2A	1.58	20.89	25.28	21.35	2.10	1.44
S1	1.61	21.65	30.03	22.35	2.10	0.77
S1A	1.58	21.71	28.47	25.15	2.41	1.15

- RD – relative density (as determined in lab), CV – calorific value, VM – volatile matter, IM – inherent moisture, S – sulphur
- Coal qualities are quoted on a Gross Tonnage In-Situ (GTIS) and on an air-dried basis

The bankable feasibility study confirmed that NCC could produce RB1 and RB3 export coal, low phos. coal for the domestic metallurgical market and thermal coal for local power generation (Eskom). The qualities and expected yields for these coal products are summarised in the table below:

Product Option	Primary Product (air dried basis)							Secondary Product (air dried basis)						Combined Product YL %
	YL %	ASH %	CV Mj/kg	VM %	IM %	S %	P %	YL %	ASH %	CV Mj/kg	VM %	IM %	S %	
RB1 Export Coal	32.2	14.2	27.5	27.9	2.7	0.55	-	45.4	32.44	20.2	20.6	2.4	1.02	77.6
RB3 Export Coal	51.4	19.0	25.5	25.4	2.7	0.6	-	27.5	38.2	17.9	19.4	2.3	1.09	78.9
Low Phos Met. Coal	72.7	16.8	26.5	28.6	2.8	0.5	0.006	-	-	-	-	-	-	72.7
Eskom Thermal Coal	75.1	24.5	23.4	23.6	2.6	0.6	-	-	-	-	-	-	-	75.1

- YL – theoretical borehole yield, CV – calorific value, VM – volatile matter, IM – inherent moisture, S – sulphur, P – phosphorus
- Coal qualities are quoted on a Mineable Tonnage In-Situ (MTIS) and on an air-dried basis

Bankable Feasibility Study

Universal Coal is currently nearing completion of the Bankable Feasibility Study for the initial phase of the combined NCC / Roodekop project for presentation and approval by the Board.

Once in full production, the company will proceed with the second phase of the feasibility into the expansion of NCC by the potential of adding a further 800ktpa ROM from underground sources for processing into the Export markets.

Mine Development Funding

With the equity component of the transaction already having been committed, debt funding proposals for the financing of the balance of the NCC mine development programme are well advanced with local banking institutions, the results of which will be announced to the market in due course.

Equity has been committed to the NCC acquisition price, rehabilitation bonds, surface rights acquisitions, feasibility and technical study costs and payroll.

Debt funding will be utilised to cover contractor site establishment, boxcut development, infrastructure and CHPP upgrades.

Development Team

All key team personnel have been appointed.

Development Activities

The opencast tender process for the mining at Roodekop has been completed and a preferred contractor nominated. Contractual agreements are in the process of being drafted.

The tender process for the processing plant has commenced with the tender documents being released to pre-selected parties during April 2015.

On-site development activities await the award of the Ministerial approval in terms of Section 11 and the award of a CSA with Eskom.

Brakfontein – Thermal Coal

The company is focussing efforts on optimising the pre-feasibility study including investigating the case for utilising excess capacity at the nearby Kangala operation.

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 (IWUL) before development activities can commence.

Berenice/Cygnus - Coking Coal

No further developments to report for this quarter.



Universal Coal inspecting the Diepspruit underground section at NCC

Activities Planned for the June 2015 Quarter

- Section 11 to conclude the NCC transaction and assume ownership of the asset
- Conclude a coal sales agreement with Eskom for NCC off-take
- Report on the results the NCC bankable feasibility study
- Secure the debt component of the NCC mine development
- Commence with site establishment and development of the Roodekop open pit
- Consolidate NCC and Roodekop mining rights
- Pursue the approval of the Integrated Water Use License Application for Brakfontein

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About Kangala

Kangala, which is situated in the Witbank coalfield in Mpumalanga, is Universal Coal's first operation. The mine is a domestic thermal coal operation supplying coal primarily to Eskom. At a capital cost of A\$48m, this operation is on track to supply an estimated average of A\$15m EBITDA per annum (100%), with both costs and profit margins locked in.

