

29 November 2011

The Manager  
Company Announcements  
Australian Securities Exchange Limited  
Level 6, 20 Bridge Street  
Sydney NSW 2000

**By e-lodgement**

## **COMPANY PRESENTATION**

Please find attached an updated Company presentation being presented at the Annual General Meeting held today at The University Club of WA.

For and on behalf of the Board

Regards



Jason Brewer  
Executive Director

**Ends**

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**About Continental Coal Limited**

Continental Coal Limited (ASX:CCC : US-OTCQX:CGFAY) is a South African thermal coal producer with a portfolio of producing and advanced coal projects located in South Africa's major coal fields. Continental currently has two operating mines, Vlakvarkfontein and Ferreira, producing 2Mtpa of thermal coal for the export and domestic markets. Continental commenced development of the Penumbra Coal Mine in September 2011 and completed a Bankable Feasibility Study on the De Wittekrans Coal Project. The Company has concluded strategic off-take and funding agreements with EDF Trading for its export thermal coal production and signed a joint development agreement with KORES, Korea Resources Corporation.

**Forward Looking Statement**

Certain statements made during or in connection with this communication, including, without limitation, those concerning the economic outlook for the coal mining industry, expectations regarding coal prices, production, cash costs and other operating results, growth prospects and the outlook of Continental's operations including the likely commencement of commercial operations of the Penumbra and De Wittekrans, its liquidity and the capital resources and expenditure, contain or comprise certain forward-looking statements regarding Company's development and exploration operations, economic performance and financial condition. Although Company believes that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct.

Accordingly, results could differ materially from those set out in the forward-looking statements as a result of, among other factors, changes in economic and market conditions, success of business and operating initiatives, changes in the regulatory environment and other government actions, fluctuations in coal prices and exchange rates and business and operational risk management. For a discussion of such factors, refer to the Company's most recent annual report and half year report. The Company undertakes no obligation to update publicly or release any revisions to these forward-looking statements to reflect events or circumstances after today's date or to reflect the occurrence of unanticipated events.

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**Continental Coal Ltd**

ABN 13 009 125 651 ASX Code CCC

# Annual General Meeting 2011

November 2011



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Summary information. This Presentation contains summary information about Continental and its subsidiaries and their activities current as at the date of this Presentation. The information in this Presentation is of general background and does not purport to be complete. It should be read in conjunction with Continental's other periodic and continuous disclosure announcements lodged with the Australian Securities Exchange, which are available at [www.asx.com.au](http://www.asx.com.au) or [www.conticoal.com](http://www.conticoal.com).

Representation or warranty is made as to the accuracy and completeness of this document and no liability accepted

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Financial data. All dollar values are in Australian dollars (A\$) unless stated otherwise and financial data is presented for the financial year end of 30 June 2010 unless stated otherwise.

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Investment risk. An investment in Continental shares is subject to investment and other known and unknown risks, some of which are beyond the control of Continental. Continental does not guarantee any particular rate of return or the performance of Continental. Persons should have regard to the risks outlined in this Presentation.

Competent Person Statement. The information in this report that relates to Coal Resources on Vlakvarkfontein and Vlakplaats is based on resource estimates completed by Dr. Philip John Hancox. Dr. Hancox is a member in good standing of the South African Council for Natural Scientific Professions (SACNASP No. 400224/04) as well as a Member and Fellow of the Geological Society of South Africa. He is also a member of the Fossil Fuel Foundation, the Geostatistical Association of South Africa, the Society of Economic Geologists, and a Core Member of the Prospectors and Developer Association of Canada. Dr. Hancox has more than 12 years' experience in the South African Coal and Minerals industries, holds a Ph.D from the University of the Witwatersrand (South Africa), and has authored a number of published and unpublished academic articles on the Karoo Basin and its contained coal, as well as over 50 peer reviewed scientific papers on various aspects of sedimentary geology and palaeontology. Dr. Hancox has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined by the 2004 Edition of the 'Australasian Code of Reporting of Exploration Results, Mineral Resources and the Ore reserves. Within the constraints mentioned above, all work undertaken by Dr. Hancox and related to the resource estimate was carried out following industry best practice standards using the South African Code for Reporting of Mineral Resources and Mineral Reserves (the SAMREC Code, 2007) in conjunction with the South African guide to the systematic evaluation of coal resources and coal reserves (SANS 10320:2004) as a basis. As such the resource statements contained in this report may be considered compliant with the JORC Code. Dr. Hancox consents to the inclusion in the ASX release of the matters based on his information in the form and context in which it appears.

The information in this report that relates to Coal Resources and Reserves on Penumbra, Ferreira, De Wittekrans, Knapdaar, Project X, Vaalbank, Leiden and Wesselon II is based on coal resource estimates completed by Mr. Nico Denner, a full time employee of Gemecs (Pty) Ltd. Mr. Denner is a member in good standing of the South African Council for Natural Scientific Professions (SACNASP No. 400060/98) as well as a Member and Fellow of the Geological Society of South Africa. He has more than 15 years' experience in the South African Coal and Minerals industries. Mr. Denner has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined by the 2004 Edition of the 'Australasian Code of Reporting of Exploration Results, Mineral Resources and the Ore reserves. Within the constraints mentioned above, all work undertaken by Mr. Denner and related to the resource estimate was carried out following industry best practice standards using the South African Code for Reporting of Mineral Resources and Mineral Reserves (the SAMREC Code, 2007) in conjunction with the South African guide to the systematic evaluation of coal resources and coal reserves (SANS 10320:2004) as a basis. As such the resource statements contained in this report may be considered compliant with the JORC Code. Mr. Denner consents to the inclusion in the ASX release of the matters based on his information in the form and context in which it appears.

The Coal Reserve estimate for Vlakvarkfontein was prepared by Mr. JJ Lotheringen Pr Eng (Ukwazi). Mr. Lotheringen is a member in good standing of the Southern African Institute of Mining and Metallurgy (SAIMM), is a registered Professional Mining Engineer with the Engineering Council of South Africa (ECSA) and has a Mine Managers Certificate of competency for coal mines. He has more than thirteen (13) years' experience in the South African Coal and Minerals industries. Mr. Lotheringen has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined by the 2004 Edition of the 'Australasian Code of Reporting of Exploration Results, Mineral Resources and the Ore reserves. Within the constraints mentioned above, all work undertaken by Mr. Lotheringen and related to the resource estimate was carried out following industry best practice standards using the South African Code for Reporting of Mineral Resources and Mineral Reserves (the SAMREC Code, 2007) in conjunction with the South African guide to the systematic evaluation of coal resources and coal reserves (SANS 10320:2004) as a basis. As such the resource statements contained in this report may be considered compliant with the JORC Code. Mr. Lotheringen consents to the inclusion in the ASX release of the matters based on his information in the form and context in which it appears.

