



## Wescoal Mining (Pty) Ltd (In Business Rescue)

Registration Number: 1999/005845/07

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 joint business rescue practitioners Dawie van der Merwe, Lance Schapiro and Grant Chittenden

27 February 2026

### 1. Important Information and Actions

• Board of directors passes resolution for Business Rescue on	25/08/2023
• Notice of resolution filed with CIPC on	25/08/2023
• Notice to affected parties on filing for Business Rescue on	01/09/2023
• Company nominated a BRP on	25/08/2023
• CIPC confirmed certification of BRP on	28/08/2023
• File notice to CIPC re BRP appointment on	28/08/2023
• Publish notice to affected parties of BRP appointment on	01/09/2023
• First meeting of creditors held on	11/09/2023
• First meeting of employees held on	11/09/2023
• Publish notice requesting time extension - circular 6	28/02/2024
• Publish notice confirming time extension agreed to by creditors to publish proposed business rescue plan - circular 7	01/03/2024
• Published proposed business rescue plan	28/06/2024

## 2. Current Status of Business Rescue Proceeding

*Kindly note: This is the 26<sup>th</sup> monthly report submitted by the BRPs. As is required by law the BRPs will going forward provide Affected Parties with a monthly report, updating such parties on the progress of the business rescue process.*

Each subsequent status report must be read together with all previous status reports and that the information contained in the most recent report only contain a record of events and/or information that have transpired subsequent to the publication of the previous month's status report.

## 3. Current Operations

### 3.1 Elandspruit:

- 3.1.1 As previously reported the current opencast operation is operated in conjunction with Masemanzi Mining, which agreement runs until the end of March 2026.
- 3.1.2 The coal mined in terms of this arrangement is earmarked for delivery to Eskom's Kusile power station, as part of the ongoing rectification obligations of Neosho, sister company within the Salungano Group.
- 3.1.3 As reported deliveries to Kusile have since November 2025 experienced several challenges, culminating in a total stop on deliveries during December 2025. It seems unlikely that Eskom will accept any further coal from Elandspruit.
- 3.1.4 At present the BRPs and Masemanzi are seeking alternative sources for the disposal of the coal already mined and stockpiled on site. We are hopeful of finalising this with Masemanzi in March, running potentially April to finalise.
- 3.1.5 As previously reported the BRPs commenced with a public process seeking to dispose of the Elandspruit operations. A number of bids were received and the BRPs will continue to engage with these parties regarding the potential future sale or operation of the Elandspruit asset. Initial contracting is underway and we hope to finalise by end March 2026 in terms of a proposed transaction.

### 3.2 Khanyisa:

- 3.2.1 Operations at Khanyisa remain in care and maintenance for some time, with some short-term project approved to access some lower grade stockpiles on site. The BRPs initially anticipated that this project would be concluded by 31 December 2025, but the significant rains experienced in December will delay the finalisation of this project for some time.
- 3.2.2 Other initiatives at Khanyisa remain ongoing and unchanged from previous reports.

### 3.3 Processing Plant:

- 3.3.1 The Wescoal processing facility has been identified as one of the prime sources of revenue and all effort has been made to commence toll washing operations on site over since Business Rescue began. It is critical that this operates in conjunction with the plan for open cast for the financial model as forecast in the adopted BR Plan to give maximum returns.

3.3.2 The plant remains operational and is now a significant contributor to Wescoal's revenue, as previously reported. February 2026 washing exceeded 60,000 tons, with increased volumes forecast from the contracting party, The BRPs anticipate increased utilisation in the coming months, with production expected to ramp up over the next three months.

#### 4. Additional Matters

4.1 Various other matters have also needed to be dealt with, and next steps considered, being *inter alia*:

4.1.1 An audit was conducted at Elandspruit on 15 July 2025. An action plan was initiated to address compliance matters and restore relations with the Department. This remains in progress, and in the interim the entity is unable to return discard to the pit, requiring alternative processing arrangements for washed product.

4.1.2 Engagement with the BRPs of Arnot Opco regarding the proceedings of that business rescue remain ongoing.

4.1.3 Environmental Aspects at Wescoal Mining:

4.1.3.1 The non-compliance with environmental requirements on all the Wescoal Mining Sites are substantial. As recorded in the adopted Business Rescue Plan, one of the key objectives of the business rescue process is to remediate as much of these non-compliances.

4.1.4 The current contract mining agreement provides for ongoing rehabilitation and the establishment of a dedicated rehabilitation fund to support improved environmental management. Future environmental requirements are a key part of negotiations pertaining to the proposed transaction for Elandspruit.



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