Operating costs are optimised at a low A\$15 per ton over an initial eight year life of mine at Wolvenfontein.

The operation is being run on the historically proven outsource model, with Stefanutti Stocks Mining Services supplying both the mining fleet and skill set to run the initial eight year Wolvenfontein pit, operating a fleet of 60t trucks, 85t excavators and supporting equipment. The dual circuit processing facility containing a 350tph crushing and screening circuit and the 320tph DMS washing plant is owned by the company, but the operation thereof will have been outsourced to Mineral Resource Development.

About NCC

NCC is located centrally on the southern margin of the Witbank coalfield, 30km south of Middelburg in Mpumalanga Province. The export-focussed project, comprising of the New Clydesdale Colliery (NCC), which Universal Coal is set to acquire, and the already 74% owned contiguous Roodekop project, will be developed and operated as one complex taking advantage of the natural synergies in place.

NCC contains a 2004 & 2012 JORC compliant coal resource of 165.4 Mt of which 144.95 Mt is at a Measured and 3.58 Mt at an Indicated resource level and is inclusive of a proved reserve of 40.75 Mt, sufficient to support the installed 2.0Mtpa processing capacity at NCC in excess of 15 years.

Project financing is well advanced, with the equity already having been committed and the debt component currently in the final stages of negotiation.

About Universal Coal

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

Universal has a portfolio of producing, development and exploration assets located across South Africa's major coalfields.

The Kangala mine in the Witbank coalfield, Universal's first mine, commenced first production in February 2014. Kangala produces 1.75 million tonnes of saleable thermal coal per annum, primarily for the domestic market.

The export-focused New Clydesdale Colliery (NCC) is currently being developed, fast-tracking 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 projects (Berenice/Cygnus and Somerville) in the Soutpansberg coalfields.

The following map and schedule provides information pertaining specifically to the location and tenure of interests held by Universal Coal Plc in mining and prospecting rights in South Africa.



Project	Property	Permit Type & Number	Location	Size	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 Ha	70.5%	None
	Middelbult 235IR: Portions 40 and 82	Prospecting Right: MP30/5/1/1/2/641PR	Delmas, Mpumalanga Province, South Africa	942 Ha	70.5%	None
	Modderfontein 236IR: Portion 1	Prospecting Right: MP30/5/1/1/2/639PR	Delmas, Mpumalanga Province, South Africa	127 Ha	70.5%	None
Roodekop	Roodekop 63IS	Mining Right: MP30/5/1/1/2/492MR	Kriel, Mpumalanga Province, South Africa	835 Ha	74%	None
Brakfontein	Brakfontein 264IR : Portions 6, 8, 9, 10, 20, 26, 30 and Remaining Extent	Mining Right: MP30/5/1/1/2/10027MR	Delmas, Mpumalanga Province, South Africa	879 Ha	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 Ha	50%	None
Cygnus	Cygnus 543MS and adjacent farms	Prospecting Right: LP30/5/1/1/2/1276PR	All Days, Limpopo Province, South Africa	12,299 Ha	50%	None
NCC	Middeldrift 42 IS (portion 4), Diepspruit 41 IS (RE, RE of portions 1, 2, 3, portions 7, 8, 9, 10), Rietfontein 43 IS (RE, RE of portion 1, portion 3, M/A 2, 3, 4 of RE portion 1), Vaalkrans 29 IS (portions 4, 6, 8, 9, 11, 12, 13, 14, 16, RE of portion 16, M/A 2 of portion 6), Clydesdale 483 IS, Lourens 472 IS, Enkelbosch 20 IS (M/A 4 and 5) and Haasfontein 28 IS (portion 1, M/a 6 and 7 of portion 7)	Mining Right: MP30/5/1/2/2/148MR	Kriel, Mpumalanga Province, South Africa	4,125 Ha	49%	Acquired 49% subject to Section 11 transfer and finalisation of acquisition