# Introduction

- Listed on the ASX and AIM markets
- Established and profitable coal investment, mining, development and exploration company in Southern Africa
- Production of high quality thermal coal from two open cast mines
- Current ROM production of 2 Mtpa of thermal coal with sales to the international export and domestic markets
- Demonstrated ability to access key rail and dedicated port infrastructure
- Third coal mine currently under development that is forecast to double export thermal coal sales and group earnings in 2012
- Fourth mine bankable feasibility study completed confirming a technically and economical viable operation that is forecast to again double export thermal coal sales and group earnings in 2013
- Aim to achieve 7Mtpa of run-of-mine coal production in 2013
- Further portfolio of nine additional coal development and advanced and early stage exploration projects
- Projects with reserves of 64Mt and total resources of +600Mt
- Operating cash flow, cash balances and debt funding to support growth profile
- Key strategic investment and joint venture transactions with EDF Trading, ABSA Capital/Barclays Capital, KORES and SIOC-cdt
- Foundations and funding in place for substantial growth and forecast increasing in earnings





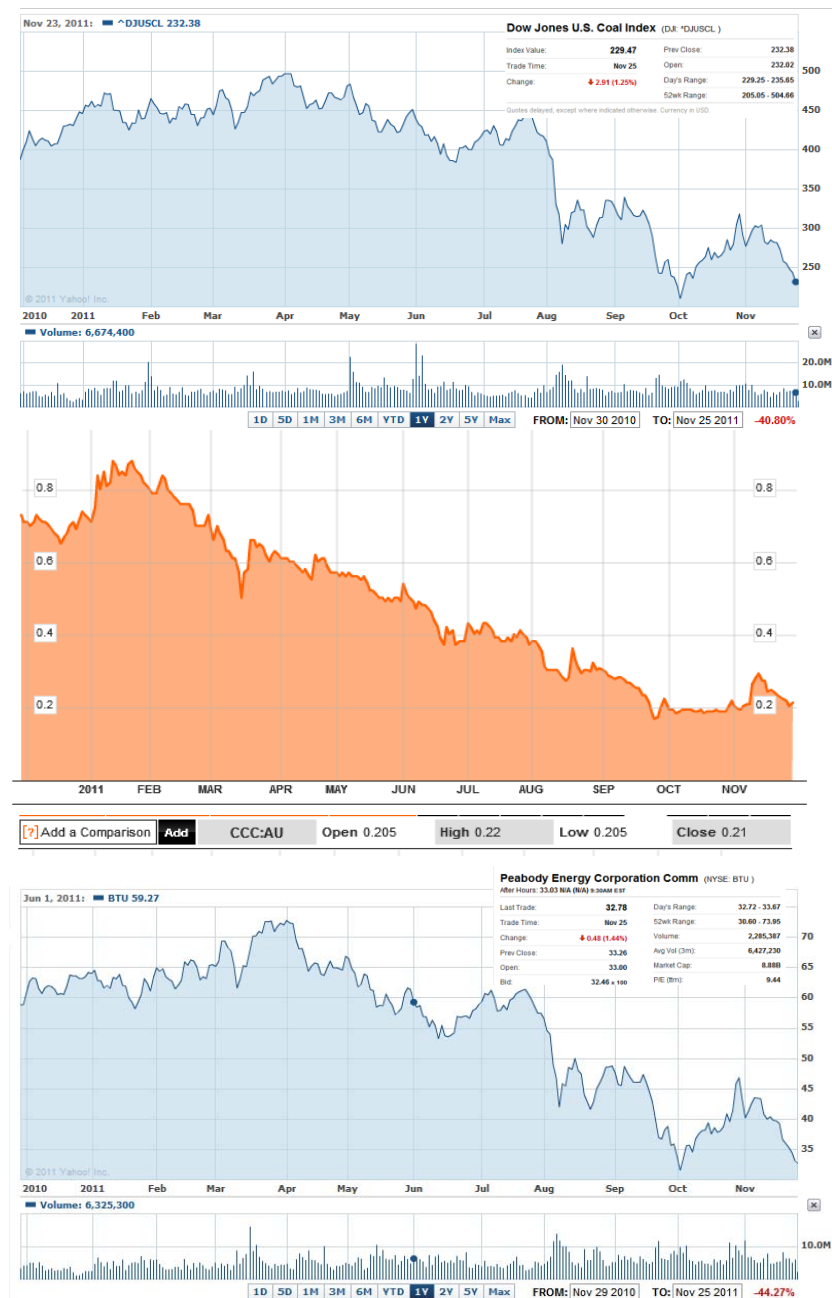
## Delivery Over Past 12 Months

- First export sales out of Richards Bay Coal Terminal
- Successive quarterly increases and record levels of production and sales of thermal coal
- Profits generated from both mining operations
- Initial JORC compliant coal reserves and increased measured resources
- Export off-take agreement with EDF Trading and joint venture agreement finalised with Korea Resources
- Expanded portfolio of producing, pre-development and exploration projects
- Executive management team and board strengthened
- Partnership with one of South Africa's most successful Broad Based Black Economic Empowerment Group
- Third mine development commenced and proceeding on schedule
- Bankable feasibility study completed on proposed fourth mine
- Botswana greenfield exploration program commenced
- Committed offer of US\$65m of bank debt funding with ABSA Capital



# Share Price Performance

- Share price performance declines despite strong operational performance and a number of major milestones achieved
- Major factors impacting share price performance
  - Global macro capital markets environment
  - Perceived increase sovereign risk profile of South Africa
  - Large retail shareholding
  - Lack of institutional holders
- Share prices generally not reflecting fundamentals
- Continental is building a sustainable business based on profitable existing coal mining operations and funded new mine development
- All the foundations for a successful coal mining business are in place and for a future revaluation of the Company's share price



## Successful Transition of the Company

- Over the past year Continental has established itself as a profitable producer and exporter of thermal coal
- In 2010/11 sales revenues increased to approx. A\$51m from zero in the previous year
- Growth in the company not just in terms of revenue, resources, reserves but also human resources with now almost over 500 employees, consultants and contractors
- A number of major one off costs and payments incurred to complete acquisitions including share and option based payments
- In 2010/11 substantial investments made with approx. A\$76m spent on exploration expenditure and acquisition of assets in 2010/11
- This investment is now beginning to be rewarded:
  - Record run-of-mine production and record thermal coal sales
  - Revenues of approx. A\$28m for 4 months to Oct 2011
  - Ferreira and Vlakvarkfontein Coal Mines generate aggregate EBITDA of approx. A\$5m for 4 months to Oct 2011
  - CCL generates unaudited EBITDA of approx. A\$3.4m for 4 months to Oct 2011
- Development of Penumbra proceeding on track and forecast to have a significant impact on export sales and earnings in 2012



