



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 LDR van der Merwe, L Schapiro and G Chittenden

30 June 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 be 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 30th 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.

2.1 Elandspruit:

- 2.1.1 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 engaged with a number of parties regarding the potential sale or operation of the Elandspruit asset.
- 2.1.2 The BRP's identified their preferred bidder, but this process stalled in June. An alternative strategy has been proposed and the BRPs have been meeting with Salungano Management on this. This includes meeting with Lombards as provider of the Environmental guarantees. The negotiations require the input of a number of parties and as such we have set the End of August as a target date for the conclusion of agreement.

2.2 Khanyisa:

- 2.2.1 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. However, some coal remains to be processed, which has extended the timeline for completion of the project.
- 2.2.2 Other initiatives at Khanyisa remain ongoing and unchanged from previous reports.

2.3 Processing Plant:

- 2.3.1 The Wescoal processing facility was 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.
- 2.3.2 Following the abrupt end to operations at the plant the BRPs considered various options, including further operation of the plant or its disposal, as provided for in the adopted BR Plan.
- 2.3.3 Although the potential sale of the processing plant does provide an opportunity, the BRPs been approached by a party that wishes to utilise the plant. This includes various set requirements which the BRPs have proposed in conjunction with service providers that have previously operated the plant, and includes the need for deposits etc. A final decision in this regard will have to be made by the end of August.

3. Additional Matters

- 3.1 Various other matters have also needed to be dealt with, and next steps considered, being *inter alia*:
 - 3.1.1 The action plan to address the audit findings from the Department remains in progress, and in the interim Wescoal Mining is unable to return discard to the pit, requiring alternative processing arrangements for washed product.
 - 3.1.2 Engagement with the BRPs of Arnot Opco regarding the proceedings of that business rescue remain ongoing.
 - 3.1.3 Environmental Aspects at Wescoal Mining:

- 3.1.3.1 The non-compliance with environmental requirements on all the Wescoal Minig sites is 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.



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