

Independent Competent Persons' Report on the Operating Coal Assets of the Salungano Group

Report Prepared for:

The Salungano Group Limited



Report Prepared by



Miptec (Pty) Ltd

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Disclaimer

The opinions presented in this report are based on information provided to Miptec by Salungano Group (Pty) Ltd. Miptec has taken due care to review and verify the provided data. While Miptec has compared key data points with expected values, the accuracy of the results and conclusions depends entirely on the completeness and correctness of the data provided. Miptec accepts no responsibility for any errors, omissions, or inaccuracies in the supplied information and disclaims any liability for any commercial decisions or actions taken based on this report. The opinions expressed are relevant to the site conditions as they existed during Miptec's investigation and for foreseeable conditions. These opinions may not apply to any future changes or unknown conditions that arise after the report's completion, which Miptec has not had the opportunity to evaluate.

Executive Summary

*Note- this Executive Summary is a true reflection of the full Competent Persons Report

ES1. Introduction

ES1.1 Background

[JSE12.10(h)(i)] [SR1.1(i)(ii), SR7.1(i)] [SV1.3, SV1.4, SV1.5]

Miptec (Pty) Ltd (**Miptec**) was commissioned by the Directors of Salungano Group Limited (**Salungano, or the Company, or the Client**), a coal mining and exploration company with thermal coal assets located in the Mpumalanga Province of South Africa, to compile a Competent Person's Report (**CPR or the Report**) on the 100% owned coal operating assets of the company, as part of a delisting process from the Johannesburg Stock Exchange (**JSE**).

The operating assets covered in this report include Moabsvelden Colliery (**Moabsvelden**), Vanggatfontein Colliery (**Vanggatfontein or VGF**), Elandspruit Colliery (**Elandspruit**) and Khanyisa Colliery (**Khanyisa**), of which the Triangle area refers.

Over the past two years, several Salungano subsidiaries have entered business rescue proceedings due to operational and financial pressures coupled with challenging market conditions.

Elandspruit Colliery, owned by Wescoal Mining (Pty) Ltd (**Wescoal**), is primarily focused on opencast mining under a royalty agreement with Masemanzi Mining Holdings (Pty) Ltd (**Masemanzi**), producing around 25,000 tonnes per month (**tpm**). Underground operations were halted due to low seam height, poor coal quality, and the lack of market access. Currently, there is no long-term mining strategy, and the business rescue practitioners (**BRPs**), in consultation with Salungano, are finalizing the most optimal way forward. The Elandspruit Mining Right (**MR**) expires in October 2026, and there is no current Coal Supply Agreement (**CSA**).

Khanyisa Colliery, also owned by Wescoal, has been under care and maintenance since mid-2022, with all coal reserves considered depleted, and the mine effectively in closure phase. Minimal coal resources have been declared within the Triangle area, however the MR expired in October 2021, and although the renewal application was submitted timeously, the approval is still pending.

Vanggatfontein Colliery, operated by Keaton Mining (Pty) Ltd (**Keaton**), entered business rescue in early 2024 but recommenced operations under a Section 155 Compromise Settlement. Production remains below capacity due to the lack of a coal sales agreement. The updated Life of Mine Plan (**LOMP**) was finalized in July 2025, and the MR is valid until February 2030. Salungano is in advanced discussions to conclude a CSA with Eskom.

Moabsvelden Colliery, owned by Neosho Trading 86 (Pty) Ltd (**Neosho**), remains outside business rescue and operates at full capacity, with expansion plans in FY26. The Mining Right is valid until October 2031. Moabsvelden are currently in negotiations with Eskom to secure a new CSA including all available remaining reserves.

Table ES 1 summarises the statuses of the 100% owned operating assets and Figure ES 1 illustrates their location.

Table ES 1 Summary of Salungano operating assets

ITEM	MOABSVELDEN	VANGGATFONTEIN	ELANDSPRUIT	KHANYISA
Holding Company	Neosho Trading 86 Proprietary Limited	Keaton Mining (Pty) Ltd	Wescoal Mining (Pty) Ltd	Wescoal Mining (Pty) Ltd
Current Legal Status	Full Production	Section 155 compromise (JSE)	Section 33 of JSE Business rescue, LOMP	Section 33 of JSE, Business rescue
Current Mining Status	Full Production	Limited Production	Limited Production	Care and Maintenance
Right	Mining	Mining	Mining	Mining
Area	250 Ha	2072 Ha	538 Ha	
Scope	LOM plan	LOM plan	Indicative LOM plan	Care and maintenance / closure
Right and Tenure	MR 16 Oct 2013 10025 MR Valid for 18 Years; expires 15 Oct 2031 – 6.5 years remaining	MR 23 Feb 2010 (MP/30/5/1/1/2/2/309MR) Valid for 20 years; expires 22 Feb 2030 – 4.9 years remaining	MR 28 Oct 2010 351 MR Valid for 16 Years; expires 27 Oct 2026 – 1.6 years remaining	MR 27 Oct 2006 107 MR Valid for 15 Years; expired 26 Oct 2021 – application to extend submitted, awaiting response.

