LCM AWARDS BG GLOBAL RIGHTS OF SALE

"A diversified international investment firm with a global perspective for global excellence"

BG Global (Pty) Limited secures legal rights to sell in part or the entire issued share capital of the four billion tonnes coal and power project for on behalf of Lephalale Coal Mines, a subsidiary of the Masimong Group Holdings (Pty) Limited.

BG Global Proprietary Limited ("BG") is pleased to announce the conclusion of a transaction advisory agreement between BG Global and Lephalale Coal Mines to sells the entire issued share capital held by Masimong Group Holdings in the Lephalale Coal and Power Project ("LCCP").

The LCCP is a thermal coal bearing, low strip ration coal bearing reserve, located 20km North East of the town of Lephalale in the Limpopo region. • Comprises typical Karoo-type stratigraphy, • Upper 'barcode' Sequence, and Lower distinct coal seams, • Resources confined to 9 farms being limited by basin edge, sub-cropping and confidence – as opposite.

Resource estimate comprises:

- Total Seam Tonnage (Coal and intra-seam dirt) of 2.42 Billion tonnes,
- Gross Tonnes In-Situ [GTIS] @RD1.9 of 0.96 Billion tonnes, and
- Total Tonnes In-Situ [TTIS] after application of geological losses at 0.76 Billion tonnes.

Key Highlights:

- Lephalale Coal Mines (Pty) Ltd ('LCM') possess rights to two prospecting rights comprising twelve separate farms,
- Five of farms have existing borehole information gathered during previous exploration programmes conducted in 2009, 2010, 2012, and 2017, collectively the assets are referred to as the Lephalale Coal & Power Project,
- Estimated 594 Mt Inferred/Indicated TTIS Resources to supply 6 Mtpa ROM coal for 20 CV power product,
- Expected to product 6Mtpa ROM for a 21CV power product to an Independent Power Producer, Eskom and/or export market,
- Current stage of development is at Pre Feasibility phase and plans to undertake to carryout Definitive Feasibility phase in 2019.

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Permitting:

- Mining Right Application submitted H2/2017 and await approval end 2018,
- Environmental Authorization submitted H1/2017 and awaits approval,
- Waste Management Licence Authorisation (WML) submitted H3/2017 and awaits approval,
- ·Integrated Water Use Licence (IWUL) 1st phase completed for submission H4/2018,
- Heritage Permit submitted to SAHRA with no further action required, awaits granting post EA granting,
- Atmospheric Emission License (AEL), not required after after EIA studies completion.

Lead Author
Banzi Giyose

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