



Continental Coal Ltd

ABN 13 009 125 651 ASX Code CCC AIM Code COOL

Annual General Meeting

21 November 2013



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Technical information, including Resource and Reserve data, contained in this presentation are extracted from the Competent Persons Report (CPR) published on 30 September 2013. This report can be accessed on the Company's website www.cnticoal.com and contains detailed information on the mineral assets of the Company, including a risk analysis, that has not been included in this presentation. Details of the Competent Persons responsible for the Resource and Reserve estimation on each asset is also included in the CPR.

Discussion points

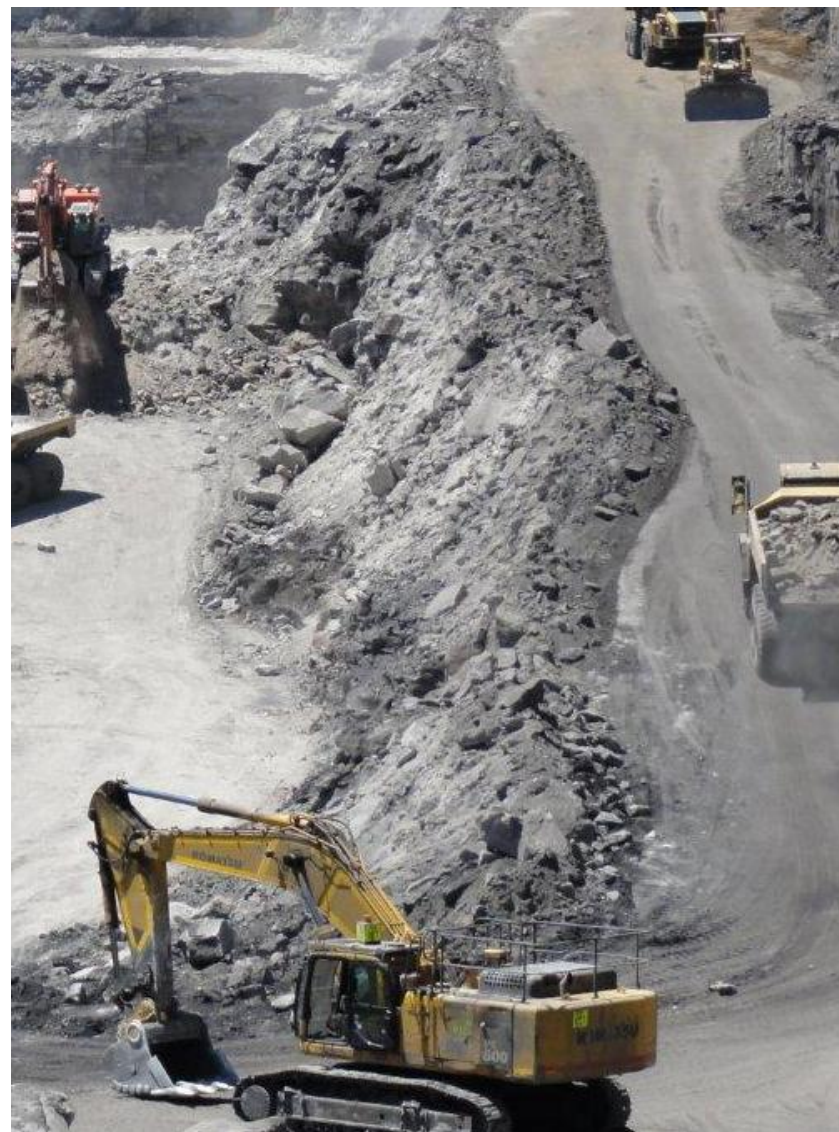
- Operations and Corporate review for 30 June 2013
- Governance
- Remuneration report
- Share price performance
- Capital structure
- Refinancing
- There remains significant value
- De Wittekrans project
- Thermal coal market – domestic and export
- Strategic focus for 2014
- Q & A session



Operations review for the year ended 30 June 2013

	FY 2013 (Actual)	FY 2012 (Actual)	FY 2011 (Actual)
ROM Production			
Vlakovarkfontein	1,526,469	1,238,669	894,958
Ferreira	559,107	691,270	376,973
Penumbra	143,299	-	-
Total ROM Production	2,228,875	1,929,939	1,271,931
Benefication			
Ferreira	627,329	685,176	347,575
Penumbra	143,299	-	-
3 rd Party Buy In Tonnes	-	289,255	252,075
Total Plant Feed	770,628	974,431	599,650
Export Yields			
Ferreira	70.4%	60.1%	58.6%
Penumbra	36.8%	-	-
Domestic Sales	1,315,701	1,274,709	711,382
Export Sales	453,582	581,285	363,935
Total Coal Sales	1,769,283	1,855,994	1,075,317