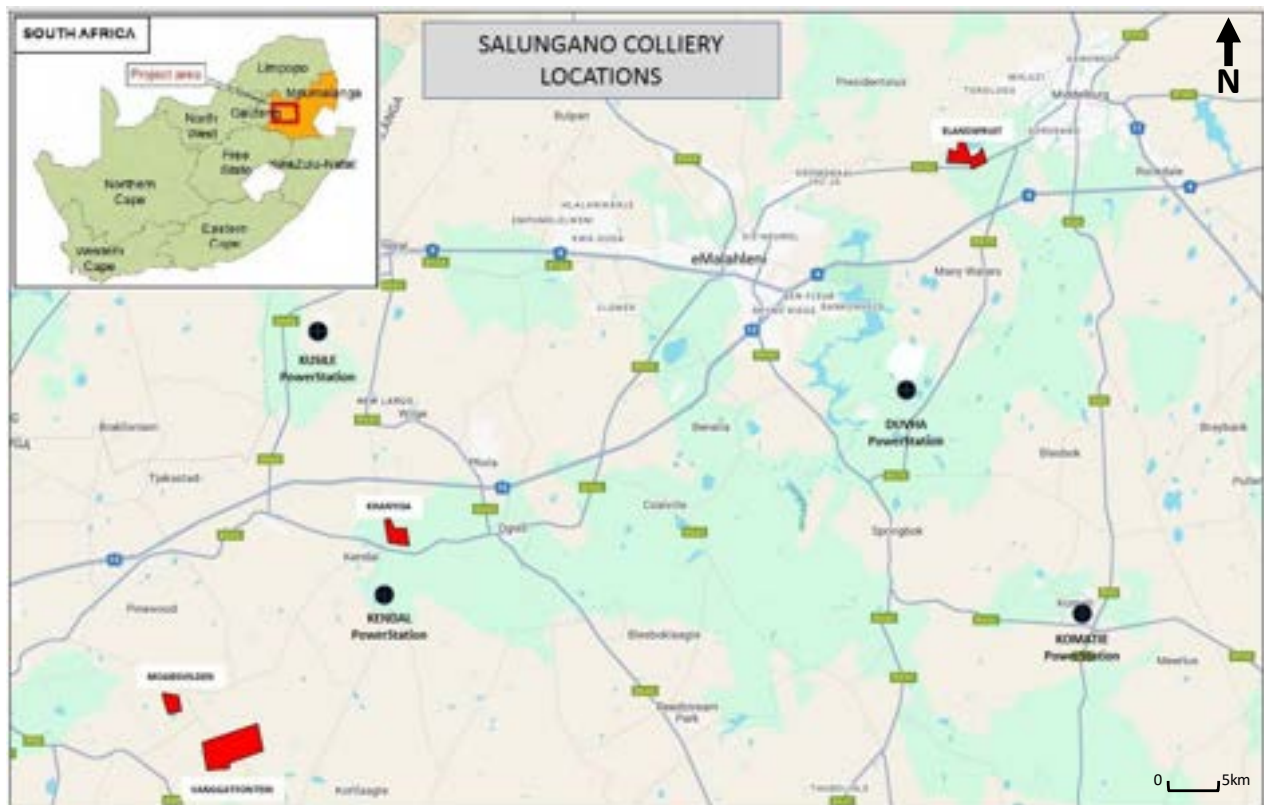


Figure ES 1 A plan indicating the location of the 100% owned collieries (red).

ES1.2 Ownership

[JSE12.10(h)(iii)] [SR1.5(i)(ii), SV1.2] [ESG4.1]

Salungano is a coal mining company, that holds various operating assets on a 100% ownership basis, as indicated in Table ES 1. Salungano hold 100% interest in Moabsvelden, Vanggatfontein, Khanyisa and Elandspruit.

ES1.3 Resource and Reserve Summary

Table ES 2 summaries the consolidated Coal Resource and Coal Reserve Estimates for the 100% owned operating assets for Salungano.

Salungano holds a 100% owned Coal Resource base of 59.18 Million Tonnes (**Mt**) on a Mineable Tonnes in situ (**MTIS**) basis, all of which are in the Measured Coal Resource Category. In terms of the Company's Coal Reserve Estimate, Salungano holds a total Coal Reserve base of 38.93 Mt ROM, of which 32.26 Mt (83%) are classified as Proven Reserves. Of the 100% owned assets, Moabsvelden contains almost 50% of the total Coal Reserves, with the potential to further increase its reserve base.

Table ES 2. Summarised Coal Resource and Coal Reserve Estimation for the Salungano Group as at 31 March 2025

At 31 March 2025								
	Coal Resource (MTIS) (AD)				ROM Coal Reserve (AR)			
	Inferred Mt	Indicated Mt	Measured Mt	Total Coal Resource Mt	Probable Mt	Proved Mt	Total ROM Coal Reserve Mt	
Elandspruit Colliery	-	-	6.46	6.46	1.00	4.13		5.13
Elandspruit Opencast	-	-	5.99	5.99	1.00	4.13		5.13
4 Seam			0.41	0.41	0.02	0.33		0.35
3 Seam				-				-
2U Seam			1.37	1.37	0.23	0.96		1.19
2L Seam			1.86	1.86	0.37	1.15		1.52
1 Seam			2.35	2.35	0.39	1.69		2.07
Elandspruit Underground	-	-	0.47	0.47	-	-		-
1 Seam			0.47	0.47	-	-		-
Khanyisa Colliery	-	-	2.61	2.61	-	-		-
Triangle Opencats	-	-	2.61	2.61	-	-		-
Triangle Opencast	-	-	-	-	-	-		-
4U Seam			0.72	0.72		-		-
4L Seam			0.67	0.67		-		-
2 Seam			1.22	1.22		-		-
Vanggatfontein Colliery	-	-	23.03	23.03	5.66	10.29		15.95
Vanggatfontein opencast	-	-	14.09	14.09	2.05	10.29		12.34
5 Seam			0.33	0.33		0.24		0.24
4U Seam			3.04	3.04	2.05			2.05
4 Seam			3.20			3.90		3.90
2 Seam			7.52	7.52		6.15		6.15
Vanggatfontein underground	-	-	8.94	8.94	3.61	-		3.61
4 Seam			6.47	6.47	3.61			3.61
2 Seam			2.47	2.47				-
Moabsvelden Colliery	-	-	27.08	27.08	-	17.85		17.85
Moabsvelden Opencast	-	-	27.08	27.08	-	17.85		17.85
5 Seam			1.91	1.91		1.49		1.49
4 Seam			12.55	12.55		8.18		8.18
2 Seam			11.39	11.39		7.65		7.65
1 Seam			1.23	1.23		0.53		0.53
TOTAL (100% basis)	-	-	59.18	59.18	6.67	32.26		38.93

ES1.4 Reporting Compliance

[JSE12.10(e)] [SV1.1, SV1.4]

Miptec confirms that this CPR complies with the disclosure and reporting requirements of the JSE, the South African Code for the Reporting of Exploration Results, Mineral Resources and Mineral Reserves (**SAMREC Code**), 2016 Edition, and the South African Code for the Reporting of Mineral Asset Valuation (2016 Edition) (**the SAMVAL Code**).

In accordance with the SAMREC Code, this report has been prepared under the direct supervision of a Lead Competent Person (**CP**), Mr. Leon Raaths, who assumes overall responsibility for this report. Mr. Raaths (BTech. Mining Engineering, BSc. Operations Research and MBL), PrEng. Mr. Raaths has more than 35 years of relevant coal experience in the mining industry as a mining engineer. He is registered with the South African Institute of Mining and Metallurgy (**SAIMM**) Reg. No. 702015.

The CP responsible for the Coal Resource Estimates in this report is Ms. Katherine Black (BSc. (Hons.), Pr. Sci. Nat. Ms Black has 17 years' experience in the mining industry as a coal geologist. She is registered with the South African Council for Natural Scientific Professions (**SACNASP**), Reg. No. 400295/12.

ES1.5 Effective Date and Valuation Date

[JSE12.10(a)] [SR9.1(iii)] [SV1.2, SV1.3]

The Effective Date of this CPR is 31 March 2025 (**the Effective Date**)

All Coal Resources and Coal Reserves included in this CPR were estimated at the Effective Date.

The LOM process followed post the effective date, with the valuation models updated by Salungano at the time of this report.

ES1.6 Declaration of Independence

[JSE12.9(b), JSE12.10(c), JSE12.12(a)] [SR7.1(i)] [SV1.0]

Miptec are independent advisors to Salungano and will receive a fee for the preparation of this report in accordance with normal professional consulting practice. Neither will consultants receive any other benefit for the preparation of this report.

Miptec nor any of its employees and associates employed in the preparation of this report have any financial or beneficial interest in Salungano or the outcome of this report, which could reasonably be regarded as capable of affecting their ability to provide an unbiased opinion in relation to Coal Resources and Coal Reserves. This report was compiled independent of Salungano, its directors, senior management and advisors.

