

30 September 2013

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

By e-lodgement

### **CONTINENTAL COAL RELEASE COMPETENT PERSONS REPORT ON ITS PROJECTS**

Continental Coal Limited (ASX: CCC) ("Continental" or "the Company") the South African thermal coal production, development and exploration company, is pleased to announce the release of an independent Competent Persons Report (CPR), prepared by Venmyn Deloitte, on all of its operating, development and exploration projects.

The CPR serves the purpose of identifying the current value of the Company's mineral assets and describes each of these mineral assets in terms of its historical and recent exploration and mining data, which would have a bearing on the techno-economic value of the assets.

Highlights from the CPR includes:

- 252 million attributable Total Tonnes in Situ (TTIS) Resources (inclusive of Reserves).
- 37 million attributable marketable tonnes Reserves.
- Attributable project valuation of ZAR1.1 billion (A\$114 million).
- Updated proposed development plan and economic analysis for De Wittekrans.

The CPR can be accessed on the Company's website [www.conticoal.com](http://www.conticoal.com).

Commenting on the CPR, Continental Chief Executive Officer, Mr Don Turvey said:

*"The CPR provides up to date geological, technical and financial information on our projects and also includes an indicative valuation for each project. The calculated underlying project value clearly indicates the discount our shares are trading at. The CPR was prepared as a requirement for the inward listing on the Johannesburg Stock Exchange but also gave us the opportunity to critically assess our mineral asset portfolio. The potential economic value of De Wittekrans demonstrates the economic viability of this project that will be producing 3.6 million tonnes of Thermal coal to the domestic and export market once in full production."*

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Independent Non-Executive Chairman Mike Kilbride Chief Executive Officer Don Turvey Chief Financial Officer Lou van Vuuren  
Non-Executive Directors: Johan Bloemsma Jason Brewer Connie Molusi Bernard Swanepoel

**Resource statement (inclusive of Reserves) as at 31 July 2013:**

	RESOURCE CATEGORY	PROJECT GROSS TONNES IN SITU (GTIS) (t)	TOTAL PROJECT TONNES IN SITU (TTIS) (t)	CONTINENTAL'S ATTRIBUTABLE INTEREST	ATTRIBUTABLE TTIS (t)
Vlakovarkfontein	Measured	8 703 480	8 268 200	44%	3 638 008
Penumbra		8 421 911	7 579 700	74%	5 608 978
De Wittekrans		52 330 387	47 097 100	74%	34 851 854
Wesselton II		4 201 199	3 570 800	74%	2 642 392
Leiden		4 309 133	3 862 500	74%	2 858 250
TOTAL MEASURED		77 966 110	70 378 300		49 599 482
Vlakplaats	Indicated	38 176 346	34 258 000	37%	12 675 460
Project X		2 969 951	2 672 000	56%	1 496 320
Penumbra		6 725 373	6 052 000	74%	4 478 480
De Wittekrans		73 733 941	66 358 000	74%	49 104 920
Vaalbank		8 809 511	7 928 000	52%	4 122 560
Wesselton II		5 112 340	4 344 000	74%	3 214 560
Leiden		1 996 754	1 794 500	74%	1 327 930
TOTAL INDICATED		137 524 217	123 406 500		76 420 230
Vlakplaats	Inferred	16 276 680	12 190 000	37%	4 510 300
Wolvenfontein		36 725 119	31 200 000	74%	23 088 000
Project X		11 687 034	10 517 000	56%	5 889 520
De Wittekrans		66 618 671	59 940 000	74%	44 355 600
Knapdaar		42 064 528	35 750 000	74%	26 455 000
Vaalbank		13 937 555	12 540 000	52%	6 520 800
Wesselton II		8 648 522	7 330 000	74%	5 424 200
Mooifontein		3 092 970	2 620 000	74%	1 938 800
Leiden		12 057 828	10 851 400	74%	8 030 036
TOTAL INFERRED		211 108 906	182 938 400		126 212 256
GRAND TOTAL RESOURCES		426 599 233	376 723 200		252 231 968