Source : Continental Coal



Operations review for the year ended 30 June 2013 - continued

- Group ROM production increase by 15% year on year
Penumbra underground coal mine producing first coal in December 2012
- Vlakvarkfontein Coal Mine achieved 3rd successive year of increased thermal coal production, thermal coal sales and earnings
- Ferreira Coal Mine ROM production exceeds budget for FY2013 with costs 8% below budget and export coal yields at 70.4%
- De Wittekrans mining right awarded
- Optimisation of De Wittekrans project reduced project development risk as well as peak funding requirement



Corporate review for the year ended 30 June 2013

- ABSA project finance facility
- Completion of sale transaction of shareholding in Vanadium and Magnetite Exploration and Development Co (SA) (Pty) Ltd
- Acquisition of the outstanding minority interests in Mashala Resources increases the Groups' interest in key mining operations and development projects
- Securing a strategic investment from diversified South African mining company, Village Main Reef Limited completed with A\$8m in proceeds received at a significant premium to the prevailing share price
- Reduced administration costs with further costs savings in 2014 due to structural changes



Governance

- Changes to Board of Directors
 - CEO only executive director
 - Increased independence
 - Expanded financial capability
 - Active sub-committee's
- Appointed independent company secretary
- Appointed SA based CFO
- Centralised financial functions in SA
- Initiated interactive stakeholder conference calls