ES1.7 Qualifications of consultants

[JSE12.9(c), JSE12.10(h)(xi)] [SR9.1(i)(ii)] [SV1.0]

The following CP's are responsible for the signing off of the Salungano Assets under review in this report:

- The CP with overall responsibility for the report is Mr. Leonardt Raaths (SAIMM No.702015). Mr Raaths is a mining engineer with over 35 years' experience in the mining industry and takes responsibility for the reporting of the Coal Reserve Estimations. Miptec has updated the LOM plans for Vanggatfontein (2025), Elandspruit (2025) and Moabsvelden (2025) as well as for previous reporting periods. Mr. Raaths has updated the Coal Reserve Estimations for the above-mentioned operations as at the effective date.
- The CP with the responsibility for the reporting of the Coal Resource Estimations is Ms. Katherine Black, Pr. Sci. Nat. (South African Council for Natural Scientific Professions, 400295/12). Ms. Black is a member of the Geological Society of South Africa (**GSSA**) and is a Senior Resource Geologist with KJB GeoServices. Katherine has 17 years' experience in the coal mining industry, specialising in geological modelling and Coal Resource Estimation. Ms. Black has updated the geological models for

Vanggatfontein (2023), Elandspruit (2024), Khanyisa (2022) and Moabsvelden (2025) over several years, with the Coal Resource Estimations updated as at the effective date.

- Miptec has contracted Mr. Jaco Kleynhans, an environmental practitioner with previous and current knowledge of the assets under review, to review and update the relevant ESG sections of this report.
- The Competent Valuator (**CV**) responsible for the Moabsvelden and Vanggatfontein Valuations is Mr Zaheer Saloojee, a graduate of the University of Kwa Zulu Natal, with a B.Com. Degree in Accounting (2003), a B.Com. Honours Degree in Accounting (2007), MBA with Wits Business School, MBA exchange programme Schulich School of Business Toronto, Canada and a FMVA with Corporate Financial institute. Mr Saloojee has been actively involved in the mining industry since 2019; having worked on detailed financial analysis, developed comprehensive financial models for valuation analysis, performed due diligence processes for impending and ongoing corporate activities, provided financial and commercial support services to the executives of a group subsidiary, performed analysis for year-end reporting on impairment reviews, sensitivity analysis, assisted with review and finalisation of budgets. Prepared results, investor presentations and SENS announcements, contributed to annual reports and result booklets.

ES1.8 Personal Inspection of Property

[SR 1.1(iii)]

During 2025, all opencast operating sites were visited by Mr. L. Raaths, accompanied by various mine personnel and sub-contractors. Khanyisa was visited with the Business Rescue representatives; no activities were observed as it is under care and maintenance. At Moabsvelden, the crushing and screening facility was operational as well as all relevant pit processes. The pit was inspected, after which meetings were held with mine personnel on site. At Vanggatfontein, both opencast pits were operational as well as both processing facilities at the time of the visit; all of these were visited and inspected. Meetings were held on the mine with relevant personnel and subcontractors. At Elandspruit, operations have commenced again in the opencast, with only mobile crushing and screening facilities on the mine.

ES1.9 Regional Geological Setting

[JSE12.10(h)(v)] [SR2.1(i)] [SV1.7]

All of the operating assets (Elandspruit, Khanyisa, Moabsvelden and Vanggatfontein) are located within the Witbank Coalfield which extends approximately 90 km in an east- west direction from the town of Springs in the west, to Belfast in the east, and 60 km in a north-south direction, from Middelburg in the north, to Rietspruit in the south (Hobbs et al., 2008). The northern extent of the Coalfield is defined by the limit of coal-bearing sediments of the Vryheid Formation which abut against pre-Karoo basement rocks of the Transvaal Sequence, the Waterberg Group and Bushveld Complex. The southern limit of the central sector of the Coalfield is marked by a series of

Bushveld Complex inliers known as the Smithfield Ridge (Le Blanc Smith, 1980), while in the east and west sectors, the boundary between the Witbank Coalfield and the Highveld Coalfield to the south is somewhat arbitrary.

The area is underlain by sedimentary rocks of the Karoo Supergroup, deposited 248 – 290 Ma during the Permian Period (Hancox & Götz, 2014). The thickness of the Karoo Supergroup varies from thin in the north to thickest in the palaeovalleys and towards the south, with the variation in thickness primarily due to the uneven nature of the Pre-Karoo topography. This uneven Pre-Karoo topography is also responsible for controlling the presence and thickness of the Dwyka Group sequence.

Stratigraphy

In the Witbank Coalfield, the Karoo Supergroup stratigraphic sequence comprises sediments of only the Dwyka Group and the overlying Vryheid Formation of the Ecca Group. The Dwyka Group is characterized by deposits of glaciogenic origin, including tillites, diamictites and rhythmites, while the Vryheid Formation comprises a predominantly arenaceous sequence of sandstones with sub-ordinate siltstones and mudstones arranged in a series of upward coarsening sequences. Each genetic sequence represents a major cycle of deltaic outbuilding and is usually capped by a bituminous coal seam. The only major disturbances to the strata are the dolerite dykes and sills, which have displaced the coal seams and burnt and devolatilised the coal seams in certain areas.

The five major coal seams of the coalfield are contained within a stratigraphic interval averaging approximately 70m in thickness. The seams are numbered, from the base upwards and include the No. 1 Coal Seam, the No. 2 Coal Seam (split into the No. 2 Lower Coal Seam and No. 2 Upper Coal Seam), the No. 3 Coal Seam, the No. 4 Coal Seam (split into the No. 4 Lower Coal Seam and No. 4 Upper Coal Seam) and the uppermost No. 5 Coal Seam.

The No. 1 Coal Seam averages 1.5 to 2 m thick generally occurring in the lower parts of the palaeovalleys, where its presence is described as patchy (Jeffrey, 2005). The quality of the No. 1 Coal Seam is generally described as dull, however there are some places where it can be beneficiated to produce an export product. The No. 2 Coal Seam averages 6.8 m in the central part of the field and contains some of the best quality coal (metallurgical in places). The seam thins to around 3 m in the east towards the Arnot Colliery. The No. 3 Coal Seam is poorly developed across the field, and where it is present, it is usually less than 0.5 m thick. Where present, the quality can be exceedingly good. The No. 4 Coal Seam varies in thickness between 2.5 and 6.5 m. The coal varies from dull to lustrous in nature. The seam is often divided into the No. 4 Upper and No. 4 Lower Coal Seams, where the parting can range from a sandstone to a siltstone.

The No. 5 Coal Seam is predominantly a bright coal, with an average thickness of approximately 1.8 m. The seam distribution is however sporadic due to the fact that it has been extensively eroded.

In late Jurassic times, the Karoo strata were invaded by dolerite dykes and sills which resulted in seam displacement and devolatilisation of coal over extensive areas.

Seam distribution and thickness was controlled primarily by pre-Karoo palaeo-topography as well as syn-depositional and post-depositional events. Seam areal extents are also dictated by the present-day topography, with the stratigraphically higher seams usually preserved only in the deeper depositional basins or in areas of elevated relief. The distribution of economic coal has been further modified through burning or devolatilisation by igneous intrusions and the effects of oxidation resulting from surficial weathering processes.

ES2. Moabsvelden Colliery

ES2.1 Project Description

JSE12.10(h)(ii) [SR1.1(i), SR5.1(i)]

Moabsvelden is an operational opencast coal mining operation, situated in the Witbank Coalfield of South Africa. Operations commenced in October of 2020, and as of the effective date, the mine has produced 11.3 Mt of ROM at an average strip ratio of 2.4:1 BCM:ROMt.

