



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

30 June 2025

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 18th 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 The 1st of 2 coal resources operated by Wescoal. The operations at Elandspruit consist of both an underground operation as well as an open cast operation.

3.1.2 As previously reported the opencast operation commenced during February 2025 with 1st coal produced. Although the operations have generated sufficient revenue to justify operations, the ongoing operational issues referenced in previously reports remain a challenge. The operational team continue to engage with our mining contractor and sub-contractor to improve efficiencies.

3.1.3 As previously reported the underground operations continue on the “wash your face model” as from 6 October 2023. The declining production has not been arrested and discussions are underway with the operator regarding the future viability of these operations. A decision will be made in July 2025 once the results of drilling and geological studies are completed.

3.2 Khanyisa:

3.2.1 Operations at Khanyisa have been on care and maintenance for some time, with some short-term project approved to access some lower grade stockpiles on site.

3.2.2 The position remains unchanged from previous reports.

3.3 Processing Plant:

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

3.3.2 The BRPs are quietly optimistic that operations at the wash plant will commence in August, following the conclusion of negotiations with a client for a long-term agreement

to Toll wash. This relationship has the potential for a significantly impact on the business rescue proceedings.

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 Preparation for an on-site inspection by the Department of Water Affairs.

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

4.1.2.1 Pursuant to the judgement out of the Supreme Court of Appeal relating to the business rescue proceedings of Arnot Opco, we have had a number of engagements with the business Rescue practitioner of Arno Opco as well as a number of other interested parties.

4.1.2.2 What ultimately transpires at Arnot Opco will have a significant impact on Wescoal Mining's business rescue proceedings and as such the BRPs remain engaged with the BRPs of Arnot Opco in redesigning its proposed business rescue plan.

4.1.3 Environmental Aspects at Wescoal Mining:

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

4.1.3.2 To this end, the current contract mining agreement provides not only for ongoing rehabilitation, but also the establishment of a rehabilitation fund, the proceeds of which is intended to be utilised efficiently towards better environmental management. This fund is now active, and we are hopeful that the rehabilitation projects, funded by this fund, will be implemented in the coming weeks.



Dawie van der Merwe

Joint Business Rescue Practitioner



Grant Chittenden

Joint Business Rescue Practitioner



Lance Schapiro

Joint Business Rescue Practitioner