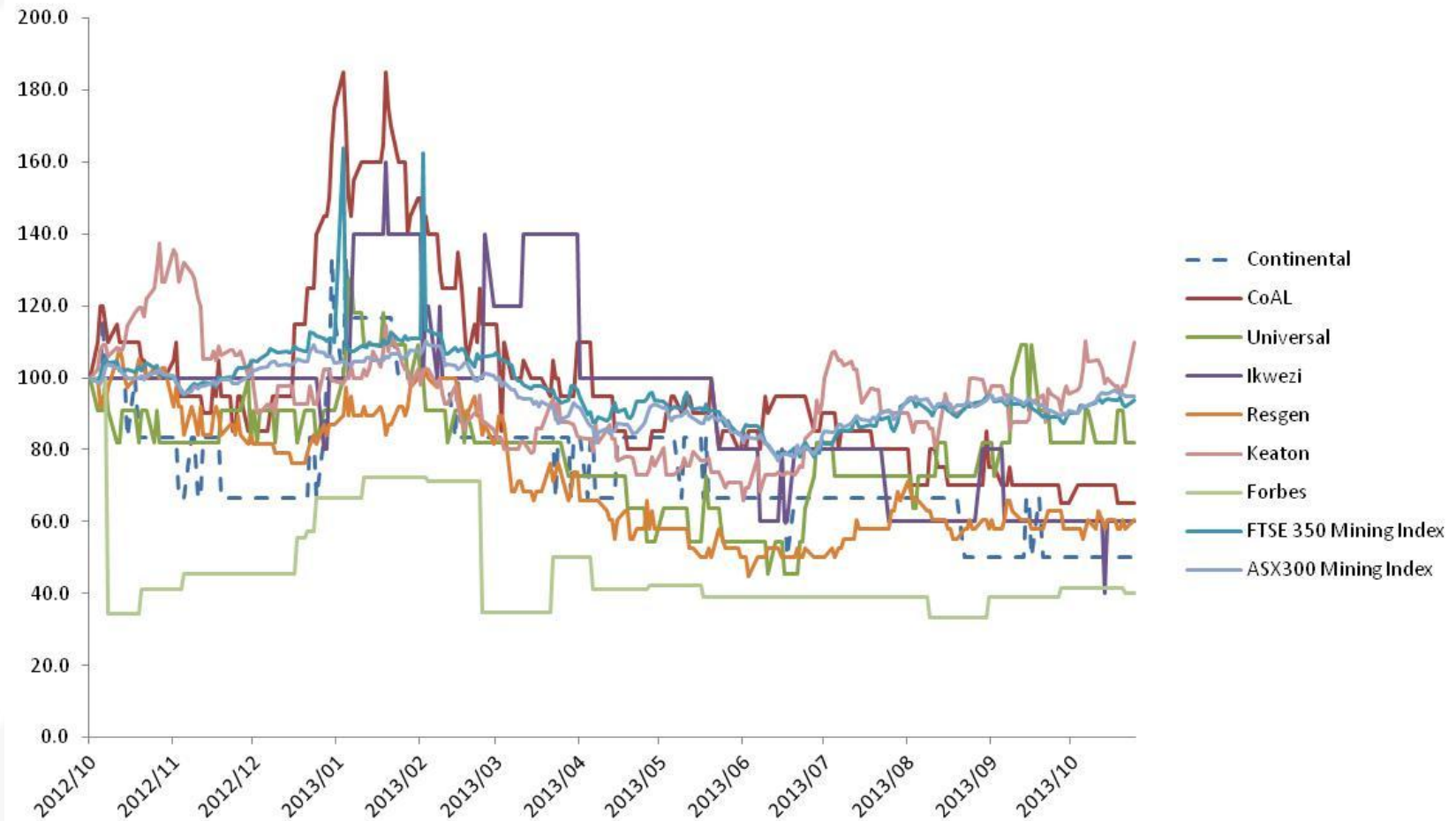


Remuneration report

- Remuneration Committee commissioned independent local and international benchmarking
- Short term incentive bonuses based on agreed KPI's that take into account production and financial performance, safety, strategic development of the Group and share price performance
- CEO agreed to a 19% salary sacrifice for 2014
- Non-Executive Directors' fees reduced by 25% for 2014 financial year and payment in shares
- 9% decrease in directors' and executive remuneration year on year
- Structure under review to further reduce costs