**Reserve statement as at 31 July 2013:**

PROJECT	RESERVE CATEGORY	MINEABLE TONNES IN SITU (MTIS) (t)	ROM TONNAGE (t)	PRIMARY MARKETABLE RESERVE (t)	SECONDARY MARKETABLE RESERVE (t)	CONTINENTAL'S ATTRIBUTABLE INTEREST	ATTRIBUTABLE MARKETABLE RESERVE (t)
Vlakovfontein	Proven	8 113 190	7 706 000	7 706 000	-	44%	3 390 640
Penumbra		4 950 810	3 506 000	1 699 000	986 000	74%	1 986 900
TOTAL PROVED		13 064 000	11 212 000	9 405 000	986 000		5 377 540
Penumbra	Probable	7 676 668	5 411 000	2 955 000	1 052 000	74%	2 965 180
De Wittekrans*		105 766 813	70 865 000	19 052 000	19 395 000	74%	28 450 780
TOTAL PROBABLE		113 443 481	76 276 000	22 007 000	20 447 000		31 415 960
GRAND TOTAL RESERVES		126 507 482	87 488 000	31 412 000	21 433 000		36 793 500

**Notes:**

\* The primary and secondary marketable coal reserves are subject to change in line with results from the coal revenue optimisation exercise that is currently being undertaken.

These coal resources and coal reserves have been defined in accordance with the 2007 South African Code for Reporting of Mineral Resources and Mineral Reserves Code (SAMREC Code). The SAMREC Code requires the use of the South African National Standard: South African Guide to the Systematic Evaluation of Coal Resources and Coal Reserves (SANS10320:2004) when classifying and reporting coal resources and reserves. SANS10320:2004 uses the principle of relative distances from boreholes with quality data for the classification of coal resources. This standard was utilised by the Company's consultants in calculating the project resources.

The above coal resource and coal reserve estimates are also in compliance with and to the extent required by the 2012 Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves published by the Joint Ore Reserves Committee of The Australasian Institute of Mining, Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia (JORC Code). Similarly to the SAMREC Code, the JORC Code uses the principle of relative distances from boreholes with quality data for the classification of coal resources. The SAMREC Code distances are narrower than those required by the JORC Code, and hence, by reporting to SAMREC, the requirements of the JORC Code have also been met.

**Summary of Results from Economic Assessments of Mineral Assets as at 31<sup>st</sup> July 2013**

PROJECT	COST APPROACH (ZARm)	MARKET APPROACH (ZARm)	CASH FLOW APPROACH (ZARm)	PREFERRED VALUE (ZARm)	CONTINENTAL'S ATTRIBUTABLE INTEREST	CONTINENTAL'S ATTRIBUTABLE VALUE (ZARm)
Vlakovarkfontein	N/A	239.35	312.76	312.76	44%	138.87
Penumbra	N/A	349.30	682.85	516.08	74%	381.90
De Wittekrans	N/A	599.18	935.57	599.18	74%	443.39
Ferreira*	N/A	N/A	0.00	0.00	74%	0.00
Vlakplaats	2.48	10.20	N/A	6.34	37%	2.35
Wolvenfontein	10.00	11.02	N/A	10.51	74%	7.78
Project X	8.52	1.21	N/A	4.86	56%	2.70
Knapdaar	3.91	12.62	N/A	8.27	74%	6.12
Vaalbank	144.42	41.98	N/A	93.20	52%	48.28
Wesselton II	2.68	4.35	N/A	3.52	74%	2.60
Mooifontein	5.84	2.47	N/A	4.16	74%	3.08
Leiden	19.34	40.34	N/A	29.84	74%	22.08
Serowe	10.96	N/A	N/A	10.96	100%	10.96
Kweneng	5.48	N/A	N/A	5.48	100%	5.48
<b>TOTAL</b>	<b>213.62</b>	<b>1 312.01</b>	<b>1 931.19</b>	<b>1 605.15</b>	<b>1 447.70</b>	<b>1 075.57</b>

**Notes:**

(1) CCL holds a 50% shareholding and 60% economic interest.

