



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

28 November 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 23rd 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 opencast operation commenced during February 2025 with first coal produced. Although the operations have generated sufficient revenue to justify operations, the ongoing operational issues referenced in previously reports, specifically in terms of the crush and screen operation remain a challenge.
- 3.1.2 The operational team continue to engage with our mining contractor and sub-contractor to improve efficiencies. This will be tracked in the weekly Joint Operations Committee meetings.
- 3.1.3 The BRPs continue to engage with various stakeholders and interested parties to secure off takes beyond the Eskom CSA contract with Neosho. The BRPs confirm that there is guaranteed offtake in terms of the existing Masemanzi agreement until December 2025. It has been agreed in principle to extend the current agreement to 31 March 2026.
- 3.1.4 The BRPs were recently approached by Salungano with a request to consider the disposal of the Elandspruit operations. After engagement with the secured lender group it was agreed that a transparent process would be followed where potential purchasers would we invited to submit bids for such an acquisition.
- 3.1.5 A working committee has been created and bidding packs distributed 27 November 2025. We are hoping to receive bids on closing, being 12 December 2025.
- 3.1.6 The BRPs are in the process of determining what is required from the Company post closure of the underground operations, specifically in relation to ongoing monthly costs and any regulatory requirements. These are however not expected to be material.
- 3.1.7 November operations were impacted due to various Eskom stoppages. Masemanzi has informed us that they will slow down operations and focus on clearing existing stockpiles in December, before resuming further activities in January 2026.

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. The BRPs anticipate this project to be concluded by 31 December 2025.

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 the last twenty odd months. 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 As previously reported a toll washing agreement was concluded during July 2025. During the period since August, significant time and resources have been spent on getting the plant back to an operational state.

3.3.3 The plant is operational, and the BRPs are hopeful that the utilisation of the plant will increase in the coming months. We had anticipated that by November 2025, the plant will would significantly contribute to the cash flow of the business. This has however been delayed in terms of volumes ramp up. We are hoping to increase processing in the first quarter of 2026.

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 On 15 July 2025, the Department of Water Affairs conducted an audit at Elandspruit. An action plan is under way to ensure compliances and normalise relations with the Department. The entity is unable to return discard to the pit at this time, meaning that an alternative plan will need to be considered since for washed product to be processed. This remains ongoing.

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

4.1.3.2 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 are 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 months.



Dawie van der Merwe

Joint Business Rescue Practitioner



Grant Chittenden

Joint Business Rescue Practitioner



Lance Schapiro

Joint Business Rescue Practitioner