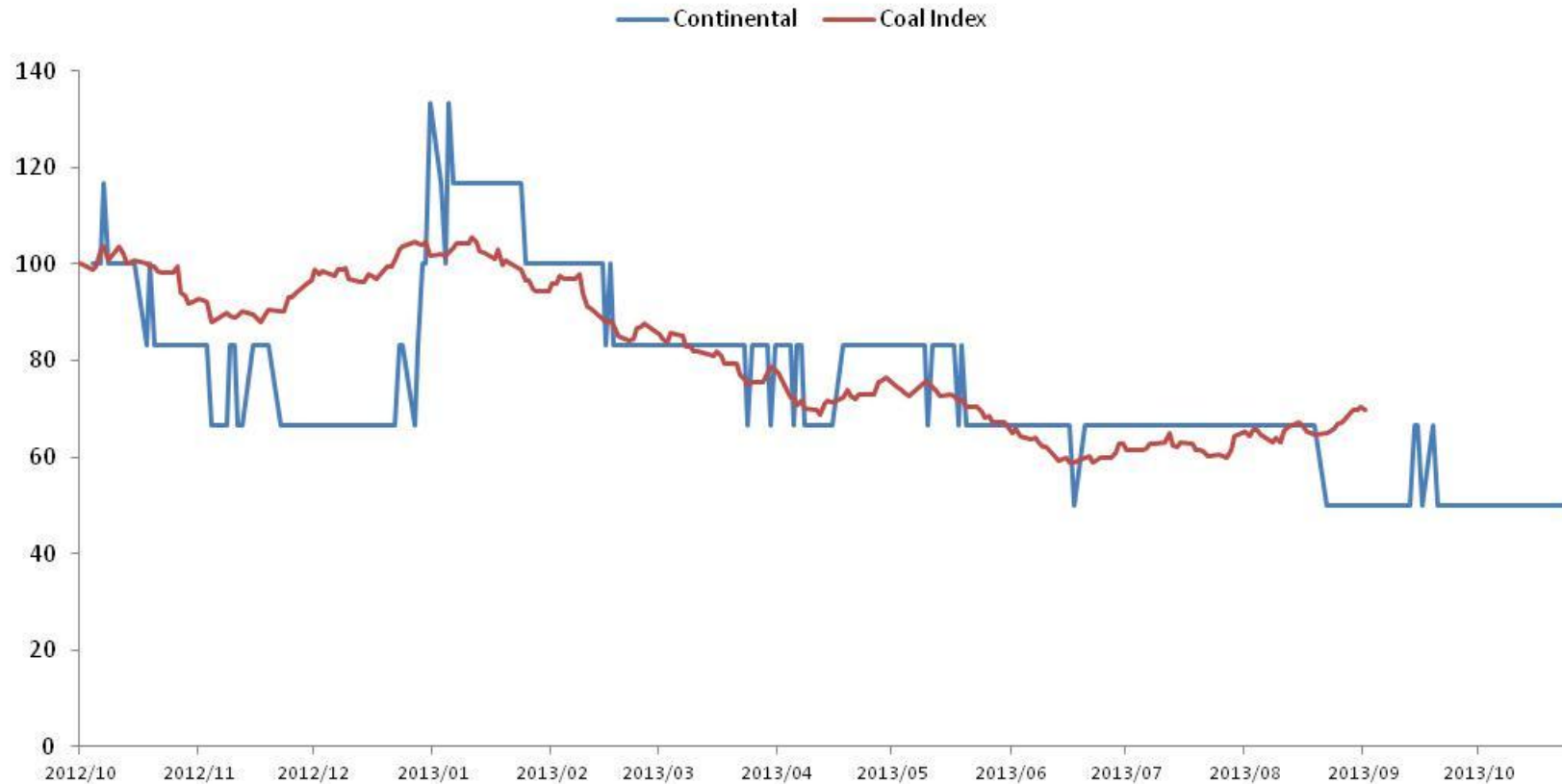
Share price performance



Source : Investec

Junior mining sector remains under pressure

Share price performance - continued

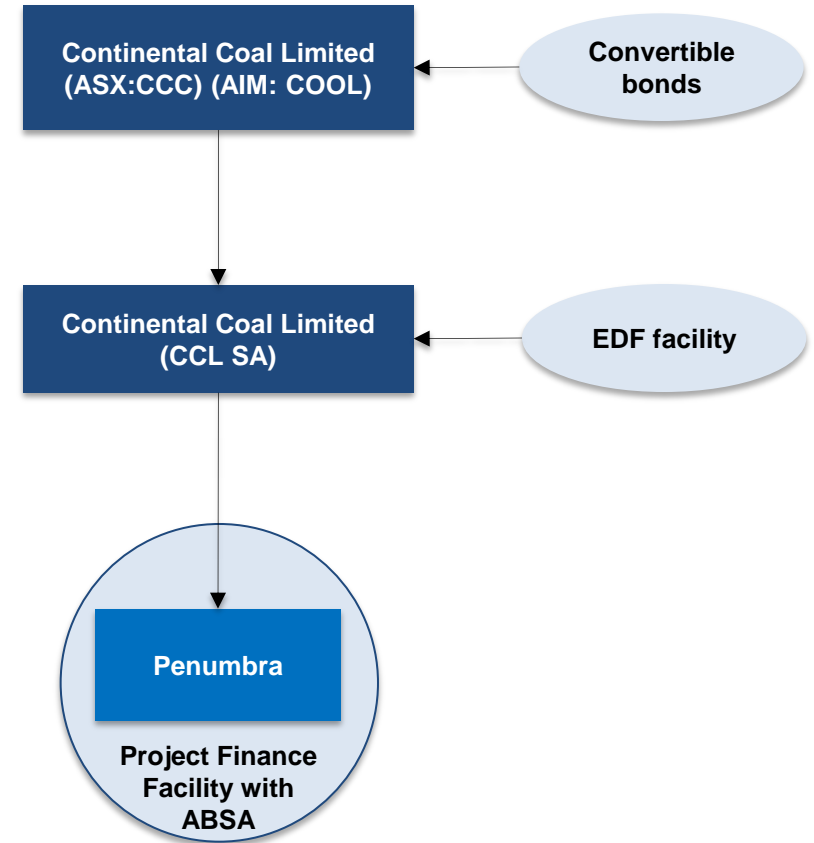


Source : Investec

Coal index movement impacting on share price

Capital structure

- Convertible bonds (at the option of the holder)
 - US\$6m in November 2013
 - US\$10m in February 2014
 - Strike prices significantly higher than current share price
- EDF facility
 - US\$13m remaining loan
 - Repayment in 24 monthly installments to commence in July 2014
 - Secured over certain CCL assets
- Penumbra project finance
 - ABSA Capital (Barclays)
 - US\$25 million
 - Repayable in escalating amounts commencing August 2014 and concluding November 2019
 - Secured over Penumbra