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		Resource				
	Proved Mt	Probable Mt	Measured Mt	Indicated Mt	Inferred Mt	Total Mt	Attributable to Universal Mt
Thermal Coal (Witbank)							
Kangala ¹	22.3	-	93.1	19.4	33.6	146.1	103.0
NCC ²	28.8	12.00	144.9	3.6	16.9	165.4	102.1
Brakfontein ³	9.6	-	31.7	39.4	4.7	75.8	38.1
Total Thermal Coal	60.7	12.00	269.7	62.4	55.2	387.3	243.2
Coking Coal (Limpopo)							
Berenice ⁴	-	-	394.0	694.3	116.1	1,204.4	602.2
Cygnus ⁵	-	-	30.9	106.7	8.2	145.8	72.9
Somerville ⁴	-	-	-	-	274.2	274.2	137.1
Total Coking Coal	-	-	424.9	801.0	398.5	1,624.3	812.2
Total	60.7	12.00	694.6	863.4	453.7	2,011.6	1,055.4
	72.7						

Notes:

- Mineral Resources are stated inclusive of Mineral Reserves.
 - Rounding (conforming to the JORC Code) may cause computational discrepancies.
 - The Resource and Reserve estimates for Kangala, Berenice, Cygnus and Somerville 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 Reserve estimates for the NCC and Brakfontein projects have been updated to comply with the JORC Code 2012.
1. Universal has an attributable interest of 70.5% of the Kangala Project.
 2. Universal has an attributable interest of 49% in the New Clydesdale Colliery (under acquisition) and 74% in the Roodekop Project, collectively known as the NCC project
 3. 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.
 4. Universal has an attributable interest of 50% in the Berenice and Somerville Projects with an option to acquire up to a 74% interest.
 5. Universal has an attributable interest of 50% in the Cygnus Project with an option to acquire up to a 74% interest.

Competent Person's Statement

The Coal Resource estimates for Kangala, Brakfontein, Berenice, Cygnus and Somerville were prepared 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 Coal Resource estimate for NCC was prepared by Mr Pogiso Rantao, who is a registered natural scientist and a member of the South African Council for Natural Scientific Professions (a Recognised Overseas Professional Organisation). Mr Rantao is employed as a Senior Geologist by Universal Coal plc 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 Rantao 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 Eddy Rikhotso, who is a Mining Engineer at 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 14 years' experience in the South African coal industry. Mr Rikhotso has sufficient experience which is relevant to the type of mineralisation and the Kangala deposit and to the activity which he is undertaking to qualify as a Competent Person as defined by the JORC Code for Reporting of Exploration, Mineral Resources and Ore Reserves.

The NCC Coal Reserve estimate was prepared by Messrs Piet van der Linde and Ronnie van Eeden from Mindset Mining Consultants (Pty) Ltd. Mr van der Linde is a registered Professional Certified Mining Engineer and has over 30 years' experience in the mining industry. Mr van Eeden is a qualified Mining Engineer (Mine Managers Certificate of Competency) with other commercial qualifications, and has over 30 years' experience in the coal industry internationally. Mr van der Linde is a member of the Engineering Council of South Africa (ECSA) (a Recognised Overseas Professional Organisation) and member of the South African Collieries Managers Association (SACMA). Messrs van der Linde and van Eeden have sufficient experience which is relevant to the type of mineralisation and the NCC deposit and to the activity which they are undertaking to qualify as Competent Persons as defined by the JORC Code for Reporting of Exploration, Mineral Resources and Ore Reserves. Messrs van der Linde and van Eeden consent to the inclusion in this report of this information in the form and context in which it appears.

The Brakfontein Ore Reserve estimate was prepared by Mr Kevin Donaldson. Mr Donaldson is employed by Universal Coal as Chief Development Engineer and is registered with the Engineering Council of South Africa and a member of both the South African Institute of Mining and Metallurgy (Overseas Professional Organisation) and the South African Colliery Managers Association. He has more than 20 years' experience in the South African coal mining industry and sufficient experience which is relevant to the type of mineralisation 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.

