Coal Of Africa Hosts Open Day To Discuss Vele Colliery Project

Coal of Africa (CoAL), an emerging South African coal producer listed on ASX/JSE/AIM, yesterday held an open day at Musina in the Limpopo province to discuss the planned opencast and underground semi-soft coking coal mine in the area.

This is part of the environmental impact assessment submitted to the Department of Minerals and Energy to secure a mining license. An important part of the programme is engagement with as many interested and affected parties as possible, to ensure that all concerns are raised and addressed.

Over 170 people attended the open day; these included game lodge owners, farmers, environmentalists, Musina residents, government officials, land claimants, and national parks officials.

Riaan van der Merwe, COO, commented:

“Companies and communities should co-exist to mutual benefit. As a company we are very pleased that the public has this opportunity to examine the merits of this mine, and are able to evaluate the social, economic and environmental aspects of this project. We would invest close to R3 billion in the project, which in turn, based on external macro economic studies and the mine’s maximum production potential of 5mtpa of coking coal, could create in the region of 14 000 direct and indirect employment opportunities/benefits during the construction phase and around 30 000 direct and indirect jobs during the operational phase.

“Given the significant potential for job creation, the future mine would be a major contributor to the growth of the South African economy and would also support the South African Department of Trade and Industry’s drive to increase value of exports as a contribution to GDP.”

Mining is a vital ingredient to South Africa and Limpopo’s growing economy and is key to the future development of this province," says van der Merwe. "With industry, communities and government co-operation, we can work together in partnership to ensure that the maximum potential is reached."

Commenting at the open day, Councilor Mapulanka Baloi, from the District Vhembe Municipality in Limpopo province, said:
"Coal of Africa has been consistent in its approach to this project since inception and we are excited about the prospect of them coming to the Limpopo Province. The mine will create new levels of economic development and employment and bring the province to a new level of prosperity."

Whilst environmental impact assessments (EIAs) are usually carried out for environmentally sensitive projects, CoAL has also considered the socio-economic impact, policy issues and infrastructural concerns of the project.

Talking about the effect of the potential mine, the directly affected land claimants, represented by the Tshivula family as well as the neighbouring Leshiba and Machete families, said:

“Although there are still some aspects that we need to discuss, we are generally very supportive of the proposed mine and have had constructive meetings with the Coal of Africa team.”

“Our approach to sustainable development is an integral part of our business. We use the latest technologies and practices for sustainable and modern mining methods, offering efficiencies, improved productivity and regulatory compliance,” van der Merwe continued.

“CoAL is committed to various measures to mitigate any impact the proposed mine may have on the environment. The future of mining depends on the industry's capacity to maintain a balance between profitability and preservation of new environments, human capital and the surrounding communities. This requires assessment of risk at all stages to ensure that impacts on the environment and on humans are always understood,” said van der Merwe.

“We take our environmental responsibility very seriously. We intend managing the mine in accordance with the vision of the proposed Transfrontier Conservancy Area (TFCA) project.

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NOTES TO EDITORS

About Coal of Africa Limited

Coal of Africa Limited (CoAL) is an international coal mining company that is listed on 3 exchanges namely the Australian Securities Exchange (ASX), London Stock Exchange (AIM) and the Johannesburg Stock Exchange (JSE) under the symbol CZA.
The Company was incorporated in Western Australia and listed on the ASX in 1980, with the AIM and JSE listings following in 2005. CoAL is primarily focussed on the acquisition, exploration and development of thermal and metallurgical coal projects. The Company’s key coal projects, along with its leading metals processing company, Nimag Group (Pty) Ltd, are all located in South Africa. Other investments held by the Company are located in Mozambique, Madagascar, Indonesia, Philippines and Zimbabwe.

About the Vele Coking Coal Project

CoAL has 74% ownership of the Vele Coking Coal Project, with the remaining 26% held by several BEE groups. The mine is located North of the Soutpansberg, which is 27Km to the east of the Mapungubwe Heritage site and National Park.

This coal project is planned to commence production in 2009, producing 1mtpa - 1.5mtpa ramping up to full production of 5mtpa. Capital expenditure on the Vele Coal project will be close to US$300 million (R3 billion) and the bulk of the expenditure is anticipated to be financed through the Company’s existing cash reserves, cash-flows generated from its first thermal coal project and contractor supplied mining equipment. In terms of logistics, the coal will be transported from the mine to the railhead at Musina by truck until such time as a rail link from the mine to the railhead is established it will take approximately 18 months from commencement to complete the rail spur and loading facilities, which involve approximately 50km of rail.