\* Ferreira will be mined out by November 2013.

The valuation depends principally on the stage at which the project has been developed, the geological confidence and the potential of the asset to demonstrate reasonable and realistic prospects for eventual economic extraction.

South African exploration and advance exploration assets were valued at the median of the cost approach (based on the historical cost incurred to date) and the market approach (based on recent transactions for similar assets). The Botswana exploration projects (Serowe and Kweneng prospecting licences) were valued using the cost approach.

Vlakovarkfontein and Penumbra was valued on their Discounted Cash Flow (DCF) derived from the life of mine (LOM) models for these assets. The LOM models are based on current planned production rates, market consensus thermal coal prices over the LOM (average of US\$82 per tonne) and exchange rates (average of US\$1 = ZAR10) and future estimated operating costs and capital requirements. A discount rate reflective of the project risk has been used to determine the DCF value (12.1% – 12.6%). Due to Penumbra still in its production build-up phase at the time of the valuation the preferred value was obtained as the median between the market approach and the DCF value calculated. The preferred value for De Wittekrans is based

on the market approach due to the pre-development status of the project. A DCF value has however been calculated for De Wittekrans that indicates the potential DCF value of the project.

For and behalf of the Board



Don Turvey

Chief Executive Officer

For further information please contact:

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## About Continental Coal Limited

Continental Coal Limited (ASX:CCC/AIM: COOL) is a South African thermal coal producer with a portfolio of projects located in South Africa's major coal fields including three operating mines, the Vlakvarkfontein, Ferreira and Penumbra Coal Mines, producing approx. 2.2Mtpa of thermal coal for the export and domestic markets. A Feasibility Study was also completed on a proposed fourth mine, 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 secured debt funding from ABSA Capital to fund its growth.

## 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 De Wittekrans project, 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 the 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.

## Competent Persons Report

*The information in this release that relates to Coal Resources on Vlakvarkfontein, Vlakplaats and Wolvenfontein 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 and holds a Ph.D from the University of the Witwatersrand (South Africa).*

*The information in this release that relates to Coal Resources on Penumbra, De Wittekrans, Knapdaar, Leiden and Wessellon 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.*

*The information in this release that relates to Coal Resources on Project X and Vaalbank is based on coal resource estimates completed by Mr. Coenraad van Niekerk, a full time employee of Gemecs (Pty) Ltd. Mr. van Niekerk is a member in good standing of the South African Council for Natural Scientific Professions (SACNASP No. 400066/98) as well as a Member and Fellow of the Geological Society of South Africa. He has more than 38 years' experience in the South African Coal and Minerals industries.*

*The information in this release that relates to Coal Resources on Mooifontein is based on coal resource estimates completed by Mr. Dawie van Wyk, a full time employee of Geocoal services (Pty) Ltd. Mr. van Wyk is a member in good standing of the South African Council for Natural Scientific Professions (SACNASP No. 401964/83) as well as a Member and Fellow of the Geological Society of South Africa. He has more than 30 years' experience in the South African Coal and Minerals industries.*

*The Coal Reserves on Vlakvarkfontein, De Wittekrans and Penumbra is based on reserve estimates completed by Eugène de Villiers. Mr. de Villiers is a graduated mining engineer (B.Eng) Mining from the University of Pretoria and is professionally registered with the Engineering Council of South Africa (Pr.eng no – 20080066). He is also a member of the South African Institute of Mining and Metallurgy (SAIMM Membership no. 700348) and the South African Coal Managers Association (SACMA Membership no. 1742). Mr. de Villiers has been working in the coal industry since 1993 and has a vast amount of production and mine management as well as project related experience.*