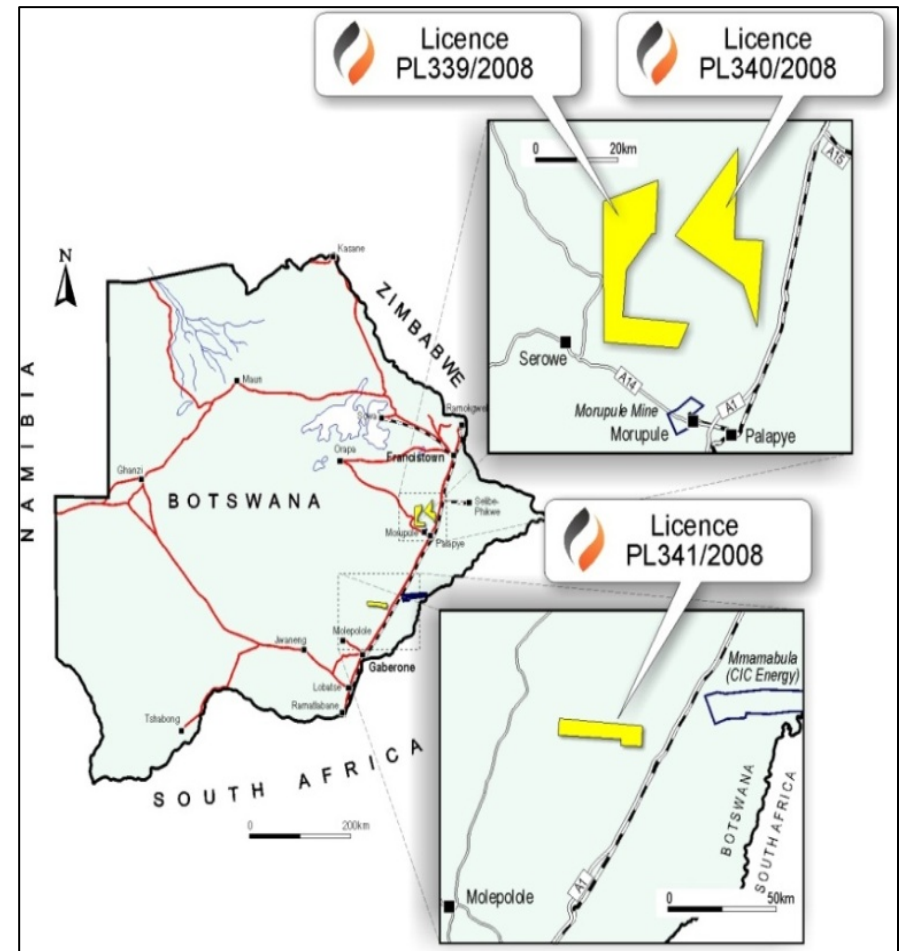
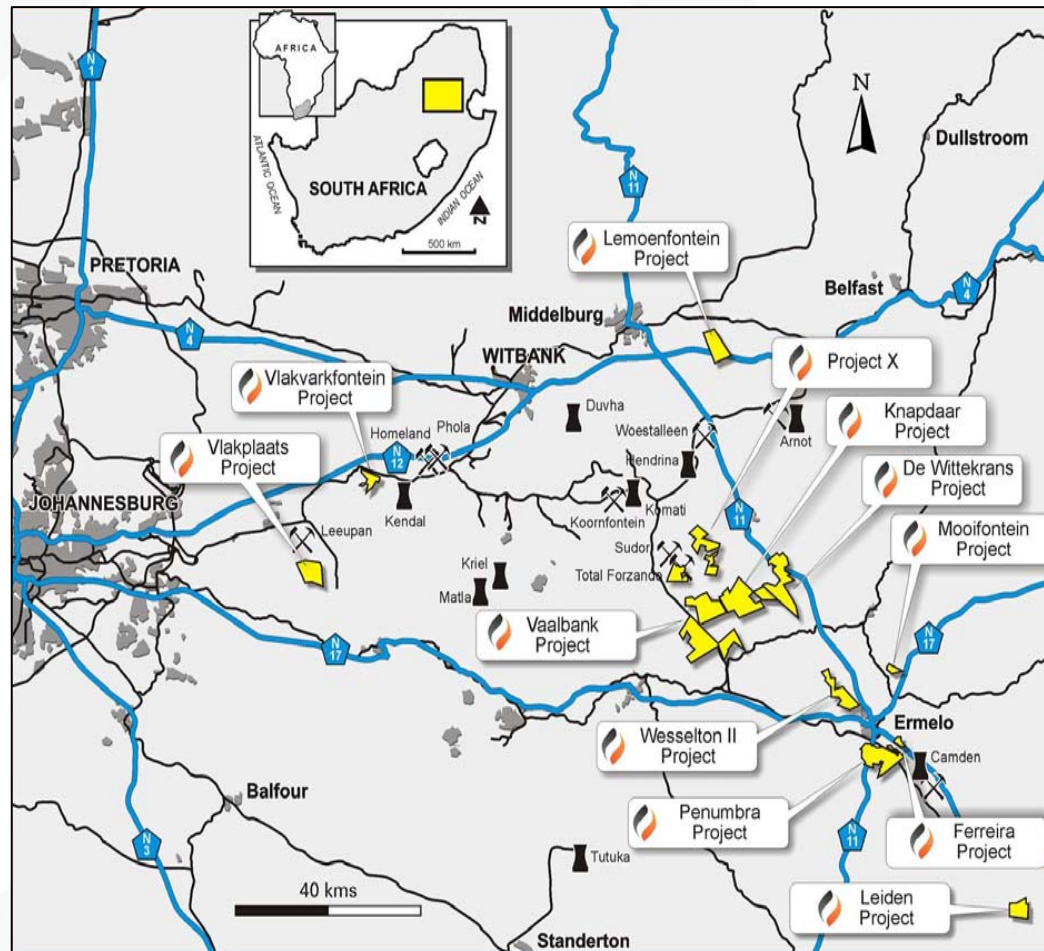