Source: Continental Coal

Refinancing

- Appointment of Independent Special Board Committee to oversee process ensuring transparency and best interest of the Company and all stakeholders
- Matters to consider:
 - Macro economic factors
 - Current capital structure
 - Sustainable future capital structure
 - Maturity date of Convertible Debentures
 - Liquidity of shares
 - Debt carrying capacity / security
 - Off-take agreements in place
 - Current market capitalization
 - Future funding requirements



Refinancing - continue

- Advisors assisting the Special Committee to ensure all potential funding options are evaluated
- Funding structures under consideration:
 - Restructuring of existing CD's
 - Issuing new CD's
 - Restructuring/refinancing current debt obligations
 - Additional debt instruments
 - Industry loan structures/off-take agreements
 - Forward sales
 - Divestment of assets
 - Public and private equity offering
 - Rights offering / share purchase plan



Refinancing - continue

- Project to address capital structure and rationalization of assets commenced in October 2012
- Special Committee reviewed the indicative funding proposals early November 2013 and selected a short list of proposals to continue with
- Short list of funders completing their due diligence to enable submission of binding proposals towards the end of November 2013
- Special committee to evaluate proposals and recommend most appropriate structure to the Board in December 2013
- JSE listing affected by refinance process



There remains significant value

- 252 million attributable Total Tonnes in Situ (TTIS) Resource
- 37 million attributable tonnes marketable reserve
- 2.2 million annual ROM tonnes current production
- 3.6 million additional annual ROM tonnes from De Wittekrans project
- Cash generative operations
- Extensive project pipeline
- Proven track record of mine development
- Supplying domestic (Eskom) and international markets
- Experienced management team
- Key relationships with leading coal traders and utilities



There remains significant value - continued

RESOURCE CATEGORY	PROJECT GROSS TONNES IN SITU (t)	PROJECT TONNES IN SITU (t)	ATTRIBUTABLE TOTAL TONNES IN SITU (t)
Measured Resources	77,966,110	70,378,300	49,599,482
Indicated Resources	137,524,217	123,406,500	76,420,230
Total Measured and Indicated Resources	215,490,327	193,784,800	126,019,712
Inferred Resources	211,108,906	182,938,400	126,212,256
Total Resources	426,599,233	376,723,200	252,231,968

RESERVE CATEGORY	MINEABLE TONNES IN SITU (MTIS) (t)	ROM TONNAGE (t)	PRIMARY MARKETABLE RESERVE (t)	SECONDARY MARKETABLE RESERVE (t)	ATTRIBUTABLE MARKETABLE RESERVE (t)
Proven Reserves	13,064,000	11,212,000	9,405,000	986,000	5,377,540
Probable Reserves	113,443,481	76,276,000	22,007,000	20,447,000	31,415,960
Total Reserves	126,507,482	87,488,000	31,412,000	21,433,000	36,793,500

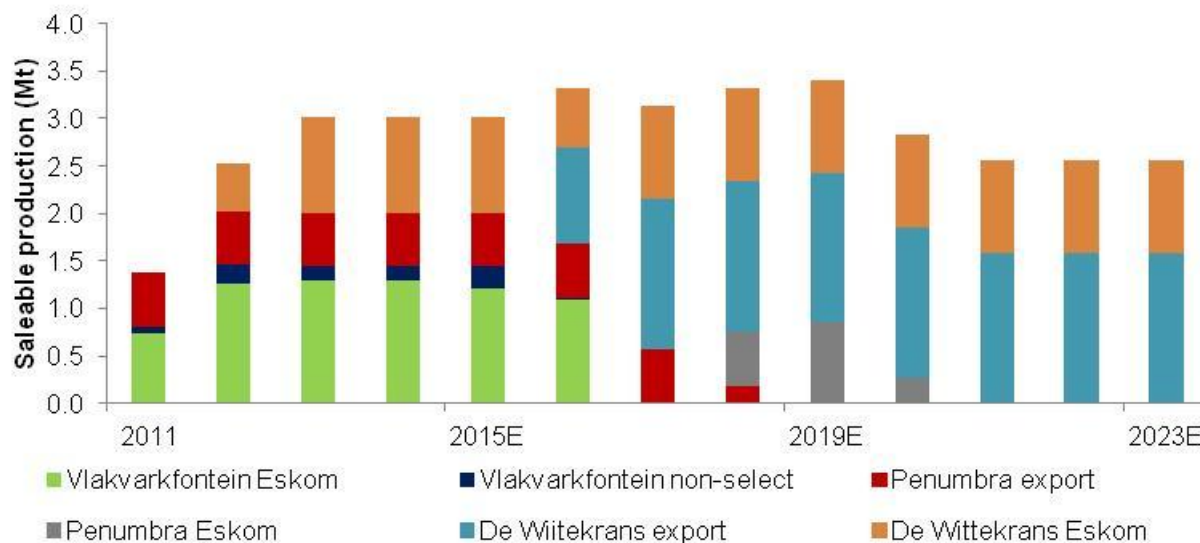
Source : Continental Coal CPR September 2013

