

9 September 2016



universal
coal plc

PRODUCTION COMMENCES AT UNIVERSAL'S SECOND COAL MINE, NCC

Operation to significantly increase export quality thermal coal sales

Universal Coal (ASX:UNV, "Universal") is pleased to advise that its New Clydesdale Colliery ("NCC") has now commenced production. This represents the company's second coal operation, and re-positions Universal as a multi-mine coal producer in the domestic and export thermal coal market.

First production of Run-of-Mine (ROM) coal occurred on 8 September 2016 from the Diepspruit underground area at NCC, with the first continuous miner section coming on stream. This production is in line with recent commitments of delivering the first coal sales from NCC this month.

Anticipated production from the NCC phase 1 underground operation is 900,000 tonnes per annum (tpa) ROM of export quality thermal coal destined for export markets. Ramp up to full capacity is expected before the end of December 2016.

Phase 2 development at NCC continues to advance in line with long-term offtake discussions. This phase will be an open pit development at the adjacent Roodekop project, delivering up to a further 2 million tpa ROM of premium quality domestic thermal coal or export quality thermal coal.

Located in South Africa's premier coal region in the Witbank basin, NCC hosts a JORC 2012 Mineral Resources of 130.4 million tonnes, sufficient for over twenty years of operations at the above production rates.

UNV has previously announced that experienced coal mining contractors, STA Coal Mining Company (Pty) Ltd has been appointed and is responsible for underground mining. Ingwenya Mineral Processing (Pty) Ltd remains on track to commission the processing facilities by mid-September, having been appointed in August 2016 to refurbish the Coal Handling and Processing Plant ("CHPP").

Agreements with potential offtake partners for phase 1 product are being finalised with first coal sales anticipated in September 2016, whilst the longer term offtake negotiations are being explored.

First ROM from Diepspruit underground



Continuous miner cutting coal



NCC underground section



Diepspruit adit



NCC Coal Handling and Processing Plant



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