## Health, Safety, Environment and Community

- Continental's long-term business sustainability is dependent on social, environmental, health and safety performance
- Continental has invested in both the training and development of our employees and in a number of key community initiatives:
  - Skills Development and Adult Basic Education and Training
  - Local Aids Council
  - Youth Mobilisation and Schools Career Awareness and Arts
- A commitment to Local Economic Development Projects to create jobs, develop infrastructure and promote the establishment of small and medium enterprises in our communities
- Over 2010-11 a number of major safety milestones were achieved
- The Ferreira Coal Mine and Delta Processing Operations maintained their exceptional health and safety record. Rolling 12 month LTIFR remains at 0
- The Vlakvarkfontein Coal Mine has maintained a very strong health and safety record since development activities commenced.
- There has not been one health and safety recorded incident at the Penumbra Coal Mine development
- Maintained high level of environmental standards



# Coal Projects



# Project Portfolio

Project	Gross In Situ Project Resources Tonnes (Mt)			Total Resources (Mt)	Targeted Production (ROM Mtpa)	Targeted Mine Life	Targeted Coal Product	Targeted Production Start
	Measured	Indicated	Inferred					
Vlakovarkfontein (Production)	17.4	-	-	<b>17.4</b>	1.2	+10 years	Domestic	Current
Ferreira (Production)	1.3	-	-	<b>1.3</b>	0.7	1-2 years	Export/Domestic	Current
Penumbra (Development)	13	30.3	25	<b>68.3</b>	0.9	+10 years	Export/Domestic	2012
De Wittekrans Complex (Development)	48.4	73.2	129.5	<b>251.1</b>	6 - 10	+30 years	Export/Domestic	2013/14
Vlakplaats (Exploration)	-	-	188	<b>188</b>	3 - 5	+20 years	Export/Domestic	2013/14
Wolvenfontein (Exploration)	-	-	37	<b>37</b>	1 - 3	+10 years	Export/Domestic	2013/14
Ermelo Projects (Exploration)	9	7	24	<b>40</b>	0.6 - 1.2	+10 years	Export/Domestic	2013/14
Botswana (Exploration)	-	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>89.1</b>	<b>110.5</b>	<b>366.5</b>	<b>603.1</b>	<b>+12</b>			

Project	Gross Saleable Reserves (Mt)				
	Proven	Probable	Total	Sold 31 Jan to 30 June	Total Saleable Reserves <sup>1</sup>
Vlakovarkfontein	14.1	-	14.1	0.40	13.70
Ferreira	0.82	-	0.82	0.23	0.59
Penumbra	1.71	3.73	5.44	-	5.44
De Wittekrans	16.15	27.62	43.77	-	43.77
<b>Total</b>	<b>32.78</b>	<b>31.35</b>	<b>64.13</b>	<b>0.63</b>	<b>63.50</b>

<sup>1</sup> As at 30 June 2011



# Corporate Snapshot

ASX Code	<b>CCC</b>
AIM Code	<b>COOL</b>
Share price <sup>1</sup>	<b>21c</b>
Shares on issue	<b>399m</b>
Listed options on issue	<b>60m</b> (50c / Feb 2013)
Market capitalisation <sup>1</sup>	<b>A\$84m</b>
Cash/receivables <sup>2</sup>	<b>A\$12m</b>
Undrawn Debt Facilities <sup>2</sup>	<b>US\$65m</b>
Debt <sup>3</sup>	<b>A\$16m</b>

<sup>1</sup> As at 28 November 2011

<sup>2</sup> As at 30 September 2011

<sup>2</sup> Currently being documented and finalised with ABSA Capital, a subsidiary of Barclays Capital

<sup>3</sup> A\$16m convertible note facility (80c conversion) excludes A\$10.9m EDFT Coal Prepayment Facility



# Key Directors and Management

## Board of Directors

### Andrew Macaulay

Executive Chairman

25 years experience in African natural resources finance and development

### Don Turvey

Chief Executive Officer

27 years coal mining experience, including BHP Billiton

### Jason Brewer

Executive Director

18 years experience in mining and investment banking

### Peter Landau

Executive Director

15 years African resources experience in capital raising and strategic advice

### James Leahy

Non-Executive Director

26 years experience as a specialist natural resources corporate broker

## Senior Management

### Johan Heystek

Chief Operations Officer

25 years coal mining experience, including BHP Billiton

### Haroon Alli

Head of Coal Marketing

Over 20 years experience with Shell South Africa, Noble Energy and other mining companies

### Rachel Hebron

Chief Financial Officer

Over 15 years experience in public company finance with 8 years in the mining industry

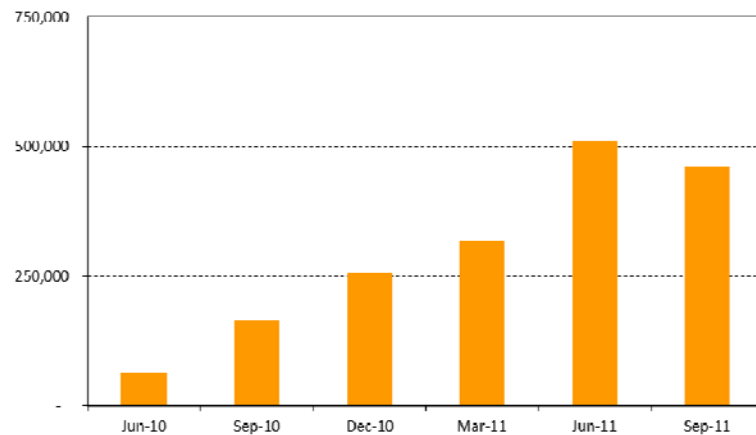
### Andrew Lipshitz

Head Commercial and Legal

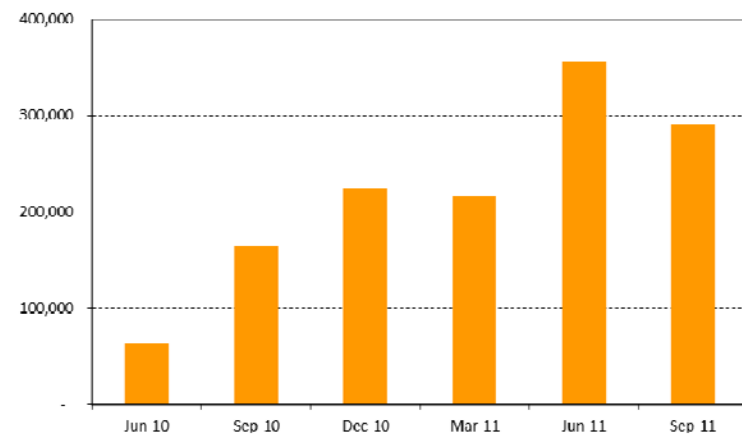
15 years experience in legal, corporate finance, restructurings and takeovers with 8 years in the mining industry