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Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001, 01/06/10.

Name of entity

UNIVERSAL COAL PLC

ARBN

143 750 038

Quarter ended ("current quarter")

31 March 2015

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (9 months) (\$A'000)
Receipts from product sales and related debtors	22,598	51,067
1.1		
1.2 Payments for		
(a) exploration & evaluation	(3)	(34)
(b) development	(316)	(3,477)
(c) production	(15,676)	(39,134)
(d) administration	(2,578)	(9,493)
	-	-
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	196	503
1.5 Interest and other costs of finance paid	(1,094)	(1,448)
1.6 Income taxes paid	-	(102)
1.7 Other (Net VAT & GST)	(744)	(1,077)
Net Operating Cash Flows	2,383	(3,195)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	-	(238)
(b) equity investments	-	-
(c) other fixed assets	(5)	(5,709)
1.9 Proceeds from sale of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (Transfer duty refund)	-	-
Net investing cash flows	(5)	(5,947)
1.13 Total operating and investing cash flows (carried forward)	2,378	(9,142)

+ See chapter 19 for defined terms.

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Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	2,378	(9,142)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	23,504
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	2,925
1.17	Repayment of borrowings	(3,049)	(3,140)
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	-
	Net financing cash flows	(3,049)	23,289
	Net increase in cash held	(671)	14,147
1.20	Unrestricted cash at beginning of quarter/year to date	2,495	2,657
	Transfer from restricted cash	(78)	(15,165)
1.21	Exchange rate adjustments to item 1.20	341	448
1.22	Unrestricted cash at end of the quarter	2,087	2,087
	Restricted cash at the end of the quarter	20,119	20,119
	Total cash at the end of the quarter	22,206	22,206

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

	Current quarter \$A'000	
1.23	Aggregate amount of payments to the parties included in item 1.2(d)	301
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Salaries and fees

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

N/A

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

N/A

+ See chapter 19 for defined terms.

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Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities (note 3)	35,258	33,097
3.2 Credit standby arrangements (note 3)	2,701	1,837

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	206
4.2 Development	755
4.3 Production	13,194
4.4 Administration	2 545
Total	16 700

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	2,087	2,495
5.2 Deposits at call including restricted cash	20,119	19,727
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	22,206	22,222

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Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed	None		
6.2	Interests in mining tenements acquired or increased	None		

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	Preference + securities (description)	71,220,000		
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions			
7.3	+Ordinary securities	434,465,447	434,465,447	
7.4	Changes during quarter (a) Increases through issues (i) Ordinary shares (ii) Loan notes converted ref. 7.6(b) (iii) Ordinary shares (b) Decreases through returns of capital, buy-backs			
7.5	+Convertible debt securities Converting Notes	7,000,000		

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7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted			
7.7	Options Unlisted Options:		Exercise price	Expiry date
	3,200,000		\$0.34	9 December 2015
	7,625,110		\$0.26	9 December 2015
	3,800,000		\$0.20	9 December 2015
	5,200,000		\$0.39	9 December 2015
	490,617		\$0.26	9 December 2015
	16,855,736		\$0.2628	4 June 2017
	5,618,579		\$0.2745	4 June 2017
	3,300,001		\$0.26	1 April 2018
	Warrants 19,500,000		\$0.23	31 December 2015
7.8	Issued during quarter		Exercise price	Expiry date
7.9	Exercised during quarter			
7.10	Expired during quarter			
7.11	Debentures <i>(totals only)</i>			
7.12	Unsecured notes <i>(totals only)</i>			

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Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:



Date: 20 April 2015

Company Secretary

Print Name: Emma Lawler

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 Loan Facilities refer to the Kangala Project Financing Facility and the Term Loan Facility. The Credit standby arrangements refer to the Kangala Working Capital Facility. Contained within restricted cash is the balance of the Debt Service Reserve Account representing one quarter's advance repayment of the Kangala Project Financing Facility. All facilities are held with Rand Merchant Bank, a division of FirstRand Bank Limited
- 4 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 5 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 6 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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