Solid Resource and Reserve base positioning the Company for future growth and delivery

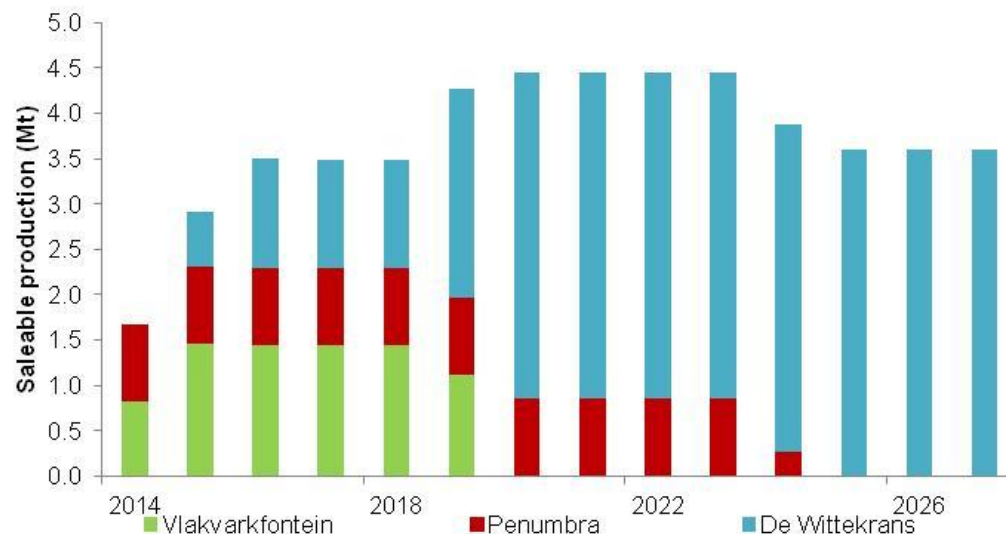
There remains significant value - continued

- Planned phased development provides steady production ramp up
- De Wittekrans provides long life asset (assumes 2015 production start)
- Attractive mix of Export and Eskom product

Sales tonnes



ROM production



Source: Continental Coal prepared with information from Annual reports and CPR September 2013

De Wittekrans

- New Order Mining Right awarded in September 2013
- Development targeted to commence H2 2014
- Initial start-up capital of US\$25 million
- Conventional underground thermal coal bord and pillar mining operation accessed by portal
- First coal production targeted for H2 2015
- Initially four conventional drill and blast sections producing 100,000tpm ROM for domestic market
- Additional four continuous miner sections added from year 2019 increasing production to 300,000tpm ROM
- Combination of domestic and export product from 2019
- DMS plant (BOOM) and siding to be constructed

RESOURCE CATEGORY	PROJECT TONNES IN SITU (t)	ATTRIBUTABLE TOTAL TONNES IN SITU (t)
Measured Resources	47,097,100	34,851,854
Indicated Resources	66,358,000	49,104,920
Total Measured and Indicated Resources	113,455,100	83,956,774
Inferred Resources	59,940,000	44,355,600
Total Resources	173,395,100	128,312,374

RESERVE CATEGORY	PRIMARY MARKETABLE RESERVE (t)	SECONDARY MARKETABLE RESERVE (t)	ATTRIBUTABLE MARKETABLE RESERVE (t)
Proven Reserves	-	-	-
Probable Reserves	19,052,000	19,395,000	28,450,780
Total Reserves	19,052,000	19,395,000	28,450,780