# Coal Production and Sales

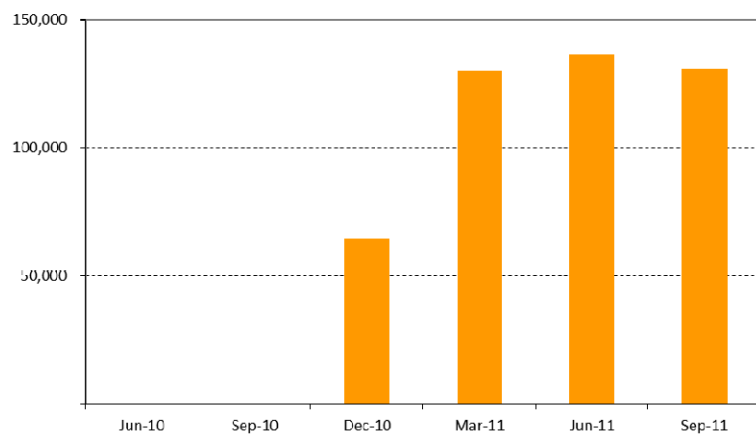
Quarterly ROM Project Production



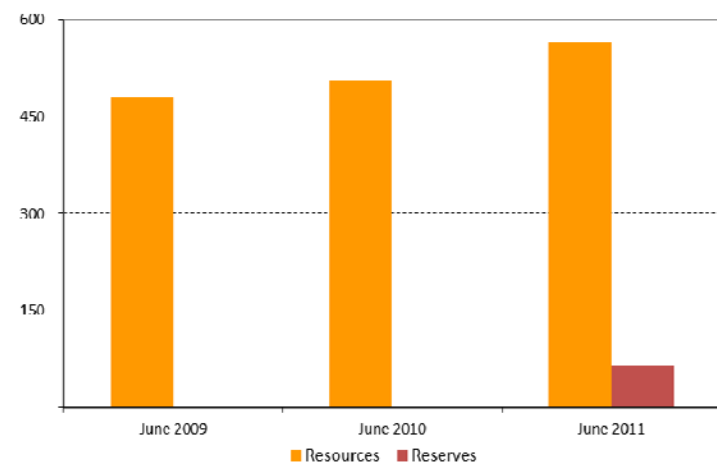
Quarterly Project Domestic Production



Export Railings to Richards Bay Coal Terminal



Project Reserves and Resources





## Vlakovarkfontein Mine





# Operations - Vlakvarkfontein Mine

- Conventional open cast contract mining operation
- 17 Mt of resource sufficient for +10 year mine life
- Mining of two seams, each approx. 5m width
- From acquisition to production within 12 months
- Production of 100,000t/month domestic quality thermal coal
- Demonstrated ability already to produce in excess of targeted rates
- Cashflow positive within first year of production
- 100% of coal sales to local power stations and local industries
- Increased pricing received on domestic sales from 1 July 2011
- 1<sup>st</sup> Quarter 2011/12 highlights:
  - produced its one millionth tonne of coal in July 2011
  - ROM coal production of 282,735 tonnes in line with budget
  - record sales of 384,443 tonnes, a 54% increase on previous quarter
  - sales revenue of ZAR57m and EBITDA of ZAR17m
- On track to meet 2011/12 sales and production targets





## Ferreira Mine





# Operations - Ferreira Mine

- Conventional opencast thermal coal contract mining operation
- Production of a high quality export thermal coal product
- Mining commenced in August 2008, with new opencast pit development in November 2010
- Coal production increased by +100% within three months of assuming operation
- Acquiring additional adjacent resources to extend mine life
- Export sales for 2011 financial year (only seven months) of 327,962t and domestic sales of 67,229t
- Thermal coal sales to the international export markets out of Richards Bay Coal Terminal
- Fully exposed to international export thermal coal prices
- 1<sup>st</sup> Quarter 2011/12 highlights:
  - ROM coal production of 179,795 tonnes in line with budget
  - ROM production increased consistently quarter on quarter
  - sales revenue of ZAR104m and EBITDA of ZAR12m
- On track to meet 2011/12 production targets and export sales of 600,000t





