ASX Release

Monday 8 December 2014

ASX: ACB

JORC COMPLIANT COAL RESOURCE AT FOLEY

A-Cap Resources Limited (“A-Cap” or the “Company”) is pleased to announce a maiden JORC compliant coal resource at its Foley prospect. Recent drilling has now successfully defined a resource within a portion of this field of 148 million tonnes of coal (total tonnes in situ (TTIS)).

Highlights of the resource estimate include:

- A coal resource of 148 million tonnes TTIS estimated in accordance with the JORC Code
- 66.6 million tonnes TTIS in the SS Seam¹ at an average yield of 78.25% to meet current specifications used for power elsewhere in Southern Africa
- Shallow deposit with maximum seam depth of 57m
- Total Indicated TTIS Resource of 71 million tonnes of which 29.9 million tonnes is in the SS Seam
- Coal suitable for feed without beneficiation for specifically designed domestic power station.
- Drilling targeted a small area of the prospective area indicating the potential for resource growth in line with expanding infrastructure
- Coal is within close proximity to road, rail and power with no settlements within the resource area
- Further evaluation work on the resource and potential reserves and its quality and development options are progressing with Sedgman South Africa

A-Cap’s CEO Paul Thomson stated “A-Cap’s focus was to fast track this deposit to mining studies, by drilling out a small portion or the prospective area to identify at least 25 million tonnes of Indicated Resource. This recently completed drilling program has achieved the targeted tonnages and added significant value to the Foley prospect. The quantum of the Indicated coal Resource is enough to support an initial mine life for both an export scenario at one million tonnes per annum and a supply source for a coal-fired power station. Current infrastructure constraints in Botswana will allow one to two million tonnes per annum projects to come on line in the short term, if the commodity price is right. Later as the infrastructure capacity in Botswana grows, the coal resource on our tenements still has the potential to grow with it as we still retain significant exploration potential”.

¹Seam nomenclature adopted from African Energy Resources’ (ASX: AFR) resource announcements to avoid duplication of naming.
Resource Description

In May this year the Bolau Coal Study, which encompassed the Bolau and Foley prospects, was completed by Sedgman South Africa. This study was commissioned to assess the potential for development of the Bolau Coal Project covering geology, engineering and marketing. The study was positive and highlighted the project’s potential and recommended further drilling and analyses.

The recently completed drilling campaigns at Bolau followed this recommendation, focusing on defining an Indicated Resource on the basal seam of the shallow up dip extension of African Energy Resources’ (AFR) Sese Coal deposit (‘Sese’), known as Foley, and the down dip extension of the Sese deposit, known as Bolau (Figure 1).

![Figure 1: Bolau Coal Study location map](image-url)
The density of drilling over the entire tenement area is insufficient to calculate a global resource and initial resource definition efforts have focussed on Foley (Figure 2). All of the seven new drill holes in this area intersected the coal sequence hosting the Sese Main Seam, which is made up of the basal SS Seam, followed by the SST Seam and finally the SSU Seam, totalling a package of approximately 20m thick (Figure 3). The seams are almost horizontal with a gentle dip (<0.5°) to the south and localised undulations (Figure 3).

Figure 2: Plan showing August 2014 drilling locations
All of the drill holes were geophysically logged and the coal seams were modelled in order to estimate resource tonnages. In Situ Coal Tonnes at Foley total 148 million tonnes (Table 1), of which 71 million tonnes is classified as Indicated (Table 3). The resource drilling covers a small percentage of the tenement area allowing for potential upside to the current declared resource tonnage.