The Colliery mines the S5, S4 and S2 Coal Seams using truck and shovel rollover mining method, at a maximum rate of between 200 000tpm to 300 000tpm ROM. The mine has a crushing and screening plant on site, but no Dense Medium Separation (**DMS**) processing capability, as is required for the poorer quality coal plies. The S4 and S2 Seams are split into Upper and Lower plies, based on the coal quality. The S4L and S2L are high-quality coal seams and are supplied as saleable products based on a crush and screen process only. The S5, S4U and S2U coal seams are trucked with road haulers to the nearby Vanggatfontein Processing facility for beneficiation, from where the beneficiated product is dispatched to Eskom's Power Stations.

To date, Moabsvelden has produced approximately 8 Mt of saleable coal from ROM and procured 9.8 Mt from rectification sources, mainly from Vanggatfontein and Elandspruit, to fulfil their Eskom commitments. The MR was granted on 16 October 2013 for 18 years and expires on the 15th of October 2031. Moabsvelden is in the process of extending their current CSA with Eskom to ensure all of the remaining LOM Coal Reserves are all secured under contract.

ES2.2 Property Location

[SR 1.2(i)]

Moabsvelden is located approximately 16 km east southeast of the town of Delmas in the Mpumalanga Province of South Africa, approximately 65 km southwest of Emalahleni and approximately 94 km east of Johannesburg (Figure ES 2). The approximate location of the farm is 26.157°S latitude and 28.814°E longitude.

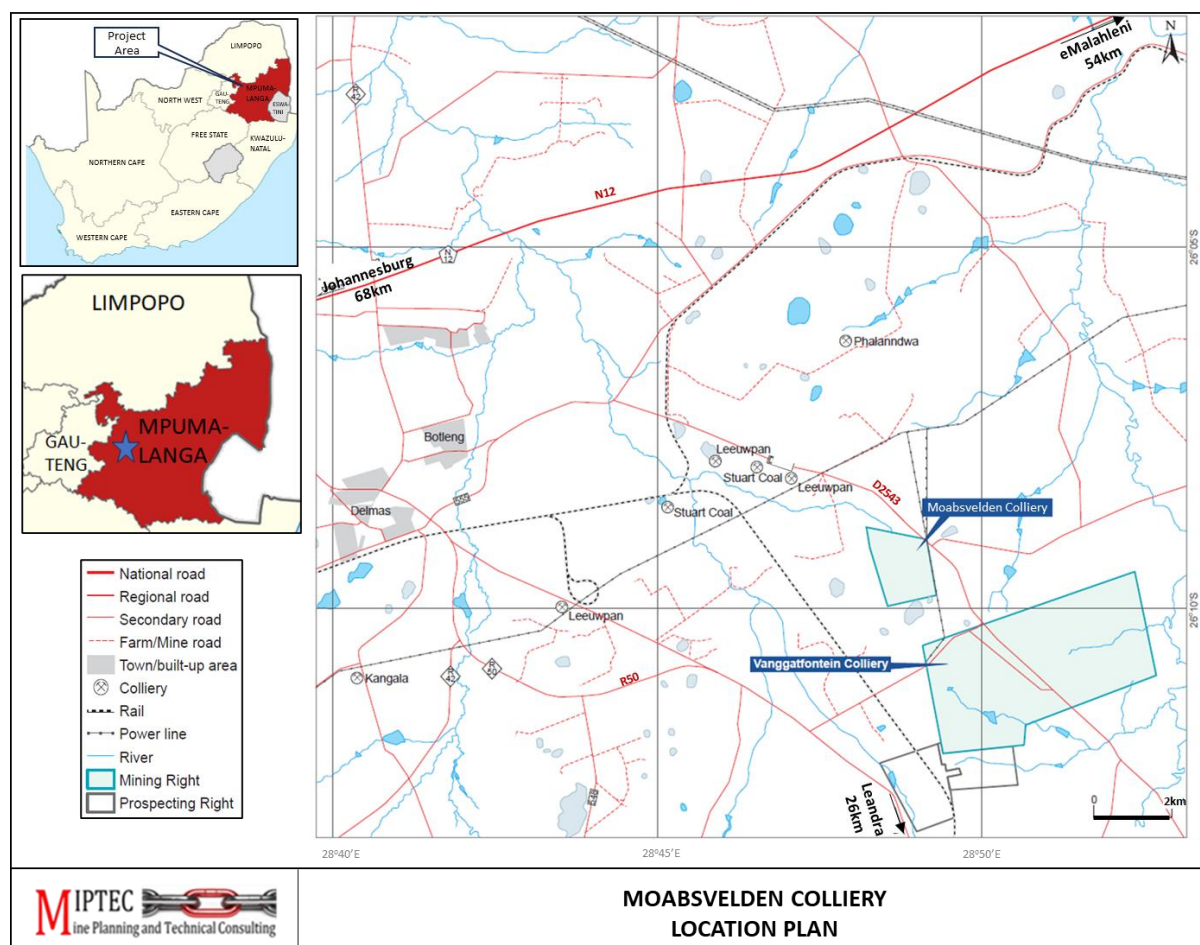


Figure ES 2. A plan illustrating the Location of Moabsvelden.

ES2.3 Title and Rights

[JSE12.10(h)] [SR1.1(ii), SR1.5(i)] [SV1.5] [ESG4.1]

The initial Moabsvelden Prospecting Right (**PR**) was successfully converted into an 18-year MR (MP/30/5/1/1/2/2/10025MR), which is held by Neosho. The MR was executed on 16 October 2013, and unless cancelled or suspended in terms of clause 13 of the MR, or section 47 of the Mineral and Petroleum Resources Development Act (Act No 28 of 2002) (**MPRDA**), will continue to be in force for a period of 18 years, ending on the 15th of October 2031. A period of 6.5 years remains on the MR as at the effective date.

Moabsvelden has an approved Environmental Authorisation (17/2/3N-163) for the LOM of the mine, issued to Neosho for the full MR area and surface right. An Environmental Management plan (**EMP**) (MP 30/1/2/2/10025 MR) was approved by the Department of Mineral Resources and Energy (**DMRE**) for the LOM on 16 October 2013. A Water Use Licence (**WUL**) (O3/B20A/ABCGU/4848), as required by the National Water Act, 1998 (Act No. 36 of 1998) (**NWA**), was awarded by the Department of Water and Sanitation on 31 March 2023. The original documents

were not made available, Miptec received the authorisation register for Moabsvelden Colliery, from where the above was extracted.

ES2.4 Geological Setting

[JSE12.10(h)(v)] [SR2.1] [SV1.2, SV1.7]

Local Geology

At Moabsvelden, the Vryheid Formation comprises zones of alternating conglomerates, sandstone and mudstones which host the coal seams. The stratigraphy of the Vryheid Formation is divided into three main sequences, all of which are observed at Moabsvelden; a basal No 2 Seam Sequence, overlain by the No 4 Seam Sequence, which in turn is overlain by the uppermost No 5 Seam Sequence.

At Moabsvelden the typical Witbank Coalfield sequences of the S1 to S5 are present, albeit in a somewhat compressed manner. Towards the north of the area, the parting(s) which usually separate the S4 and S2 coal seams are thin to absent, resulting in a thick, combined sequence of the S4 and S2 coal seams; however, towards the south, this parting increases in thickness, to over 10 m. The S1 is absent in the north, becoming more defined towards the south, and S5 is present as a discreet seam around 11 m above the other seams. All seams are considered economic.

