



FORBES COAL

FORBES COAL REPORTS FY2013 FINANCIAL RESULTS PROVIDES OUTLOOK FOR FISCAL 2014

TORONTO, ONTARIO – May 30, 2013: Forbes & Manhattan Coal Corp. (TSX/JSE: FMC) (“Forbes Coal” or the “Company”) reports its financial results for the fiscal year 2013 (the 12 month period ended February 28, 2013). Revenue was \$68.5 million, gross profit was \$0.9 million and consolidated EBITDA was (\$0.8) million as summarized in the table below.

Year End Financial Results

	Fiscal 2013 (12 months ended Feb 28, 2013)	Fiscal 2012 (12 months ended Feb 29, 2012)
Revenue	\$68.5 million	\$104.5 million
Gross profit	\$0.9 million	\$17.4 million
Consolidated EBITDA	(\$0.8) million	\$22.5 million
Cash and cash equivalents	\$3.0 million	\$9.5 million

The decline in coal revenues during the twelve months ended February 28, 2013 to \$68.5 million were attributable to a decline in the coal price index in Q1 and Q2 2013 and to labour disruptions in Q3 2013. The average selling price per coal tonne decreased in the twelve month fiscal period from \$96.59 per tonne in the 2012 financial year compared to \$81.87 per tonne for the 2013 financial year due to a softening export coal price. Operating expenses for the twelve months ended February 28, 2013 were \$58.58 million (\$70.02 per tonne) compared to \$71.06 million (\$65.69 per tonne).

Stephan Theron, President and Chief Executive Officer of Forbes Coal, commented, “A softening export coal market combined with lower production due to the labour disruption in Q3, 2013 were the main factors impacting our profitability for Fiscal 2013. We were able to reduce our operating expenses which provided some relief and cost containment will remain a priority for the Company. We are pleased to report that production losses as a result of the labour disruption were offset by a record production month in February 2013 with a total of 151,000 tonnes of coal produced, a significant achievement over the 117,000 tonne monthly average of the last 12 months. Run of mine production at Magdalena grew 29% year over year in the fourth quarter. We remain focused on our plans to expand production at both properties and to keep operational costs down”.

Quarterly and Annual Production Highlights

Tonnes	Fourth Quarter 2013	Fourth Quarter 2012	% change	Fiscal 2013	Fiscal 2012	% change
Magdalena (*) Run of Mine	278,600	214,800	+ 29%	1,009,180	1,009,600	< 1%
Aviemoire Run of Mine	85,600	88,200	- 3%	402,583	281,244	+ 43%
Total Run of Mine	364,100	303,000	+20%	1,411,773	1,290,799	+ 9%
Magdalena Saleable	167,600	171,300	- 2%	702,745	748,000	- 6%
Aviemoire Saleable	57,500	52,600	+9%	255,300	175,700	+45%
Total Saleable	225,100	223,900	+1%	958,054	923,700	+4%

*includes purchased

Quarterly and annual production highlights from the table above include:

- Total run of mine (ROM) production from all operations for fiscal 2013 was 1,411,773 tonnes, a 9% increase compared to 1,290,799 tonnes produced in 2012
- ROM production from Magdalena in 2013 was 1,009,180 tonnes, on par when compared to fiscal 2012
- ROM production at Aviemoire in 2013 was 402,583 tonnes, a 43% increase compared to 281,244 tonnes produced in 2012
- Total ROM production for the fourth quarter increased 20% over the fourth quarter of fiscal 2012 to 364,100 tonnes but was below targeted ROM production of 467,501 tonnes as originally budgeted prior to the labour disruptions and was also impacted by difficult geology, interruptions in the power supply and high target tonnages for a stone section in Magdalena
- Total saleable coal for the twelve months ended February, 28, 2013 was 958,054 tonnes (including bought in coal), a 4% increase compared to 923,697 saleable tonnes in the twelve months ended February 29, 2012, as a result of increased ROM production.

Fiscal 2014 Outlook and Strategy

The Company's strategic goals in fiscal 2014 are to advance and expand production at the Forbes Coal Dundee Properties by further developing Magdalena and Aviemoire, by increasing wash plant recovery rates and by improving operational efficiencies. The overall fiscal 2014 saleable production target is 1,145,000 tonnes of coal, an increase of 20% over the saleable production reported for fiscal 2013.