Table 1: Foley Coal Resources

<table>
<thead>
<tr>
<th>SEAM</th>
<th>THICKNESS (m)</th>
<th>VOLUME (m3)</th>
<th>GTIS (Gross Tonnes In-Situ)</th>
<th>RD (Relative Density)</th>
<th>GEOLOGICAL LOSS (%)</th>
<th>TTIS (Total Tonnes In-Situ)</th>
<th>CATEGORY</th>
</tr>
</thead>
<tbody>
<tr>
<td>SS</td>
<td>6.84</td>
<td>21 970 000</td>
<td>35 246 000</td>
<td>1.60</td>
<td>15%</td>
<td>29 959 000</td>
<td>INDICATED</td>
</tr>
<tr>
<td>SST</td>
<td>7.45</td>
<td>20 291 000</td>
<td>36 123 000</td>
<td>1.78</td>
<td>15%</td>
<td>30 705 000</td>
<td>INDICATED</td>
</tr>
<tr>
<td>SSU</td>
<td>3.17</td>
<td>6 675 000</td>
<td>12 174 000</td>
<td>1.82</td>
<td>15%</td>
<td>10 348 000</td>
<td>INDICATED</td>
</tr>
<tr>
<td>TOTAL INDICATED</td>
<td></td>
<td>83 543 000</td>
<td>71 012 000</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SS</td>
<td>7.07</td>
<td>30 390 000</td>
<td>48 930 000</td>
<td>1.61</td>
<td>25%</td>
<td>36 700 000</td>
<td>INFERRED</td>
</tr>
<tr>
<td>SST</td>
<td>7.08</td>
<td>2 360 000</td>
<td>39 580 000</td>
<td>1.77</td>
<td>25%</td>
<td>29 690 000</td>
<td>INFERRED</td>
</tr>
<tr>
<td>SSU</td>
<td>3.02</td>
<td>7 820 000</td>
<td>14 230 000</td>
<td>1.82</td>
<td>25%</td>
<td>10 670 000</td>
<td>INFERRED</td>
</tr>
<tr>
<td>TOTAL INFERRED</td>
<td></td>
<td>102 740 000</td>
<td>77 060 000</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TOTAL FOLEY RESOURCES</td>
<td></td>
<td>186 283 000</td>
<td>148 072 000</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Cut-offs applied: >1m seam thickness, <50% ash and >8MJ/Kg CV.
High geological loss applied due to occurrence of dolerite intrusions.
Tonnes rounded according to resource confidence (Ind = 1000; Inf = 10,000).
Figure 4: SS Seam JORC Resource Classification

Raw qualities are reported on an air-dried basis, and indicate potential for the SS Seam to be suitable for raw feed to a power plant (Table 2).

Table 2: Foley Raw Coal Qualities (air dried basis)

<table>
<thead>
<tr>
<th>SEAM</th>
<th>TTIS (Total Tonnes In-Situ)</th>
<th>IM (%) (Inherent Moisture)</th>
<th>AS (%) (Ash Content)</th>
<th>VM (%) (Volatile Matter)</th>
<th>FC (%) (Fixed Carbon)</th>
<th>CV (Calorific Value) (MJ/Kg)</th>
<th>TS (%) (Total Sulphur)</th>
<th>CATEGORY</th>
</tr>
</thead>
<tbody>
<tr>
<td>SS</td>
<td>29 959 000</td>
<td>7.62</td>
<td>26.32</td>
<td>21.66</td>
<td>44.40</td>
<td>19.2</td>
<td>2.1</td>
<td>INDICATED</td>
</tr>
<tr>
<td>SST</td>
<td>30 705 000</td>
<td>5.19</td>
<td>43.33</td>
<td>18.12</td>
<td>33.36</td>
<td>13.7</td>
<td>1.5</td>
<td>INDICATED</td>
</tr>
<tr>
<td>SSU</td>
<td>10 348 000</td>
<td>5.30</td>
<td>47.26</td>
<td>18.58</td>
<td>28.86</td>
<td>11.9</td>
<td>2.8</td>
<td>INDICATED</td>
</tr>
<tr>
<td></td>
<td>71 012 000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SS</td>
<td>36 700 000</td>
<td>7.56</td>
<td>25.48</td>
<td>21.87</td>
<td>44.97</td>
<td>19.5</td>
<td>2.3</td>
<td>INFERRED</td>
</tr>
<tr>
<td>SST</td>
<td>29 690 000</td>
<td>4.69</td>
<td>41.96</td>
<td>16.15</td>
<td>35.81</td>
<td>14.4</td>
<td>1.5</td>
<td>INFERRED</td>
</tr>
<tr>
<td>SSU</td>
<td>10 670 000</td>
<td>5.38</td>
<td>46.89</td>
<td>18.42</td>
<td>29.26</td>
<td>12.1</td>
<td>2.4</td>
<td>INFERRED</td>
</tr>
<tr>
<td></td>
<td>77 060 000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Cut-offs applied: >1m seam thickness, <50% ash and >8MJ/Kg CV.
Raw qualities reported on an air-dried basis
Tonnes rounded according to resource confidence (Ind = 1000; Inf = 10,000).
Once beneficiated, the quality of the coal improves to a potential export product, with increased Calorific Value (‘CV’), lower Total Sulphur (‘TS’) and a promising yield. The yields averaged in Table 3 for the SS seam from the individual drill holes range from 66.8% to 85.7% at a 1.70 float fraction.