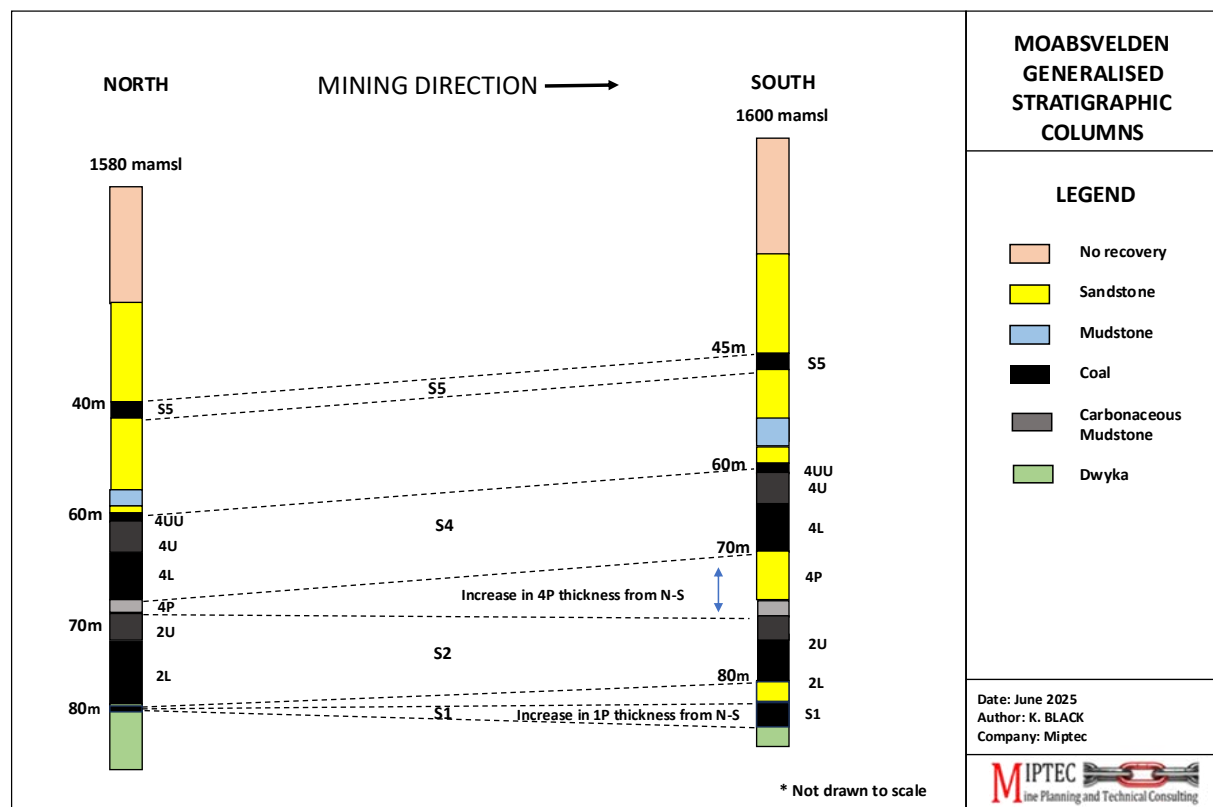


Figure ES 3 Moabsvelden Generalised Stratigraphic Columns

The S1 is only present within the southern portion of the area, towards the north, the parting between the S1 and the S2 above is thin to non-existent, such that the S1 is logged, sampled and mined together with the S2. The S1,

separate from the S2, has an average thickness of 2.0 m, an average raw CV of 17.9 MJ/kg, and a raw ash content of 36.5%.

The S1 Seam accounts for approximately 5% of the total Coal Resource Estimate.

The S2 is present across the entire resource area and is split into an upper S2U ply and a lower S2L ply based on the coal lithology. The 2P parting, which separates the S2U from the S2L, is on average 1.2 m thick. The S2U is the poorer top portion of the seam and requires washing to make an Eskom product. On average, the S2U is 2.0 m thick, has a raw CV content of 16.0 MJ/kg, and a raw ash content which averages 40.0%. At F1.8, the CV content increases to 20.5 MJ/kg and the ash decreases to 28.7%; the average F1.8 theoretical yield is 59.0%. The S2L is the higher quality, lower half of the seam and is suitable for crushing and screening to produce an Eskom product. The S2L is present across the entire mining footprint, with an average thickness of 4.7 m. The average raw CV is 20.0 MJ/kg and the raw ash content is 30.3% - indicating that the seam is suitable as a crush and screen product.

The S4 is divided into the S4UU, S4U and S4L, based on the presence of a mudstone parting (4UP) separating the S4UU from the underlying S4U, and a very thin carbonaceous mudstone band separating the S4U from the S4L below. The S4U is the poorer portion of the seam and requires beneficiation to produce an Eskom product. The S4L is the better quality, lower portion of the seam and is suitable for crushing and screening to produce an Eskom product.

The S4UU is present across the majority of the mining footprint; however, it only attains thicknesses of over 0.5 m along the eastern half of the area. Where the seam is present, the qualities are good. The raw CV averages 20.0 MJ/kg and the raw ash content averages 34%. The S4UU accounts for less than 1% of the total Coal Resource Estimate. The S4U is present across most of the mining footprint, averaging 3.0 m in thickness. The seam has a raw CV of 12.2 MJ/kg, and a raw ash content averaging around 49%. When washed at F1.8, the CV increases to 19.5 MJ/kg and the ash decreases to 31.1%. The theoretical yield at F1.8 is approximately 35%. The S4L is also present across the majority of the mining footprint, and averages 4.8 m. The S4L has a raw ash content of 27% and a raw CV content of 20.6% , indicating that it is suitable as a crush and screen product. At F1.8, the CV increases to 23 MJ/kg, and the ash decreases to 21.7%. The average F1.8 yield is 83.6%. The S4 is separated from the S2 below by a carbonaceous shale parting, which ranges from less than 0.3 m thick in the north, grading into a thick sandstone parting of up to 9 m in the south.

The S5 is present across the majority of the mining footprint and has an average thickness of 1.5 m. The average raw CV is approximately 17.8 MJ/kg and the raw ash content is around 38%. At F1.8, the CV increases to 23.3 MJ/kg and the ash decreases to 23.3% ; the average theoretical yield is 61.7%. The S5 is separated from the underlying S4 by a sandstone parting between 15 m and 18 m thick.

The S5 accounts for approximately 7% of the total Coal Resource Estimate.

According to the definitions laid out in SANS 10320:2020, the coal deposit at Moabsvelden can be described as a multiple seam coal deposit-type, as it is characterised by a discrete number of coal seams, typically between 0.5 m

and 7.0 m in thickness, separated by clastic interburden units of thickness generally significantly exceeding the thickness of the individual coal seams.

An aeromagnetic survey conducted in 2011 identified a major sill transgression along the western and northern parts of the property. The thickness of the sill is approximately 12 – 24 m. Faulting has also occurred in the west, resulting in the uplift noted in the coal intersections. The sill transgression did not stop mining; it was mined through with any heat affected coal mined as waste.

A palaeohigh has been identified in the southwest of the licence area (an interpreted upthrown horst block) and this has had a direct impact on the nature and quality of the coal seams. In proximity to this basement high the coal is not considered economic.

