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**CONCOR MAKES GOOD PROGRESS WITH DEVELOPMENT OF
VLAKFONTEIN OPENCAST COAL MINE**

Concor Opencast Mining has made excellent progress with the establishment of the new Vlakfontein coal mine near Ogies in Mpumalanga since moving onto the greenfields site in February 2011.

In terms of the contract awarded by African Exploration Mining and Finance Corporation (AEMFC) and signed on 14 December 2010, Concor Opencast Mining is required to undertake clear and grub of the 16.25 ha site, stripping of overburden, drilling and blasting and providing a constant supply of coal at a rate of 70 000 tons per month.

Ivan Robinson, contract manager Concor Opencast Mining, says that mining work commenced in March after stripping of 268 000 m³ of top soil and the development of a box cut 640 metre long by 60 metre wide. "There are two coal seams, the seam four is 6.5 metre thick and the seam two is 7.2 metre thick, separated by interburden. To get to the upper coal seam (seam four), we removed 279 000 m³ of soft material in an 8 metre thick layer and 592 000 m³ of sandstone, also 8 metre thick.'

Robinson indicates that the June deadline for the delivery of first coal had been met. A total of 229 000 m³ of coal had been mined from seam four to the end of October and the mining of coal from the lower seam (seam two) is imminent. Product from the two seams will be stockpiled separately. A total of 1.2 million m³ of interburden between the two coal seams will be removed over the 36 month contract period.

The Concor Opencast Mining contract includes transporting coal to a coal crusher, currently a high volume portable machine, on mine property. Thereafter, Vlakfontein mine is responsible for transportation of product to various customers. B&E International is currently constructing a permanent coal crushing plant on site.

The blasting of overburden and the coal seam is a delicate process because of the proximity of the mine to the N12 freeway and Transnet's oil pipeline. Blasting is carried out twice a week and Concor Opencast Mining is given a 10 minute window by the South African National Roads Agency to carry out the blast, during which period the N12 is temporarily closed. Both Concor Opencast Mining and Transnet monitor the blasts for vibration.

To date, Concor Opencast Mining has blasted 592 000 m³ of overburden and coal 229 000 m³ of coal.

Robinson estimates that steady state mining will be achieved by a projected March 2012.

Mashudu Netshipale, Vlakfontein mine manager, says coal from the mine has been sold to Eskom's Tatuka power station and subsequently to the nearby Kendal power station as well as to other domestic customers.

"Our objective is to become a contracted mine to Eskom. We will continue to sell coal for blending to domestic customers, mostly other mines."

Netshipale says that at the end of October, AEMFC requested Concor Opencast Mining to increase on-site resources in order to ramp up the monthly coaling volume from 70 000 tons per month to 110 000 tons per month. He estimates life of mine as 20 years, which aligns with the company's mining licence.

Robinson equates the increased production to 1 320 million ton of coal per year compared with the original tender amount of 800 000 ton of coal per year.

“We started the contract with two Hitachi 32 ton excavators and 12 Bell B20 and B25 ADTs. We have expanded the fleet by adding two Liebherr 55 ton excavators and a 60 ton Komatsu, and seven 35 ton Volvo ADTs and four 40 ton Volvos ADTs. Additional equipment on site included three bulldozers - a Cat D6, a Bell 850 and a Komatsu 375 - two 18 000 l Bell water tankers, a Cat 140H grader and a pneumatic breaker. About 70% of the fleet is Concor Opencast Mining equipment while the balance comprises hired equipment, including operators.”

Pit life in phase one at current take-off rates is an estimated five years. Phase two, comprising mining of the entire 587 ha project area and including the central and northern reserve, extends life of mine to the stipulated 20 years.

PIC 01 : Quantities of interburden material between the coal seams being removed from the box cut by Concor Opencast Mining fleet at the new Vlakfontein coal mine near Ogies in Mpumalanga.

PIC 02 : Quantities of interburden material between the coal seams being removed from the box cut by Concor Opencast Mining fleet at the new Vlakfontein coal mine near Ogies in Mpumalanga.

PIC 03 : The new Vlakfontein opencast mine is contracted to supply coal to Eskom's Kendal power station visible in the background.

PIC 04 : Concor Opencast Mining has beefed up its fleet at the Vlakfontein coal mine at Ogies to meet a demand for increased coal supplies for Eskom and other domestic customers.

PIC 05 : This schematic shows the first phase of mining taking place at the Vlakfontein opencast coal mine. The first box cut, currently being undertaken by Concor Opencast Mining on behalf of African Exploration Mining and Finance Corporation (AEMFC), is indicated by the first V at left. The N12 freeway borders the mine site on the left while Transnet's oil pipeline runs along the mine border at the top of the schematic and along the right hand side.

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FROM : CORALYNNE & ASSOCIATES
TEL : +27 011 422 1949
EMAIL : coralyn@onwe.co.za

FOR : JACO VAN DER BIJL
CONCOR OPENCAST MINING
TEL : +27 011 495 2222