Table 3: Foley Coal Resource Washed Qualities

<table>
<thead>
<tr>
<th>SEAM</th>
<th>TTIS (Total Tonnes In-Situ)</th>
<th>IM (%) (Inherent Moisture)</th>
<th>AS (%) (Ash Content)</th>
<th>VM (%) (Volatile Matter)</th>
<th>FC (%) (Fixed Carbon)</th>
<th>CV (Calorific Value) (MJ/Kg)</th>
<th>TS (%) (Total Sulphur)</th>
<th>YIELD (%)</th>
<th>RESOURCE CATEGORY</th>
</tr>
</thead>
<tbody>
<tr>
<td>SS</td>
<td>29 959 000</td>
<td>6.53</td>
<td>20.41</td>
<td>23.41</td>
<td>54.58</td>
<td>21.1</td>
<td>0.3</td>
<td>77.54</td>
<td>INDICATED</td>
</tr>
<tr>
<td>SST</td>
<td>30 705 000</td>
<td>5.65</td>
<td>26.86</td>
<td>21.17</td>
<td>46.32</td>
<td>19.3</td>
<td>0.2</td>
<td>39.10</td>
<td>INDICATED</td>
</tr>
<tr>
<td>SSU</td>
<td>10 348 000</td>
<td>5.89</td>
<td>23.83</td>
<td>25.25</td>
<td>45.03</td>
<td>20.1</td>
<td>0.5</td>
<td>26.36</td>
<td>INDICATED</td>
</tr>
<tr>
<td></td>
<td>71 012 000</td>
<td>6.06</td>
<td>23.70</td>
<td>22.71</td>
<td>49.62</td>
<td>20.2</td>
<td>0.3</td>
<td>53.46</td>
<td></td>
</tr>
<tr>
<td>SS</td>
<td>36 700 000</td>
<td>5.09</td>
<td>20.03</td>
<td>23.41</td>
<td>54.93</td>
<td>21.3</td>
<td>0.3</td>
<td>78.82</td>
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<tr>
<td>SST</td>
<td>29 690 000</td>
<td>5.09</td>
<td>27.00</td>
<td>19.60</td>
<td>47.47</td>
<td>19.5</td>
<td>0.2</td>
<td>41.34</td>
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<tr>
<td>SSU</td>
<td>10 670 000</td>
<td>5.72</td>
<td>24.90</td>
<td>24.75</td>
<td>44.59</td>
<td>20.0</td>
<td>0.4</td>
<td>29.06</td>
<td>INFERRED</td>
</tr>
<tr>
<td></td>
<td>77 060 000</td>
<td>5.18</td>
<td>23.39</td>
<td>22.13</td>
<td>50.62</td>
<td>20.4</td>
<td>0.3</td>
<td>57.49</td>
<td></td>
</tr>
</tbody>
</table>

Cut-offs applied are >1m seam thickness, <50% ash and >20MJ/Kg CV.

Washed cumulative qualities reported for the 1.7 float fraction
Tonnes rounded according to resource confidence (Ind = 1000; Inf = 10,000).

While A-Cap is approaching development of its coal assets within existing transport capacity, the projects have potential to scale-up as further transport infrastructure is established. Holes drilled during uranium exploration in 2011, at a distance of approximately 6km to the east of Foley intersected a similar coal-bearing sequence. This area is immediately north of AFR’s ‘Block C’ measured resource. The Botswana Government has been proactive in paving the way for future infrastructure upgrades in the short term to Richards Bay and has recently signed the Trans Kalahari Railway (TKR) agreement with Namibia to deliver a dedicated high volume rail to Walvis Bay, with feasibility studies currently underway. The government and industry are also proactively engaging the Mozambique and Republic of South Africa rail entities regarding further increases in capacity.
Summary

A-Cap has successfully delineated an Indicated Coal Resource in order to fast track this project towards development. The resource size is now at a critical tonnage to allow a meaningful mine life to be considered. The resource is considered to be thermal coal with potential for a local power station project and export quality for consumption in the Southern Africa region and also to the seaborne coal market.

A-Cap is progressing the studies with Sedgman South Africa to look at potential mining studies and markets within the bounds of forecast coal prices.