Source : Continental Coal CPR September 2013

De Wittekrans - continued

- Mining B and C seams at a depth ranging from 10m – 100m
- Projected yield of 44% producing a 5,800kcal product and 27% yield on domestic product
- Forecast domestic product at an average FOT cost of ZAR250 (US\$25) per tonne
- Forecast export product at an average FOB cost of ZAR460 (US\$46) per tonne
- 34 year LOM
- Potential opencast production of 5 million tonnes ROM in later years

Indicative DCF valuation sensitivity

	Sales price adjustment		
Discount rate	Base case less 10%	Base case (as per table on the right)	Base case plus 10%
7.5%	ZAR 1 892m	ZAR 2 507m	ZAR 3 122m
10%	ZAR 1 247m	ZAR 1 722m	ZAR 2 195m
12.5%	ZAR 839m	ZAR 1 211m	ZAR 1 582m

Source : Continental Coal

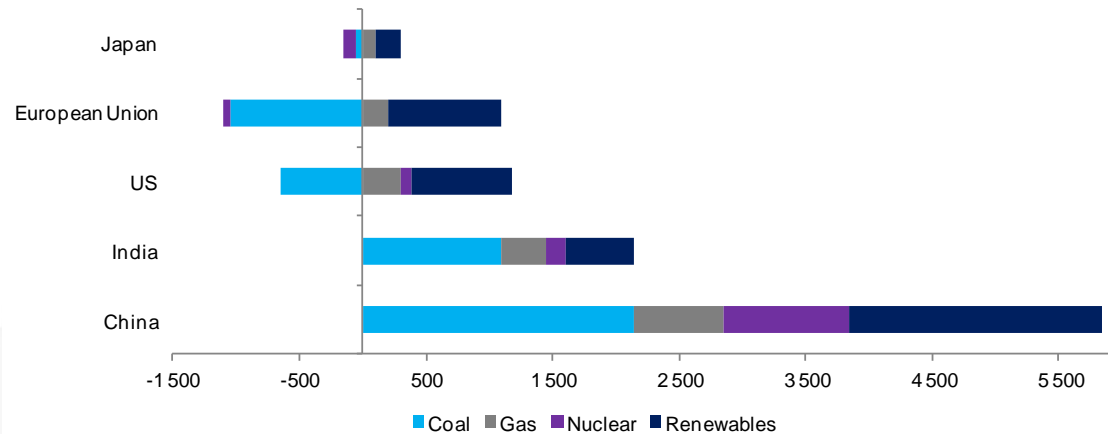
	Optimisation Results 31 August 2013
Reserves and Mine Life	
Mine Life	34 years
Saleable Reserves	38.5Mt
Gross In Situ Resources	192.7Mt
ROM Production	
Annual ROM Production	3.6Mt
Total Underground ROM Production	110.0Mt
Coal Sales	
Average Annual Domestic Coal Sales	1.0Mt (20 CV)
Average Annual Export Coal Sales	1.6Mt (5 800kcal Export)
Economic assumptions	
Domestic Coal Sales per GJ	ZAR16.65
Export Coal Sales (US\$ per tonne API4)	US\$79
Exchange rate (US\$/ZAR)	ZAR9.39
Forecast Sales Revenue	
Average Annual Domestic Coal Sales	ZAR 324 m
Average Annual Export Coal Sales	ZAR 1,178m
Total Average Annual Sales Revenue	ZAR 1,502m
Estimated capital to first production	
Estimated capital	ZAR 201m
Estimated Project Capital Costs	
Portal and Surface Infrastructure	ZAR 400m
Plant Infrastructure	ZAR 233m
Underground Development	ZAR 435m
Forecast Cash flow	
Average Annual Free Cash flow After Tax	ZAR 339m

Source : Continental Coal CPR September 2013

International long term coal demand outlook robust

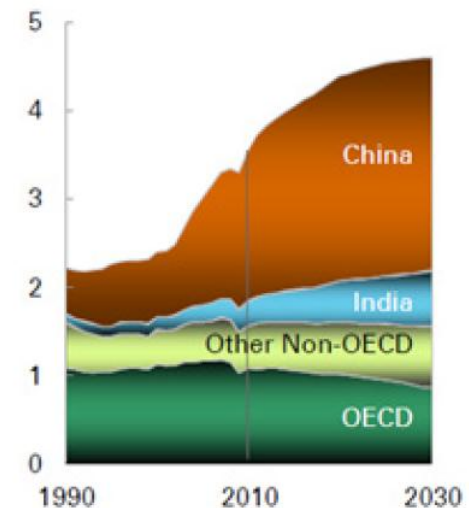
- Expansion of coal generating capacity in Asia to outpace closures in Europe and the USA
- Coal remains the cheapest source of electric power
- Coal production in China and India constrained resulting in increased dependence on imports
- Environmental considerations likely to increase demand for high grade coal imports
- Continental well positioned to supply Asia with thermal coal

