



KLEINFONTEIN COLLIERY (PTY) LTD

(IN BUSINESS RESCUE)

REGISTRATION NUMBER: 2003/017639/07

**BUSINESS RESCUE STATUS REPORT IN TERMS OF SECTIONS
132 AND 141 OF THE COMPANIES ACT, 71 OF 2008 READ
WITH REGULATION 125 OF THE COMPANIES ACT FILED BY
THE BUSINESS RESCUE PRACTITIONER LDR VAN DER MERWE**

LDR van der Merwe

September 2020

1. IMPORTANT INFORMATION AND ACTIONS

	Date
Board of directors passes resolution for Business Rescue on	2020/01/16
Notice of resolution filed with CIPC on	2020/01/24
Notice to affected parties on filing for Business Rescue on	2020/01/30
Company nominated a BRP on	2020/01/24
CIPC confirmed certification of BRP on	2020/01/24
File notice to CIPC re BRP appointment on	2020/01/24
Publish notice to affected parties of BRP appointment on	2020/01/30
First meeting of creditors held on	2020/02/05
First meeting of employees held on	2020/02/05
Publish Business Plan on/ due by	2020/07/21
Publish notice of meeting to consider proposed Business Rescue Plan on	2020/07/21
Meeting to determine the future of the business held on	2020/07/31

2. CURRENT STATUS OF BUSINESS RESCUE PROCEEDINGS

Kindly note: This status report must be read together with all previous status reports and that the information contained in this status report is a record of events and/or information that have transpired subsequent to the publication of the previous month's status report:

2.1 Progress on Implementation of the Adopted Business Rescue Plan

2.1.1 Following notification to Creditors of the determination of the Claims of Creditors as required in terms of the adopted BR Plan, the BRP received notice from the following parties seeking to review such determination:

2.1.1.1 Genet Mineral processing; and

2.1.1.2 Inceku Mining.

2.1.2 Following further notice to Creditors of the intended review by the above mention parties, the BRP received notice that the following parties wish to intervene in the review of the determination of the claim of Genet Mineral Processing:

2.1.2.1 SG Coal; and

2.1.2.2 Inceku Mining.

2.2 We will monthly, going forward, report to creditors on the progress being made regarding the implementation of the BR Plan:

KLEINFONTEIN COLLIERIES (PTY) LIMITED (IN BUSINESS RESCUE) Post Adoption reporting as against BR Plan				
	Values per BR Plan	Totals to Date	BR Budget	2020/9
Gross proceeds from the realisation of assets by BRP				
	188,411,110	34,880,813.93	153,530,296	4,986,536.21
Plant & Machinery	12,000,000	0.00	12,000,000	0.00
Other fixed assets		0.00	0	0.00
Stock and materials	81,829,993	16,191,013.93	65,638,979	4,986,536.21
Accounts Receivable	52,305,101	0.00	52,305,101	0.00
Immovable Properties	13,586,215	0.00	13,586,215	0.00
VAT refund	15,589,800	15,589,800.00	0	0.00
Mining Right	10,000,000	0.00	10,000,000	0.00
Cash and cash equivalents	3,100,000.0	3,100,000.00	0	
Less-Expenses incurred by BRP during the BR Process				
	37,482,500	7,080,650.89	30,401,849	2,288,739.92
Business rescue services (12 months)	9,600,000	2,045,890.90	7,554,109	219,067.60
Monthly running cost care and maintenance (9 months)	22,882,500	5,034,759.99	17,847,740	2,069,672.32
Legal and professional fees	5,000,000	0.00	5,000,000	0.00
Balance of proceeds after expenses	R150,928,610	27,800,163.04	123,128,446	2,697,796.29

2.3 Coal Sales:

2.3.1 During September sales proceeds amounted to R4,9 million, 12 300 tonnes of 4800 product and 14,000 tonnes of slurry.

2.3.2 Remaining coal stocks are:

2.3.2.1 Slurry- 81,000

2.3.2.2 ROM- 391,000

2.3.2.3 Product- 4,800

2.4 Collections and Other Realisations:

2.4.1 No additional realisations during the month of September.

2.5 Total Operating Expenses:

2.5.1 For September operating expenses came in at just under R2,3 million within budget.

2.6 Continued Coal Sales:

2.6.1 Continued sales of coal stock remain challenging. Disposing of the ROM, as is, has proven difficult, whilst there remains demand for beneficiated product. With the decision to recommission and operate the wash plant, we intend to beneficiate a significant portion of the current ROM product going forward.

2.7 Wash Plant:

2.7.1 Following extensive consideration and engagement we were presented with several proposals relating to the operation of the wash plant. We are pleased to report that we have concluded these engagements and that the BRP has selected his preferred operator for the wash plant.

2.7.2 All agreements and preparations to commence operating the wash plant will be concluded during October with a planned commissioning of the was plant before the end of October.

2.7.3 The operation of the wash plant will serve a dual purpose, to not only beneficiate the Company's own ROM, but to leverage beneficiation of external coal as well.

2.7.4 It is anticipated that the operation of the wash plant will greatly enhance the realisation of value for the ROM and further significantly reduce the monthly cost burden of the BR process.

2.8 Debtors:

2.8.1 The 2Seam/Eskom arbitration is set to commence in October.

2.9 Properties:

2.9.1 We are for now dependant on a Court process by the Seller to secure clearances from the local authorities before we can take transfer of the properties into the name of Kleinfontein.

2.10 Mining Right:

2.10.1 We have not commenced any discussion regarding the disposal of the mine.

2.11 Other Important Aspects:

2.11.1 Portions of the Mining Right area as well as the surrounding farming area continuous to be occupied illegally.

2.11.2 In spite of notices to vacate and more recently formal legal demands to vacate the property, the occupants refuse to vacate their illegal occupation.

2.11.3 Legal action will now have to be instituted to secure the removal of the illegal occupants.