## Delta Processing Operations





# Delta Processing Operations

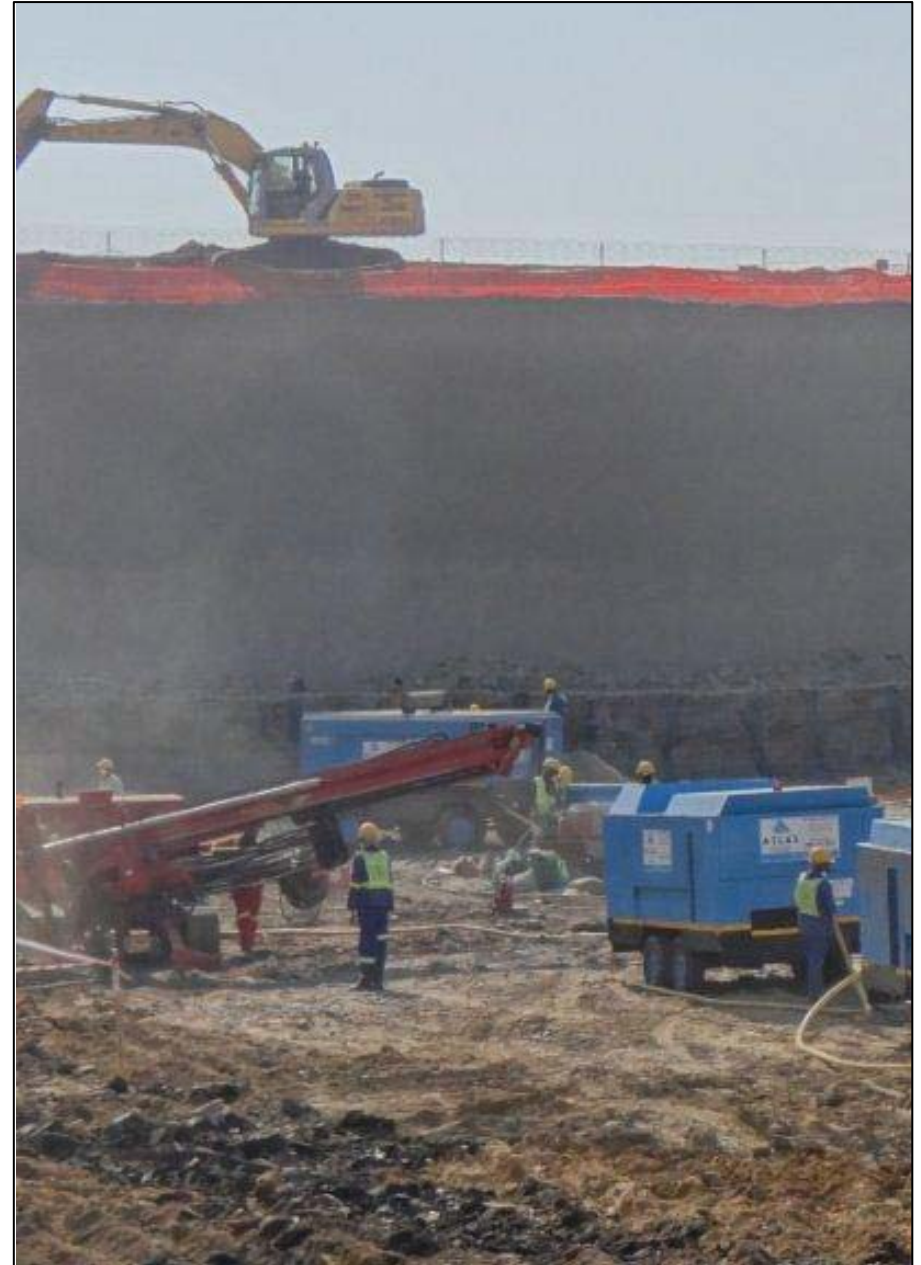
- Located 2km from Ferreira, 3km from the Penumbra underground mine and adjacent to existing railway links to Richards Bay Coal Terminal
- Coal processing plant with design capacity of 150,000t/month
- Operated by specialist coal processing contractors
- Plant produces a high quality export thermal coal that is railed to the RBCT and sold under off-take agreement to EDF Trading and other parties
- Export coal is loaded directly at the Anthra Rail Siding located immediately adjacent to the coal processing plant
- The Anthra Rail Siding has a capacity of 1.2Mtpa and is one of the closest major coal sidings to the Richards Bay Coal Terminal
- 1<sup>st</sup> Quarter 2011/12 highlights:
  - Washed a record 261,013 tonnes, a 14% and 42% increase on the previous two quarters
  - Primary yield of 61.5% in line with budget
  - Railed 130,995 tonnes of high quality export thermal coal to the Richards Bay Coal Terminal
  - The Company has successfully railed approx 500,000 tonnes of high quality export thermal since acquiring control of the Ferreira Coal Mine and Delta Processing Operations in November 2010.





## New Development - Penumbra Project

- Located 3km from the Ferreira mine and the Delta Processing Operations
- Conventional underground thermal coal bord and pillar mining operation
- Capital development costs of approx. US\$40m to be funded from cash, operating cash flow and debt facility from ABSA Capital and Barclays Bank
- Contractors mobilised to site on 3 September 2011
- Civil and construction works commenced on site on 7 September with the initial ground breaking taking place in the proposed box-cut area
- Box-cut excavated to a depth of 15m
- First blast in the box-cut completed on 15 October 2011 with a second and final blast in the box-cut completed ahead of schedule on 21 October 2011
- Construction proceeding on schedule
- Development activities increasing throughout the December 2011 quarter
- Decline development commencing with mobilisation to site and completion of the ramp into the box cut
- First coal during 2H 2012 from mining the C-lower seam at an average height of 1.8m and depth of 50m - 115m
- Two fully mechanised production sections each with a continuous miner
- Targeted export thermal coal sales of 500,000t sold under existing off-take agreements