Environmental policy

Coal of Africa is committed to:

- Sustainable business models for all stakeholders - our shareholders, employees, communities and the environment in which we operate;
- Compliance with all applicable environmental legislation;
- Environmental best practice;
- Adherence to first world standards;
- Restoring and rehabilitating affected areas;
- Establishing appropriate and effective mitigation measures; and
- Progressive and innovative programmes to minimise environmental impacts.

Mitigation measures

Soil and land
• CoAL will use a combination of opencast and underground mining operations which means a significant reduction of the impact on existing agricultural land – only 8% of the total surface area will impact agriculture;
• CoAL is committed to the co-existence of mining and agriculture and is already in discussions about the possibility of a lease back of surface areas to farmers for continued commercial farming above the underground operations;
• A full rehabilitation plan, with a free-draining profile, will be developed at the start of the project. Where practically possible, post-mining land use will reflect the initial land use. Vegetation, which is predominantly Mopani forestland, will be removed, chipped, composted and re-introduced as soon as possible;
• Indigenous grassland species are preferred for re-vegetation;
• CoAL will use the soil analysis to provide corrective fertilization regimes to facilitate vigorous plant growth. Where necessary, erosion control measures will be implemented.

**Biodiversity**

• Prior to the removal of trees, rocks and bushes, a record will be made of the placement of the flora. The seeds and natural vegetation will be maintained in an indigenous nursery, the seeds harvested and replaced as the pit boundaries are moved;
• Rehabilitation will be done on an ongoing basis so that at any one time, only 50 ha is expected to be disturbed;
• The pit and mining areas will be fenced off to ensure safety and prevent poaching;
• Management agreements with adjacent landowners to create animal corridors to enable wildlife to make their way safely to and from the Limpopo River;
• For the life of the mine, an environmental monitoring programme will be ongoing to ensure that there is minimal impact on the area;
• Employees will undergo environmental education and awareness programmes;
• CoAL will support a variety of biodiversity programmes in the area, including the Limpopo Valley Herb Project, a herbarium in Mapungubwe, the Ground Hornbill research and conservation project;
• CoAL is committed to working with those involved in the Transfrontier Conservancy Area (TFCA) project.

**Surface and Ground water**

• The impact assessment study on water has revealed that the Vele mine will use less water from the Limpopo and underground water sources than the current commercial agricultural operations;
• The study has also shown that mining will not affect the alluvial Weipe and Onverwacht aquifers;
• Rehabilitation will be concurrent with mining, minimising potential to oxidize sulphide bearing rocks and controlling migration of high sulphate leachate
• Stockpiling and exposed residue material will be minimized by direct placement of overburden and topsoil.
• Where there is a possibility of run-off water after storms, any such contaminated run off will be contained in lined dirty water dams and used in the mine for processing, for dust control and along haulage roads.

**Noise**
- Noise baffles to be placed on fans
- Use of low noise fans at ventilation shafts – tender requirement
- Tree screening around plant area to reduce noise levels
- Noise suppression devices on heavy-duty vehicles – contract requirement
- Cladding of generator sets / low noise generator sets will be used
- Rubber vulcanised belt – less noisy / vibration
- Noise attenuation berms around opencast pits (also serve as storm water / high wall drains)
- High noise activities, such as blasting, at regular times, restricted to 08h00 to 16h00
- All plant, equipment and vehicles to be kept in good repair i.e. faulty exhaust pipes etc

**Air Quality**
- Regular watering (haul and in-pit roads) and application of dust suppressants (main haul road)
- Access road will be tarred
- Vegetation of permanent stockpiles and berms
- Use of a water spray system at transitional stockpiles
- Sprays at all transfer points
• Cladding of ROM and product stockpiles
• Vehicle speed on unpaved roads limited to 40km/hr
• Develop air blast control measures to limit dust from blasting
• Mitigation to reduce vehicle exhaust gas emissions
• Implementation of ambient air quality monitoring programme
• Regular monitoring of methane – which is expected to be minimal in the mining area

Visual

• Plant infrastructure kept to max height 20m
• Introduce landscaping measures e.g. vegetating berms
• Avoid unnecessary removal of vegetation during construction
• Avoid use of highly reflective material in construction
• Metal surfaces painted in natural soft colours that blend into environment
• Use shielded or directional luminaries that focus beam downward
• Introduce tree screening around plant area to reduce visibility
• Rehabilitation concurrent to mining to minimise open, un-rehabilitated areas
• Introduce dust suppression to reduce visual impact

Heritage

• Extensive recording will be done to add new knowledge and value to research done in the Mapungubwe core area
• Heritage educational and awareness programme for staff and surrounding communities
· Comprehensive heritage monitoring programme during operational phase (Phase 2)