ES2.5 Exploration and Drilling

[JSE12.10(h)(vi)] [SR1.4(i), SR3.1, SR3.2(i)(v)] [SV1.8]

Xceed Resources Limited (**Xceed**) were the initial owners of Moabsvelden and were responsible for the first exploration completed in the area in 2010, under the supervision of Gemecs (Pty) Ltd (**Gemecs**). Gemecs were the first company to compile a resource statement on Moabsvelden in 2013 and were involved with Moabsvelden until 2014 when Caracle Creek International Consulting (**CCIC**) took over. In 2018, Miptec was appointed as the Resource and Reserve Specialist and has been involved since.

All available data from 2010 through to the recent drilling completed in 2024, has been included in the geological model; where the data passed the verification stage. All drill holes included in the model are fully cored diamond holes, of which all have been sampled and analysed, and most of which have been geophysically (wireline) logged.

All of the coal samples taken were analysed for raw proximate analyses plus CV and TS, and washability analyses were conducted on all samples at float density fractions (in g/cm³) ranging from 1.3, 1.35, 1.4, 1.45, 1.5, 1.55, 1.6, 1.65, 1.7, 1.75, 1.8, 1.85 and sinks, the densities selected depending on the drill campaign.

Due to the relatively flat nature of the coal seams, as well as the shallow nature of the drilling, all the drill holes are considered vertical, and the apparent thickness of the coal seams is considered representative of the true thickness.

All drill hole collars at Moabsvelden have been surveyed by independent registered land surveyors.

An exploration budget of R5 million has been approved for drilling in the north to cover the area under the pan. As Stuart Coal are currently mining the pan on the northern border, Moabsvelden have applied to mine through the pan on their side.

ES2.6 Data Management and Validation

[SR 3.1(i), SR 3.1(ii), SR 2.1(iv), SR 3.1(vi), SR 4.1(i), SR 4.1(ii), SR 4.2(iii)]

Drill hole data are checked for physical data errors including overlapping and missing intervals, correct ply correlations as well as depth checks where the wireline logs are available. Quality verifications are also performed on each sample analysis. Any errors identified during the verification process were investigated by the responsible person. All drill holes were presented graphically as well as plotted on plans for additional verification.

As Moabsvelden is an operating colliery, reconciliations are conducted and the data checked against actual mining statistics.

Based on the verification techniques applied, the CP is satisfied that the data are valid and fit for purpose for the construction of a geological model, which accurately reflects the original drill hole data, as well as the estimation of Coal Resources over the Moabsvelden area.

ES2.7 Target Seams

All coal seams present at Moabsvelden are considered target seams. Due to the favourable strip ratios, Moabsvelden will continue to be mined via opencast methods for its remaining life.

The resource footprint is limited by the sill in the west, the basement high in the southwest, and the wetland in the north. Due to the neighbouring mine obtaining permission to mine the wetland, studies are currently underway to determine whether the wetland at Moabsvelden can be mined as well. If the results of this study are positive, the currently excluded Coal Resources under the wetland will be included where possible.

ES2.8 Geological Modelling

[SR2.1(iii), SR4.1(i)(ii), SR4.2(iv), SR5.2(iii)]

The modelling software includes a user-generated Schema, where the interpolators are set, modelled units are listed in downhole stratigraphic order (a form of model control), the relationships between parent and daughter seams defined and the nature of each unit set (e.g., conformable/non-conformable, transgressive, contiguous). Should the input lithology file contain seams that are in the uncorrected stratigraphic sequence, then upon upload, the model will report an error (logged as an error report). This is the first level of data verification while modelling.

Once the table model has been built, a 3D grid model is constructed. The grid modelling process interpolates the table data onto the grid block nodes. The grids' spatial orientation is determined by the centre point coordinates of the project area and the cell size determined by the user from the drill hole spacing. The interpolators used to model the data are specified by the modeller and can vary from project to project, depending on the data. For this project, the Inverse Distance Cubed interpolator was used to ensure close honouring of the actual data. Various checks were done to compare the model data with the drill hole data in order to ensure accurate data honouring.

Sixty seven fully cored and sampled drill holes were used to create the geological model. The average spacing of the drill holes across the licence area is 120 m; based on this, a grid cell size of 25 m was selected. The structural

model is set to truncate the coal seams where they intersect the LOW, ensuring resources for only unweathered coal are estimated. Extrapolation of data was constrained to 250 m beyond the last known data point.

The following surfaces were modelled:

- Topography;
- Limit of weathering;
- Seam roof and floor elevations;
- Seam thickness;
- Raw air-dried qualities; and
- Washed qualities.

The target coal seams and the parting bands, namely the S5, S4UU, 4UP, S4U, S4L, 4P, S2U, 2P, S2L, 1P and S1 were modelled.

In addition, the interburden thicknesses, the dolerite roof and floor elevations and thickness were also modelled.

The grid model is continuously interrogated by creating data value posts, statistical reports, contour plots, various grid arithmetic plots and posts, and both two- and three-dimensional cross sections.

The resource boundaries are based on the seams' subcrops, seam thickness and quality cut-offs, the mining right boundary, and the servitude and environmental boundaries. An exclusion zone associated with the uplift in the west, as well as the associated dolerite sill, has also been applied.

The model is an established model, which undergoes annual scrutiny during the annual Resource and Reserve reporting process, whereby the actual coal mined is reconciled against the model, and any necessary adjustments made. There has always been a good correlation between actual mining and the geological model.

The spacing and distribution of the current data set as included in the geological model is sufficient to establish the degree of geological and grade continuity for the estimation and classification applied. For the current SAMREC resource classification for multiple seam deposits, the resource has been classified as Measured based on the drill and sample density.

ES2.9 Coal Resource Estimation

[JSE12.10(a)] [SR1.4(iii), SR4.1(iv), SR4.5(ii) (iv) (v) (vii), SR6.1(i), SR6.3(vi)] [SV1.9]

The Coal Resource Estimates were conducted in accordance with the SAMREC Code, 2016 Edition, as well as SANS10320:2020.

The Coal Resource Estimate has been independently estimated and signed off by Ms. K. Black of KJB GeoServices, on behalf of Miptec, and is declared as at 31 March 2025.

The following cut-off parameters were applied when delineating the resource polygons and estimating the Coal Resources:

- Seam extent was constrained by:
 - The limit of weathering;
 - The mining right boundary and a 9 m pillar buffer;
 - A 500 m wetland buffer; and
 - Exclusions around the sill
- Quality cut-offs:
 - A DAFV cut-off of 27.5% was applied to all seams; and
 - A raw ash content < 45% was used on the S4L and S2L Seams (this cut-off was not applied to the S5, S2U or S4U or S1 Seams, as they will be washed).
- Physical seam parameters:
 - Coal seams less <0.5 m were excluded from the Coal Resource Estimates.
- Mining parameters:
 - A maximum strip ratio of 1:6 BCM/ROM tonnes was applied.

All Coal Resources are inclusive of the Coal Reserves.

Provision has been made for a geological loss factor (discount). Losses may occur mainly as a result of intersection of dolerite dykes, small-scale faulting and other unforeseen geological losses.

The geological discounts applied are 10% to the Measured Coal Resources.

Table ES 3 includes the summarised Moabsvelden Coal Resource Estimate on a Mineable Tonnes In Situ (**MTIS**) air-dried (**adb**) basis.