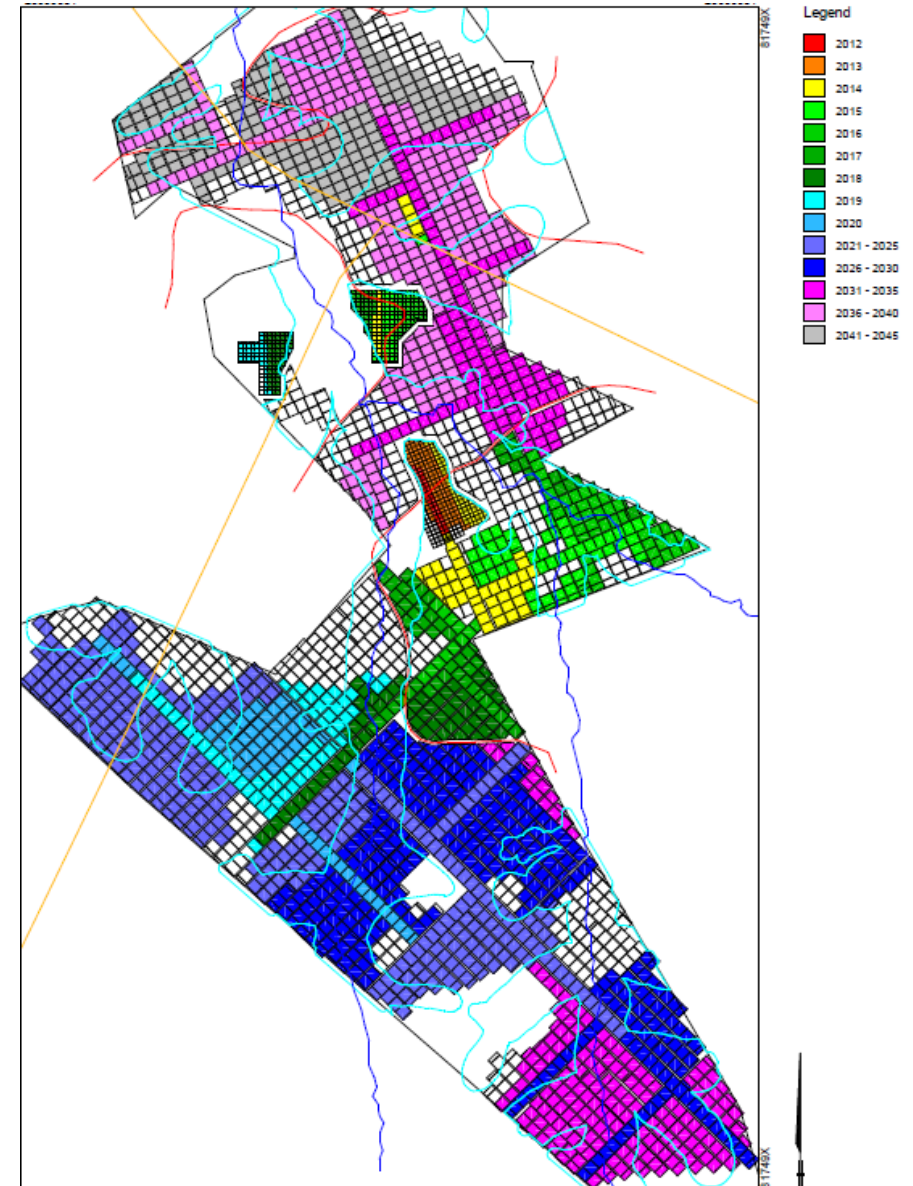
## New Development - Penumbra Project





## New Development - De Wittekrans

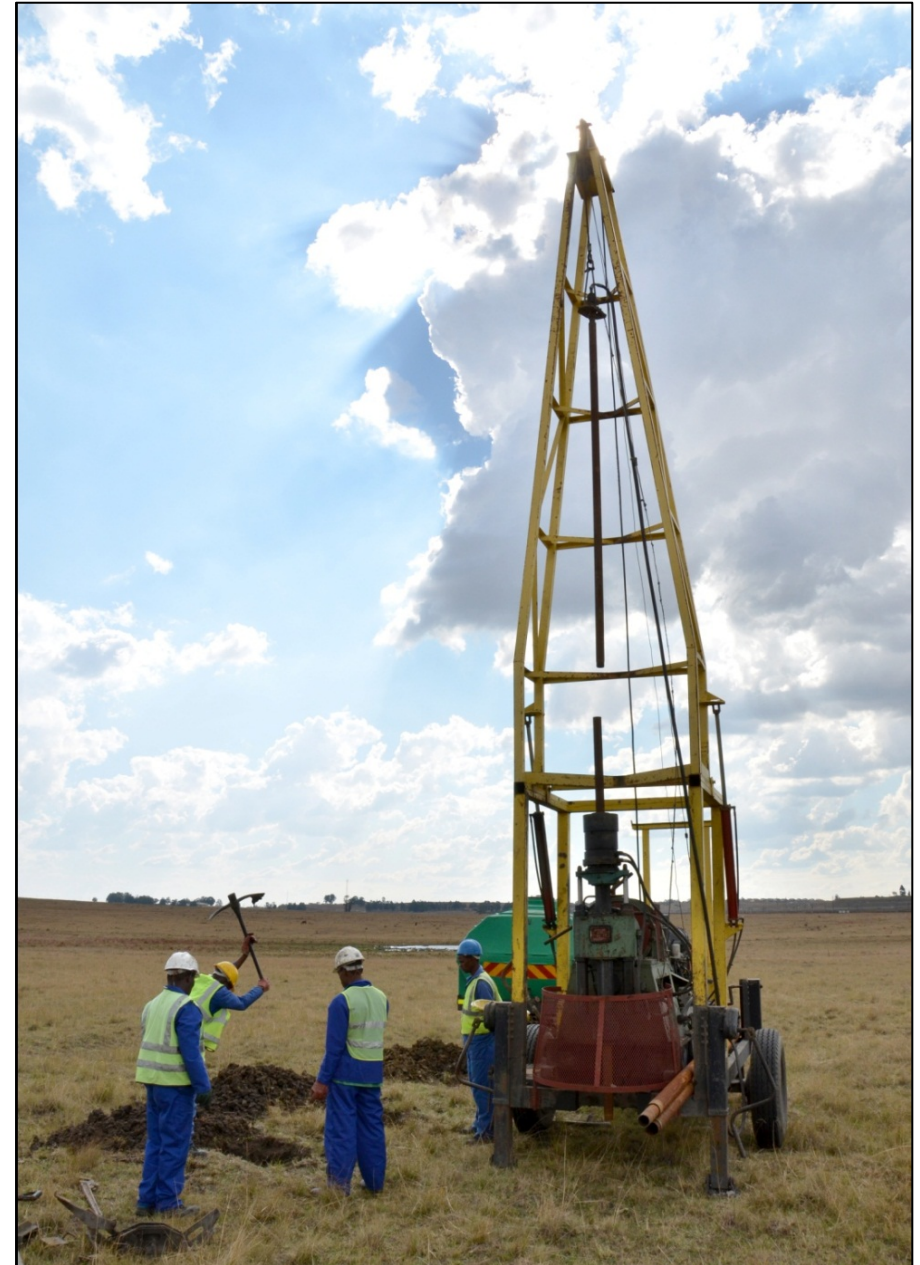
- The first of the 4 coal projects planned to be developed within the De Wittekrans Complex
- Preliminary draft of the Bankable Feasibility Study completed in September 2011
- Study confirmed that the De Wittekrans Coal Project is both technically and economically viable and has the potential to generate significant returns for shareholders.
- Identified opportunities to enhance the project returns through utilisation of existing coal wash plants and rail sidings
- Conventional opencast and underground mine producing 3.6Mtpa ROM
- Underground mining utilising six continuous miner sections with production forecast to continue for 31 years.
- Production of approx. 1.7Mtpa of a 20MJ/kg domestic thermal coal product and 0.8Mt of a 27.5MJ/kg "RB1" high quality export thermal coal product
- Exports railed and sold FOB at the Richards Bay Coal Terminal
- Forecast total operating costs of ZAR449/t (approx. US\$53/t) of export coal and total FOB costs of ZAR568/t (approx. US\$75/t)
- Discussions ongoing to utilise existing operating coal wash plants and rail sidings to potentially reduce capital expenditure and accelerate the permitting process and development timetable.





## Exploration - Vlakplaats

- Project located 80km east of Johannesburg and 25km southwest of the Vlakvarkfontein mine
- Executed Joint Development Agreement with Korea Resources Corporation (KORES) in November 2010
- KORES has invested over US\$2 billion in coal projects worldwide, including interests in 10 coal mines in Australia
- Joint venture with KORES is their first investment in South Africa's coal sector
- Agreement in place with KORES for off-take and marketing of export thermal coal production from the Vlakplaats Coal Project upon a decision to mine
- Continental's South African subsidiary acquired 50% interest for ZAR50m with ZAR130m balance of acquisition price acquired by KORES (37%) and BEE partner (13%)
- Continental to be operator and manager to completion of Bankable Feasibility Study , expected 2012
- Historical drilling has indicated the opportunity to develop the existing 188Mt resources through conventional open cast and underground mining methods
- Initial ZAR32.5m budget to fully fund the project through to completion of a Bankable Feasibility Study
- Joint venture proceeding with commencement of activities