In order to achieve these goals, Forbes Coal will work to increase productivity and production capacity at Magdalena through operational efficiency initiatives. The Company is targeting to achieve saleable production of 845,000 tonnes at Magdalena and 300,000 tonnes of saleable production at Aviemoire for fiscal 2014 and has outlined a number of initiatives to accomplish this goal in its Management Discussion and Analysis released on May 29, 2013.

SUMMARIZED FINANCIAL RESULTS OF FORBES COAL DUNDEE

	Three months ended			Twelve months ended	
	November 30, 2012	February 28, 2013	February 29, 2012	February 28, 2013	February 29, 2012
Run of Mine (ROM) (t)	246,002	364,145	303,029	1,411,773	1,290,799
Run of Mine (ROM) coal purchased (t)	-	-	10,685	1,569	32,345
Saleable production (t)	152,013	214,044	204,310	867,245	876,793
Saleable coal purchased, including adjustment (t)	24,936	11,055	19,591	90,809	46,904
Plant feed (t)	239,450	365,008	321,502	1,397,096	1,316,673
Yield (%) on plant feed	63.5%	58.6%	63.5%	62.1%	66.6%
Inventory tonnes balance open	80,407	102,924	38,258	41,109	189,778
Inventory tonnes balance close	102,924	162,479	41,109	162,479	41,109
Sales (t)	146,559	168,913	219,889	836,655	1,081,814
Revenue 000,000's (CAD)	10.8	13.5	18.5	68.5	104.5
EBITDA 000,000's (CAD)	(1.4)	(1.6)	2.9	3.4	27.3
CAD: USD (average)	0.99	1.00	1.01	1.00	0.99
ZAR: CAD (average)	8.69	8.79	7.86	8.38	7.44
Selling price (average) / sold production tonnes (CAD)	73.91	79.77	84.11	81.87	96.59
Selling price (average) / sold production tonnes (USD)	74.81	80.02	83.19	81.97	97.43
Cash cost of sales and operating expenses 000,000's (CAD)	11.1	13.0	14.0	58.6	71.1
Cash cost of sales and operating expenses / sold production tonnes (CAD)	75.96	76.78	63.71	70.02	65.69
Cash cost of sales and operating expenses / sold production tonnes (USD)	76.89	77.02	63.01	70.11	66.25
Capital expenditures 000,000's (CAD)	1.77	1.27	2.95	6.90	20.41
Capital expenditures per t of saleable production (CAD)	11.65	5.92	14.46	7.96	23.28

Numbers in this chart are derived from the Forbes Coal Dundee stand alone financial statements (See non-IFRS measures).

NON-IFRS PERFORMANCE MEASURES

The Company has included in this document certain non-IFRS performance measures that are detailed below. These non-IFRS performance measures do not have any standardized meaning prescribed by IFRS and, therefore, may not be comparable to similar measures presented by other companies. The Company believes that, in addition to conventional measures prepared in accordance with IFRS, certain investors use this information to evaluate the Company's performance. Accordingly, they are intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared with IFRS. The definition for these performance measure and reconciliation of the non-IFRS measure to reported IFRS measures are as follows:

EBITDA - Forbes Coal consolidated

	Three months ended			Twelve months ended	
	November 30, 2012	February 28, 2013	February 29, 2012	February 28, 2013	February 29, 2012
	\$000's	\$000's	\$000's	\$000's	\$000's
Net income (loss) for the period	(4,972)	(3,361)	1,193	(10,149)	2,290
add back					
Amortization and depletion	1,993	1,436	3,428	8,974	15,783
Income tax (recovery) expense	(1,161)	(3,215)	(1,704)	(4,108)	968
Foreign exchange (gain)	-	1	578	3	(553)
Fair value adjustment on endowment policy	(140)	(117)	-	(588)	-
Interest and dividend expense (income)	588	20	(105)	1,597	722
Change in estimates on contingent acquisition liability	-	-	(545)	-	(425)
Accretion	-	-	(1,856)	-	(316)
Business combination transaction costs	273	2,660	-	2,933	24
Stock based compensation	6	3	590	38	2,586
Loss on share-based payments	-	-	(26)	-	1,462
Unrealized (gain) on marked-to-market securities	27	(3)	(15)	509	(69)
EBITDA Forbes Coal Consolidated	(3,386)	(2,576)	1,538	(791)	22,472