Table ES 3 Moabsvelden Coal Resource Estimate at as 31 March 2025

MINING METHODOLOGY	RESOURCE CATEGORY	SEAM	AREA (Ha)	THICK (m)	ARD (g/cm3)	Geological Loss (%)	MTIS (Mt)
Opencast	Measured	S5	82.91	1.50	1.70	10.00	1.91
		4UU	36.25	0.55	1.67	10.00	0.30
		4U	99.65	3.06	1.83	10.00	5.02
		4L	105.73	4.81	1.58	10.00	7.23
		2U	106.55	2.01	1.72	10.00	3.32
		2L	117.69	4.73	1.61	10.00	8.07
		S1	41.31	1.97	1.68	10.00	1.23
TOTAL MEASURED			590.09	3.71	1.67	10	27.07
TOTAL MOABSVELDEN RESOURCES			590.09	3.71	1.67	10.00	27.07

Note:

1. Minimum seam thickness cut-off of 0.5 m.
2. Ash Content >45% cut-off applied to 4L and 2L Seams.
3. Dry ash-free basis (daf) >27.5% limit applied.
4. ARD – Apparent Relative Density.
5. Weighted average qualities estimated on MTIS. All seam thicknesses used are true thicknesses.
6. Coal Resources quoted on a MTIS adb basis in million tonnes.
7. Fresh coal only, and coal within Mining Right boundary.

Table ES 4 Moabsvelden Raw and F1.8 Coal Qualities at as 31 March 2025

				RAW COAL QUALITIES (Air Dried, Uncontaminated)						F1.8 COAL QUALITIES (Air Dried, Uncontaminated)						
MINING METHODOLOGY	RESOURCE CATEGORY	SEAM	MTIS (Mt)	ASH (%)	CV (MJ/kg)	FC (%)	IM (%)	TS (%)	VM (%)	YIELD (%)	ASH (%)	CV (MJ/kg)	FC (%)	IM (%)	TS (%)	VM (%)
Opencast	Measured	S5	1.91	37.68	17.69	34.48	4.52	1.09	23.33	61.66	23.31	23.32	44.70	4.29	0.72	27.73
		4UU	0.30	33.83	19.90	35.29	3.06	3.10	27.80	66.05	22.21	24.14	42.87	3.30	2.34	31.60
		4U	5.02	48.94	12.19	30.09	3.64	0.52	17.29	34.51	31.09	19.49	43.57	3.78	0.51	21.31
		4L	7.23	27.26	20.60	46.19	4.36	1.02	22.17	83.57	21.69	22.98	50.52	4.30	0.61	23.58
		2U	3.32	39.78	15.97	37.15	3.59	0.54	19.45	58.92	28.71	20.45	45.97	3.88	0.43	21.44
		2L	8.07	30.32	20.09	43.30	3.79	0.96	22.57	75.59	22.98	23.02	48.79	3.90	0.55	24.30
		S1	1.23	36.49	17.88	40.59	3.40	0.58	19.53	67.64	26.61	21.83	47.80	3.62	0.42	21.96
TOTAL MEASURED			27.07	34.95	17.98	40.04	3.92	0.86	21.07	66.61	25.02	22.02	47.54	3.99	0.57	23.42
TOTAL MOABSVELDEN RESOURCES			27.07	34.95	17.98	40.04	3.92	0.86	21.07	66.61	25.02	22.02	47.54	3.99	0.57	23.42

Note:

1. Weighted average qualities estimated on MTIS.
2. CV - Calorific Value, VM – Volatile Matter Content, FC - Fixed Carbon, TS - Total Sulphur, IM - Inherent Moisture, DAFV – dry, ash-free Volatile Matter Content, ARD – Apparent Relative Density.
3. Coal Qualities reported on an air-dried basis (adb).

ES2.10 Reconciliation with Previous Coal Resource Estimate

[SR1.4(iii), SR4.2(v), SR4.5(vi), SR6.1(iii)]

The reconciliation summarised in Table ES 5 indicates that 3.33 Mt of coal was mined at Moabsvelden during FY2025, and a gain of 1.75 Mt was realised overall. The gain was due to both the inclusion of the S1 in the south

as well as an increase in the resource footprint. There were some losses on the S2 due to the removal of the S1 where identifiable, as well as a decrease in the footprint in the west.

Table ES 5 Reconciliation between the 2024 and 2025 Coal Resource Estimates.

Moabsvelden Resource Reconciliation					
	FY 2024 Mt	FY 2025 Mt	Variance Mt	Survey Depletion	Net Loss/Gain
Moabsvelden Total	22.00	27.07	5.08	3.33	1.75
Opencast Total	22.00	27.07	5.08	3.33	1.75
S5	2.00	1.91	-0.10	0.16	-0.26
S4UU	0.11	0.30	0.19	0.00	0.19
S4U	3.53	5.02	1.49	0.61	0.88
S4L	5.54	7.23	1.70	1.04	0.66
S2U	3.18	3.32	0.14	0.61	-0.47
S2L	7.64	8.07	0.43	0.91	-0.48
S1	-	1.23	1.23	0.00	1.23

ES2.11 Risks

The geological risks identified at Moabsvelden are summarised in Table ES 6, and are primarily associated with the transgressive sill and associated uplift in the west as well as the palaeohigh in the southwest.

Table ES 6 Moabsvelden Geological Risks

Type	Risk Description	Mitigation / Recommendation	Risk Level
Geological	Mining in close proximity to the transgressive sill; potential unpredicted dolerite intersections	Losses applied in Coal Resource Estimates; geophysically log pre-split drill holes	Low
Geological	Palaeohigh in the south-west may pose eventual unplanned quality and mining constraints.	Additional drilling in this area would assist in further delineating the effect the palaeohigh has had on the coal seams.	Low
Geological	Survey information for faulting and dolerite not available to onsite geologists or included in geological model	Include survey and geophysical data in the geological model; improve prediction of structures for mine planning, tonnage estimation, and grade control	Low

ES2.12 Future Work

- The mine geophysically logs pre-split drill holes as part of their short-term planning. This geophysical data should be included in the geological model, to ensure the model is as accurate as possible;

- Inclusion of survey information in the geological model to assist with the prediction of geological features. This will aid with mine planning, tonnage estimations as well as grade control;
- Additional exploration in structurally complex areas; and
- The neighbouring colliery to the north, Stuart Coal, have begun to mine through the wetland on their side of the boundary. As such, Salungano may seek approval to drill their adjoining area in order to assess the coal measures in that area.

ES2.13 Mining

[SR4.1(iii), SR4.3(i-ii), SR4.5(iii,v), SR5.1(i), SR5.2(i-ix)]

Moabsvelden is an operational opencast mine with an updated LOM plan. The current planning, as indicated by Mine management and included in the LOM plan, is that production will ramp up to around 400 000 RoM tonnes. This volume is higher than achieved to date, however developed pit space and working benches are favourable for such an increase. Mining intensity will reduce again with the reduction in pit length along the palaeohigh, identifies in the southwestern corner of the area.

Opencast operations are based on typical truck and shovel methodologies with push over assist. This methodology has been applied since the completion of the initial boxcut and access ramps. The pit layout is based on 100 m block lengths and 45 m wide strips to facilitate planning, execution and control.