## Exploration - Wolvenfontein

- Project located 5km to the east of the Vlakplaats Coal Project
- Acquired a 100% interest in November 2011 for ZAR10.4m
- Lies at the western extent of the Witbank Coal Field and is well situated in respect of roads and rail infrastructure.
- Extends over Portions 4, 5, 6 and the Remaining Extent (REM) of the farm Wolvenfontein 244IR
- Valid Prospecting Right MP 30/5/1/1/2/1520 PR in place
- Bordered by four operating collieries and a number of advanced coal projects including Exxaro's Leeuwpan Mine, the Stuart, Delmas and Ikhwezi Collieries and Total's Eloff Project, Homeland Energy's Delmas Project and Universal Coal's Kangala Project
- Acquisition strategically important consolidate of its position in the Delmas area and around its Vlakplaats Coal Project





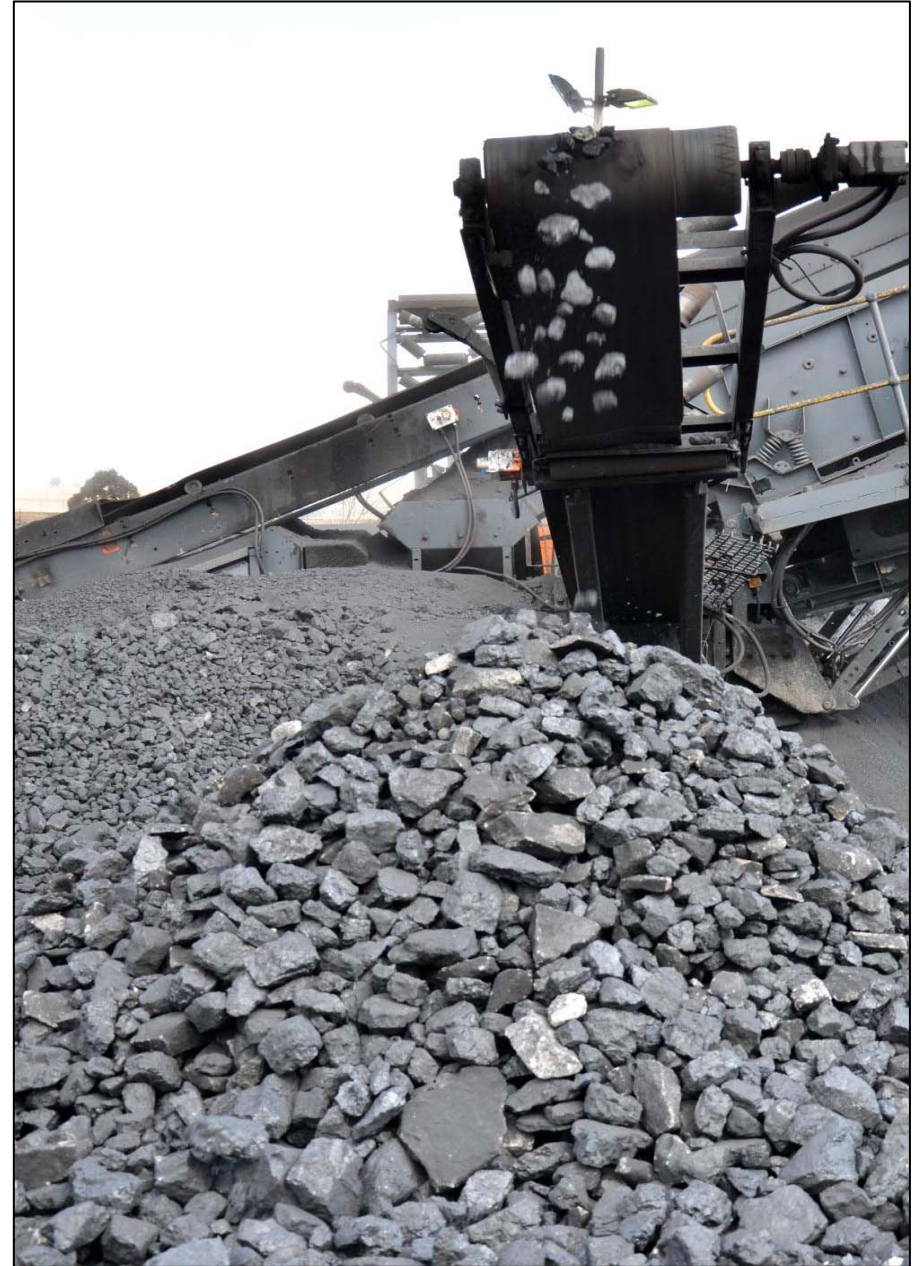
## Exploration - Botswana

- Major upside through significant exploration targets in Botswana
- Three prospecting licenses located close to infrastructure, advanced exploration projects and Botswana's only producing coal mine
- Multi-billion tonne exploration target
- 60 hole diamond drilling program commenced in September 2011
  - nine diamond drill holes to date have been completed on PL340/2008 and a further two diamond drill holes have been completed on PL339/2008
- Drilling on PL340/2008 concentrated on the NW/SE boundaries
- Six holes on PL340/2008 have intersected major coal horizons
- On the NW boundary, all intersected coal horizons and are contiguous from the most northern hole, SRE03 southwards to the most western hole SRE08, indicating a coal mineralised strike length of approx. 20km and confirming previous historical drill data
- Drilling on PL339/2008 concentrated on the NE boundary and both holes completed to date have intersected major coal horizons and suggest a continuation of the identified coal horizons across from PL340/2008
- Up to thirteen samples have been taken per hole
- Samples have been wrapped and bagged and are ready for transportation to the laboratories in South Africa for testing
- Initial test results are expected to be received in late January 2012



# Outlook for 2012

- Vlakvarkfontein Coal Mine
  - 1.2Mt of domestic sales
  - Strong operating and financial performance to continue
- Ferreira Coal Mine
  - 600,000t of high quality exports from Richards Bay Coal Terminal
  - +2 year extension to mine life with acquisition of adjacent resources
- Penumbra Coal Mine
  - First coal production and sales of 500,000tpa of high quality export thermal coal from Richards Bay Coal Terminal in 2H 2012
- De Wittekrans Coal Project
  - Finalisation of optimised Bankable Feasibility Study and decision to proceed with development to commence in Q3/Q4 2012
- Vlakplaats Coal Mine
  - Completion of pre-feasibility study, upgrade of JORC resource and commencement of BFS
- Botswana
  - Results from 60 hole diamond drilling program and potential for strategic joint venture
  - Delineation of maiden JORC resource based on Phase 1 drilling program





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