Forecast change in global power generation capacity (GW), 2010 to 2035



Source: IEA global energy outlook

Forecast coal consumption (Btpa)

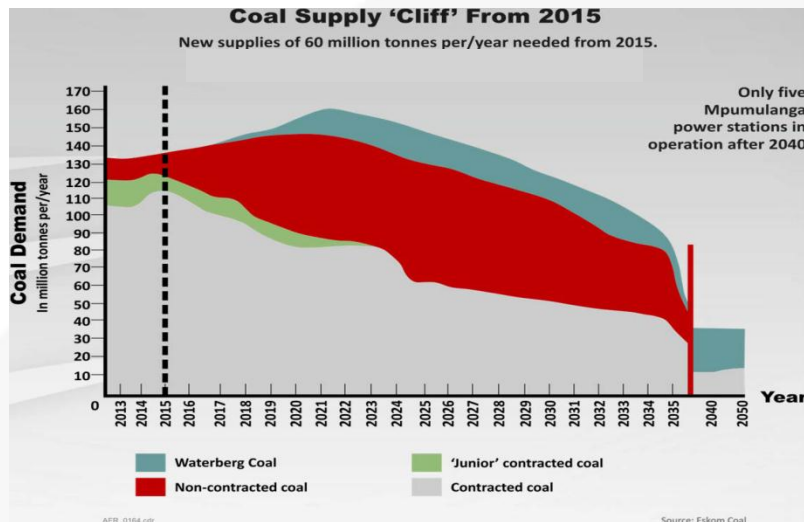


Source: BP energy outlook

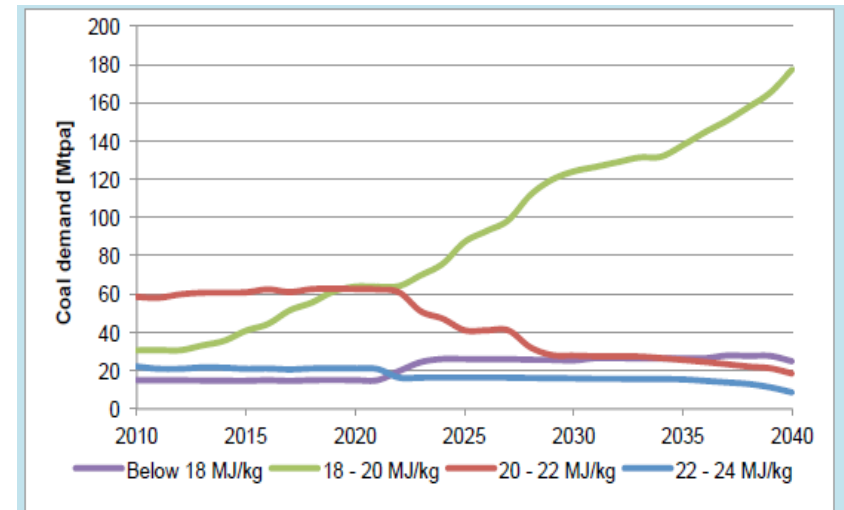
Eskom a major growth opportunity

- Eskom faces significant “coal gap” as existing mines become depleted
- Waterberg coalfield is projected to become major supplier but located far from power stations on the Highveld
- Logistics constraints may impact coal supply
- “Non contracted coal” to fill bulk of coal gap
- Eskom power stations will require predominantly 18-20MJ grade coal
- Continental is ideally positioned to supply this grade of coal from mines located near Highveld power stations

Revenue projections ZARm (real)



Eskom coal demand based on current generating mix



Strategic Focus For FY2014

- Maintain strong operational performance across the Group's thermal coal mining operations
- Progress development of De Wittekrans Coal Project - the Group's proposed 4th mining operation
- Advance project pipeline
- Balance sheet restructuring
- Increase working capital
- Extract value from non-core assets
- Cost management initiatives to continue
- Finalise joint venture and/or strategic investment in the Group's prospecting licenses in Botswana
- Complete JSE listing



Q & A