

# ICHORCOAL TO FIRST BLAST AT HISTORIC USUTU COLLIERY

Feb 22, 2016

Ichor Coal N.V. is delighted to announce that on February 11, 2016 Vunene Mining initiated the first underground blast at the Usutu Colliery in 25 years. IchorCoal owns 74% of Vunene.

Vunene's Usutu Colliery is about 200km southeast of Johannesburg in the Ermelo region. In the 70's and 80's, Usutu Colliery was the largest single producer of coal in South Africa, with a monthly production of around 450,000 tonnes.

In 1991, the underground mine was stopped when Eskom's nearby Camden Power Station, the single client of Usutu, was mothballed.

Vunene Mining has been carrying out care and maintenance activities on behalf of Eskom for a number of years, developing a sound knowledge of the existing infrastructure, the geology and the long term opportunities for the mine.

"What the Vunene team achieved on 11 February marks the beginning of a new era in the life of Usutu which will enable us to meaningfully contribute to all our stakeholders for many years to come," said George Ponni, General Manager, Vunene Mining.

Camden was re-commissioned under Eskom's 'return to service programme during the years 2006 to 2008 when a number of mothballed power stations were brought back to service.

Production will start in March – on time and on budget – and the underground operations will eventually replace the opencast mining blocks.

The coal of Vunene Mining is renowned for its quality making it suitable for both the local and international markets.

IchorCoal's non-Eskom production is marketed by HMS Bergbau Africa (Pty) Ltd