***Ends***

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Paul Callander, Business Development + 61 8 9220 9850

JORC CODE COMPETENCY DECLARATION

The information presented in this report is based on a geological model that was produced in October 2014. Mrs L. de Klerk (BSc, MSc, Pr.Sci. Nat No. 400090/08, GSSA), Managing Director and Geologist with DK Exploration cc produced this model and has determined coal resource estimates for PL125/2009.

Mrs de Klerk has over 12 years industry experience involving modelling and assessing coal resources, which is sufficient relevant experience for the style of mineralisation and type of deposit under consideration and to the activity to which she is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the ‘Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves’. Mrs de Klerk consents to the inclusion in the report of the matters based on information in the form and context in which it appears.
Table 4: List of bore hole intersections

<table>
<thead>
<tr>
<th>Hole</th>
<th>Easting *</th>
<th>Northing *</th>
<th>RL</th>
<th>Final Depth</th>
<th>Dip</th>
<th>Azimuth</th>
<th>Top of seam</th>
<th>Bottom of seam</th>
</tr>
</thead>
<tbody>
<tr>
<td>FODD0012</td>
<td>503513.3</td>
<td>7621513.61</td>
<td>989.45</td>
<td>52.1</td>
<td>-90</td>
<td>0</td>
<td>23.2</td>
<td>37.1</td>
</tr>
<tr>
<td>FODD0013</td>
<td>504184.8</td>
<td>7621864.28</td>
<td>988.18</td>
<td>43.1</td>
<td>-90</td>
<td>0</td>
<td>11.73</td>
<td>35.4</td>
</tr>
<tr>
<td>FODD0014</td>
<td>503027</td>
<td>7621937.97</td>
<td>989.85</td>
<td>66.8</td>
<td>-90</td>
<td>0</td>
<td>37.8</td>
<td>56.9</td>
</tr>
<tr>
<td>FODD0015</td>
<td>505258.5</td>
<td>7620955.29</td>
<td>983</td>
<td>42.4</td>
<td>-90</td>
<td>0</td>
<td>24.15</td>
<td>42.4</td>
</tr>
<tr>
<td>FODD0016</td>
<td>504632.7</td>
<td>7621468.83</td>
<td>985.25</td>
<td>49</td>
<td>-90</td>
<td>0</td>
<td>16</td>
<td>39.2</td>
</tr>
<tr>
<td>FODD0017</td>
<td>505224.7</td>
<td>7621696.83</td>
<td>985.63</td>
<td>39</td>
<td>-90</td>
<td>0</td>
<td>11.73</td>
<td>29.9</td>
</tr>
<tr>
<td>FODD0018</td>
<td>505263.8</td>
<td>7620910.54</td>
<td>982.95</td>
<td>51.4</td>
<td>-90</td>
<td>0</td>
<td>31.3</td>
<td>45.35</td>
</tr>
</tbody>
</table>

* Coordinate system WGS 84 zone 35S

Table 5: Checklist of Assessment and Reporting Criteria

Section 1

Sampling Techniques and Data

- Whole core samples were taken according to lithology determined by downhole density logs.
- Minimum sample length of 0.30m.
- Maximum coal sample length of 3m.
- Sedimentary partings <0.5m sampled with the coal sample.
- Sedimentary partings >0.5m sampled separately.

Drilling techniques

- PCD drilling from surface to the top of the coal zone as determined by on-site Project Geologist.
- HQ diameter diamond core drilling through the coal zone to the EOH.
- All boreholes drilled vertically.

Drill sample recovery

- All drilling equipment measured to obtain precise depths.
- No hammering of core barrel allowed.
- Recovery logs compared with downhole geophysical log.
- Coal quality related to core recovery due to loss of vitrinite if core loss.
- 95% core recovery through the coal zone required. If not possible the boreholes is re-drilled so as to avoid sample bias.

Logging

- All core logged by qualified Project Geologist. Data recorded included interval from, to, lithology, stratigraphy, weathering, contacts, structures, mineralization.
- Logging is quantitative and all intervals were logged.
- Detailed sample logging carried out on longitudinally split coal horizons.
- All core photographed.

