



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

31 March 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 27th 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 opencast operation operated in conjunction with Masemanzi Mining, which agreement ran until the end of March 2026.
- 2.1.2 The coal mined in terms of this arrangement was earmarked for delivery to Eskom's Kusile power station, as part of the ongoing rectification obligations of Neosho, sister company within the Salungano Group.
- 2.1.3 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.
- 2.1.4 The BRPs and Masemanzi were unable to find alternative sources for the disposal of the coal already mined and stockpiled on site, with Masemanzi indicating that it intended taking tonnages for processing in April
- 2.1.5 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 May 2026 in terms of a proposed transaction.

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 has been identified as one of the prime sources of revenue and all effort has been made to commence toll washing operations on site ever 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.
- 2.3.2 The untimely war in the Gulf has significantly impacted the coal industry in general and in particular the delivery of ROM to the processing plant for beneficiation.
- 2.3.3 We will monitor and manage the impact of this unexpected external threat to the business.

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 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.
- 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 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.
- 3.1.4 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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