EBITDA - Forbes Coal Dundee stand alone

	Three months ended			Twelve months ended	
	November 30, 2012	February 28, 2013	February 29, 2012	February 28, 2013	February 29, 2012
	\$000's	\$000's	\$000's	\$000's	\$000's
Net income (loss) for the period	(4,972)	(3,361)	1,193	(10,149)	2,290
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Interest and dividend expense (income)	588	20	(105)	1,597	722
Change in estimates on contingent acquisition liability	-	-	(545)	-	(425)
Accretion	-	-	(1,856)	-	(316)
Business combination transaction costs	273	2,660	-	2,933	24
Mineral properties investigation costs (Non FC Dundee)	2	598	127	614	317
Stock based compensation	6	3	590	38	2,586
Loss on share-based payments	-	-	(26)	-	1,462
Unrealized loss (gain) on marked-to-market securities	27	(3)	(15)	509	(69)
General and administration (Non FC Dundee)	1,957	364	1,240	3,619	4,560
EBITDA Forbes Coal Dundee	(1,427)	(1,614)	2,905	3,442	27,349

About Forbes Coal

Forbes Coal is a growing coal producer in southern Africa. It holds a majority interest in two operating mines through its 100% interest in Forbes Coal (Pty) Ltd., a South African company ("Forbes Coal Dundee") which has a 70% interest in Zinoju Coal (Pty) Ltd. ("Zinoju"). Zinoju holds a 100% interest in the Magdalena bituminous mine and the Aviemore anthracite mine in South Africa (collectively, "the Forbes Coal Dundee Properties"). The mines have a substantial resource base and each mine has a projected life span in excess of 20 years. Forbes Coal is in the process of increasing production at both mines using existing infrastructure and capacity. The company has in-place transportation infrastructure allowing its coal to reach both export corridors and the growing domestic coal market. Forbes Coal has a strong balance sheet and an experienced coal-focused management team.

Please refer to the company's NI 43-101 compliant technical report on the Forbes Coal Dundee Properties dated March 6, 2013 entitled "[Independent Qualified Persons' Report on Forbes Coal Dundee Operations In the KwaZulu-Natal Province, South Africa](#)", available on the SEDAR profile of the Company at www.sedar.com. Additional information is available at www.forbescoal.com.

Cautionary Notes:

Johan Odendaal, B.Sc.(Geol.), B.Sc.(Hons)(Min. Econ.), M.Sc. (Min. Eng.), a director of Minxcon and an independent Qualified Person, as defined in National Instrument 43-101 has reviewed and approved the scientific and technical information contained in this release. The ability of Forbes Coal to increase production amounts has not been the subject of a feasibility study and there is no certainty that the proposed expansion will be economically feasible. This press release contains “forward-looking information” within the meaning of applicable Canadian securities legislation. Forward-looking information includes, but is not limited to, statements with respect to the anticipated production results with respect to the Forbes Coal Dundee Properties, future financial or operating performance of Forbes Coal and its projects, statements regarding the anticipated improvements in logistical support and anticipated improvements in sales, statements made with respect to prospects for the business of Forbes Coal, requirements for additional capital, government regulation of the mineral exploration industry, environmental risks, acquisition of mining licences, title disputes or claims, limitations of insurance coverage and the timing and possible outcome of pending litigation and regulatory matters. Generally, forward-looking information can be identified by the use of forward-looking terminology such as “plans”, “expects” or “does not expect”, “is expected”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates” or “does not anticipate”, or “believes”, or variations of such words and phrases or state that certain actions, events or results “may”, “could”, “would”, “might” or “will be taken”, “occur” or “be achieved”. Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of Forbes Coal to be materially different from those expressed or implied by such forward-looking information, including but not limited to: general business, economic, competitive, foreign operations, political and social uncertainties; a history of operating losses; delay or failure to receive board or regulatory approvals; timing and availability of external financing on acceptable terms; not realizing on the potential benefits of the proposed transaction; conclusions of economic evaluations; changes in project parameters as plans continue to be refined; future prices of mineral products; failure of plant, equipment or processes to operate as anticipated; accidents, labour disputes and other risks of the mining industry; and, delays in obtaining governmental approvals or required financing or in the completion of activities. Although Forbes Coal has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking information. The Company does not undertake to update any forward-looking information, except in accordance with applicable securities laws.

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