Sub-sampling techniques and sample preparation

- Core was split longitudinally with hammer and chisel for detailed coal logging. Whole core sampled.
- Trowel and paint brush used in core tray to ensure all particles of coal were sampled and bagged.
- Samples were sealed in thick plastic bags and stored in a cool dry area prior to dispatch to the lab.
| Quality of assay data and laboratory tests | Samples analysed at SANAS accredited Bureau Veritas laboratory in Middleburg, South Africa.  
Moisture (%) WI-IML- T4 Moisture in Analysis sample (Based on SANS 5925)  
Volatile Matter (%) WI-IML-T4 Volatile (Based on ISO 562)  
Ash (%) WI-IML-T4 Ash Determination (Based on ISO 1171)  
Total Sulphur (%) WI-IML - T4 Sulphur (Based on ASTM: D4239)  
Gross CV (MJ/Kg) WI-IML - T4 CV (Based on ISO 1928)  
Apparent Relative Density AS 1038 : 26 - 2005  
Float and Sink ISO 7936  
Particle size ISO 1953  
True Relative Density BV-CTD-T4-WI-TRD  
sample Preparation WI-IML - T7 (Based on ISO 18283 Part 8)  
Fixed Carbon (%) By Difference |
| Verification of sampling and assaying | Independent verification was not undertaken at the time of the drilling programme  
Primary data stored at the A-Cap offices in Francistown. Data entered and validated in GBIS by Datamatix. |
| Location of data points | All boreholes pegged by the Project Geologist using a hand held GPS. Subsequent to drilling the boreholes are surveyed by A-Cap using a differential GPS.  
Downhole geophysical logging conducted by A-Cap recording calliper, natural gamma, long-wave density and short-wave density  
All boreholes surveyed in WGS84 datum UTM Zone 35 South projection.  
Surface topography created from borehole collars is considered adequate. |
| Data spacing and distribution | The drilling programme totalled 7 diamond core boreholes and 343.8m of core.  
The spacing between boreholes with qualities ranges from 650-850m and is considered appropriate for the resource classification.  
Boreholes are distributed evenly across the resource area.  
Composites of samples within individual boreholes has been applied but not across boreholes. |
| Orientation of data in relation to geological structure | Boreholes were not drilled on a grid.  
Boreholes were drilled vertically, the seams are almost horizontal with a <0.5° dip to the south.  
The orientation of drilling is considered appropriate to the deposit |
| Sample security | Samples were bagged and tagged on site and dispatched by road to the laboratory in South Africa.  
A sample submission document was signed by the Project geologist, the truck driver and the laboratory.  
All sample preparation and analysis was completed under supervision of the independent and accredited laboratory. |
| Audits or reviews | No audits or reviews have been conducted on the sampling techniques and data other than internal and validations carried out by the CP. |
Section 2  Reporting of Exploration Results

Mineral tenement and land tenure status
The drilling is located on exploration Licence P125/2009, it requires renewal by 31st December 2014. It can be reviewed for 7 years from the year it was granted (2009).

Prospecting License number PL125/2009 covers an area of 29,803Ha.

Exploration done by other parties
Only A-Cap have conducted exploration on this portion of Foley for coal, however it is adjacent the African Energy Sese deposit.

Numerous exploration programmes are ongoing in the surrounding vicinity.

Geology
Foley is located in the east of the Kalahari Basin that stretches from south-west to north-east across Botswana.

The coal package occurs in the Tlapana Formation, made up of carbonaceous mudstone, coal and sandstone.

The target coal seam on Foley is referred to as the Sese Main Seam and is made up of three separate coal plies that form an approximate 20m thick package named from the bottom up as the SS, SST and SSU Seams.

The SS Seam is on average 6.83m thick and is the best quality of the three plies.

The SST Seam is on average 7.95m thick and the SSU Seam is on average 3.50m thick.

The seams are almost horizontal with a gentle dip (<0.5°) to the south and localized undulations.

Drill hole information
7 new diamond HQ size drillholes were drilled on Foley in 2014.

See table 4

Data aggregation methods
<50% ash content and >0.5m seam thickness cut-off criteria were applied.

Weighted averages were calculated using the sample length.

Relationship between mineralization widths and intercept lengths
Since the seams and horizontal the apparent thickness and true thickness are considered to be the same

Diagrams
See ASX release or Geological Report.

Balanced reporting
Sese Main Seam thickness ranges from 13.9-23.67m

Raw CV values range from 11.55-20.72MJ/Kg across the three plies.

Other substantive exploration data
Downhole density wireline logs were conducted on all of the drill holes and used for seam correlation and core recovery checks.

Regional aeromagnetic images were used to estimate positions of dolerite intrusions.

Further work
No additional work is currently planned.

Section 3  Estimation and Reporting of Mineral Resources

Database integrity
The drillhole database was captured on site by the project geologist into Excel.

