



ANNUAL GENERAL MEETING 2019

CHAIRMAN'S ADDRESS

Ladies and Gentlemen

Thank you for attending this annual general meeting of Shareholders

In my Chairman's Statement in the Annual Report this year, I referred to the positive news that all three proposed lenders for the project finance required to construct the mine had received their respective credit committee and board approvals and provided terms for consideration by the Board. I also highlighted that the Management team was focussed, along with the three proposed lenders and their legal advisers, on the considerable task of assimilating the individual sets of terms into one common term sheet.

Whilst significant progress has been made in finalising a set of common terms with the proposed lenders, unfortunately these negotiations remain incomplete at the date of this meeting. I am however hopeful of being able to provide Shareholders with a further update on progress within the coming week and would like to acknowledge the tireless efforts of all involved in achieving the progress that has been made to date.

I think that it has become clear to everyone who has been involved in our funding process that obtaining funding for a new coal mine, in the current environment, is not an easy task. In those circumstances, the fact that we are still in ongoing negotiations with the three proposed lenders should be viewed as very encouraging.

In parallel with the process being followed to obtain project finance for construction of the mine, substantial progress has also been made with regard to the other pillars of the total funding package. The funding negotiations for the rail link from mouth of mine to the main rail network are well progressed and an international bank guarantee for the 'yellow goods' is likewise close to finalisation. Although the latter is the ultimate responsibility of the proposed mining contractor, we have been much involved in that process.

I am also pleased that, as announced to the market on 21 November 2019, the Company's subsidiary, Ledjada Coal Pty Limited, has now concluded a Transportation of Coal Agreement with Transnet Freight Rail for delivery of 3.6mtpa of export quality coal to a Richards Bay Terminal on the terms set out in our announcement, which we consider reasonable in the circumstances. It is pleasing that the challenge of finding an avenue for transporting our washed coal from the mine to the port has now been overcome.

Although progress with the process of obtaining project finance for construction of the mine has, at times, been very slow due to a range of factors, a number of which were beyond our control, I now sense that we have the right momentum to obtain the funding we are seeking for our Project. I would like to take this opportunity to thank all those involved including my colleagues on the Board, Management, Staff, our proposed lenders and professional advisers.

I would also like to acknowledge the continuing support of Noble Group who, by extending a working capital facility to the Company, have provided the financial means to allow us to continue the pursuit of full funding of the Project.

Ladies and gentlemen, thank you once again for joining us here today, and for your sustained interest in what we continue to believe is a great Project.

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Chairman

27 November 2019