The Excel database was imported into GBIS and validated, checking the following:

- collar coordinates
- from-to overlaps in the lithological and sampling logs
- missing values in the lithological and sampling logs
### Site visits
The Competent Person was involved with the design of the drilling programme and the logging and sampling procedures. Several site visits were conducted throughout the project.

### Geological interpretation
Initial seam correlation was carried out by the Project geologist based on their experience.

The CP conducted detailed seam correlation as part of the modelling process using the downhole wireline logs, seam qualities and cross-sections drawn across the project area.

An interpreted surface for the level of weathering was created.

The resources were cut towards the north of the project due to level of weathering. It was assumed the seams were weathered in this direction based on drillhole information, however there might be upside potential for unweathered coal in this area as the surface topography changes.

The extension of seams beyond drillhole intersections is based on information from neighbouring properties.

Basic statistics were used to check the seam correlations, including histograms and scatterplots.

### Dimensions
The coal seams extend across the entire project area with the exception of erosion from weathering.

The extents of the seams in the project area are 6.3km strike by 1.1km.

### Estimation and modelling techniques
Micromine modelling software was used to create the geological model and resource estimation.

Seam roof and floor surfaces were gridded using inverse distance squared algorithm and a search radius of 2000m.

A grid cell size of 50 x 50 was applied and the minimum and maximum extents are as follows:

<table>
<thead>
<tr>
<th>Min</th>
<th>Max</th>
</tr>
</thead>
<tbody>
<tr>
<td>X 500849.24</td>
<td>Y 7618791.47</td>
</tr>
<tr>
<td>X 507849.24</td>
<td>Y 7624091.47</td>
</tr>
</tbody>
</table>

The roof and floor surfaces were viewed in comparison with the drillhole intersections to ensure correct correlation.

The roof and floor surfaces were used to create solid wireframes which were then cut according to the seam extents.

Volumes for the solid wireframes for each seam were used together with the average modelled RD per seam to create a tonnage for each seam.

No previous resource estimations have been carried out for this specific portion of the project in isolation.

The waste parting between the SSU and SST seams has not been modelled.
| **Moisture** | Due to the lack of information needed to model dolerite intrusions, a high geological loss was applied when converting GTIS to TTIS. |
| **Cut-off parameters** | All results are reported on an air-dried basis. |
| **Cut-off parameters** | Cut-off parameters described below were applied: |
| | - >1m seam thickness |
| | - <50% ash content |
| | - >8MJ/Kg raw CV |
| **Mining factors or assumptions** | Throughout modelling the possible mining method was considered. |
| | The deposit is shallow and opencast extraction was deemed appropriate. |
| | Due to the thickness of the seams and the waste parting, selective mining of each ply was believed to be appropriate and as such each seam is reported separately. |
| | A competent mining engineer converted TTIS to MTIS applying appropriate assumptions. |
| | As part of this process a preliminary review of the stripping ratios was also conducted. The average stripping ratio is estimated at 1:3 |
| **Metallurgical factors or assumptions** | Based on knowledge of the neighbouring properties coal deposits (as reported in the public domain), the coal at Foley was considered for beneficiation. |
| | Resources have been reported for both raw and washed coal |
| | A washed coal product of >20MJ/Kg CV was targeted. |
| | Additional work on the metallurgical factors is being conducted by Sedgman. |
| **Environmental factors or assumptions** | No environmental work has been carried out as part of this project. |
| | The surface at Foley is dominated by stunted Mopane woodland and no major environmental issues have been noted. |
| | Additional environmental work is required. |
| **Bulk Density** | There is no bulk density data for the Foley Project. |
| | The Relative Density values used for tonnage estimation were those reported by the laboratory, which were then modelled in Micromine. |
| **Classification** | Boreholes with quality data only have been used as Points of Observation for Resource Classification. |
| | Due to the continuous nature of the coal seams and low variability in seam quality, the use of 1000m spacing is deemed an appropriate guideline for Indicated Resources and 4000m for Inferred Resources. |
| | All of the data used for the resource estimation has been drilled by A-Cap and validated by the CP and is considered reliable. |
| | The results appropriately reflect the view of the CP. |
| **Audits or reviews** | No independent reviews or audits have been completed on the Coal Resource estimated. |
| **Discussion of relative accuracy/confidence** | The estimation is a local estimation suitable for use in conversion to Coal Reserves. |