The remaining Moabsvelden pit has an average RoM strip ratio of 1:2.75 BCM / ROM tonnes. The remaining pit shell containing the coal reserves was determined by the MR boundary and geological cut-offs, and by the palaeohigh in the southwest, against which the coal thins (this area currently hosts the waste dump). On the southern side the MR boundary, safe offsets were considered, and on the east of the MR boundary, the powerline and access road for both coal trucks and light vehicles was excluded. The eastern off-set to the mining footprint seems quite large, however it is required for the 100 m blasting permission from the powerline.

ES2.14 Rock Engineering

[JSE 12.10 (h)(vii)] [SR 3.1(i), SR4.1(ii), SR4.3(ii), SR5.2(ii)]

Salungano has appointed Tsebo Mining Solutions (Pty) Ltd (**Tsebo**) as their independent rock engineering consultants. They provide for a legal appointee responsible for the rock engineering function, inclusive of regular audits and update to the code of practice that endeavours to combat rockfalls.

Tsebo conducts weekly pit inspections by a strata control officer and a monthly inspection by a qualified rock engineer who also holds the legal appointment. Both the strata control officer and rock engineer provide reports to management regarding both good practices observed, and hazards identified. The hazards are accompanied by mitigation indications, for the mine to execute.

ES2.15 Geotechnical Designs

The remaining pit shell for Moabsvelden was determined based on economical strip ratio's and feasible coal qualities, together with surface limiting factors such as Powerlines, Public roads and the mining right boundary. The mined-out areas are defined by actual survey information and incorporated in the remaining pit shell design. Finally, the high wall as well as end wall configurations stipulating the minimum offsets for safe operations, were re-evaluated and confirmed by the appointed rock engineer for the mine; these stipulations contributed to the final design of the remaining pit shell.

The minimum design for the Moabsvelden pit equates to a 5 m offset at the S5 level, 15 m offset on the S5 overburden level, followed by the safe benching of the estimated 18 m thick softs at an angle of 51 degrees. This angle adds another 15 m to the total offset distance from the S2 floor position.

The total minimum safe allowance from the S2 floor position is 35 m.

During the numeric modelling for Factor of Safety (**FoS**) and Probability of Stability using 2D Slide software, the FoS on softs for both pits ~1.8, S5 and S4 overburden to 3.0 with Probability of Stability on all benches greater than 99%.

An identified risk relevant to slope stability is blast vibrations; blast engineers conduct blast simulations and effective designs to mitigate the effect of vibration on opencast slopes.

In addition, water is a risk; water management is conducted, clean water is diverted around the operating pit, and water accumulations on the high walls are monitored during rainy season.

Managing risk in terms of slope stability is an ongoing process, whereby incidents are reviewed, and mitigation measures implemented. When applicable, the COP and associated procedures and standards were reviewed and updated.

ES2.16 Mine design

The LOM mining model was constructed using the Runge scheduling software. The geological model utilised for the opencast mining model was constructed in Datamine's Stratmodel™ software and updated in 2025. The relevant structure and quality grids, covering the full extent of the resource area, were provided to the mining engineer for mine modelling purposes. This geological model was the base for both the mining models and Coal Reserve Estimates.

The opencast footprint is based on the delineation done during the FY23 reporting period. During this update, the offsets as determined by the Rock engineer were applied to determine both the end wall, and final void configurations. This, together with the limiting factors set by the other surface structures; the powerline (100 m) and the defined wetland buffer zones, were taken into consideration for the finalisation of the mining footprint.

In terms of physical and quality cut-offs on all seams, Table ES 7 summarises the relevant factors applied to the mining model.

Table ES 7. Cut-off parameters applied in the mining model.

SEAM	THICKNESS (m)	RAW ASH (%)	RAW DAFV (%)
S4UU	0.3 m	50%	24%
S5, S4U, S4L, S2U, S2L	0.5 m	50%	24%

ES2.17 Modifying Factors Coal Recovery

[SR 5.1(ii)]

For the calculation of the RoM and coal recovery, the following factors were applied to the mining model, in addition to the cut off parameters listed above:

- Total loss of 16%;
- Contamination of 3%; and
- Surface Moisture of 3%.

The coal losses are converted back to waste volumes to allow for a realistic calculation of the strip ratio and accurate estimations of both waste and coal volumes.

ES2.18 Production History

[SR1.4(iii); SR5.2(viii)]

The ROM production history from January 2021 through to 31 March 2025 is illustrated in Figure ES 4. The mine has progressively increased coal production as per the LOMP, with an eventual target of 400 000tpm.

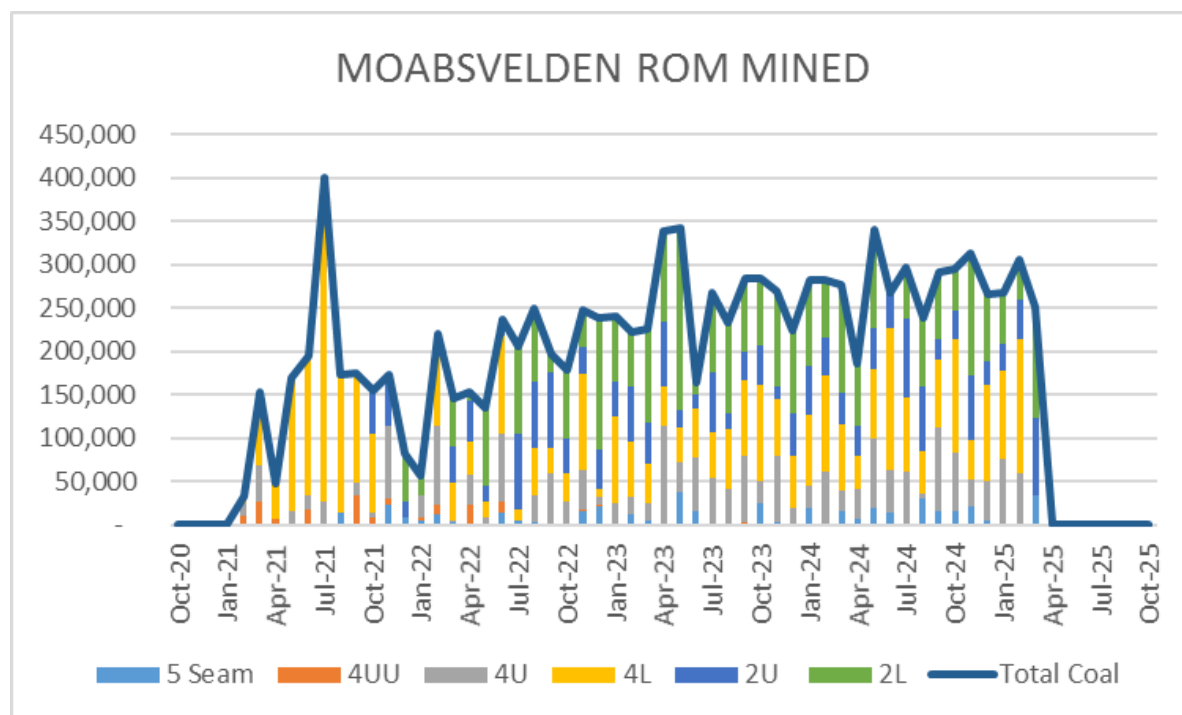


Figure ES 4 Moabsvelden ROM History

ES2.19 Future production

A total of 27 Million cubic meters of waste has been removed as at the effective date and 11.3 Mt ROM extracted, at an average strip ratio of 1:3.03 BCM:ROM Tonnes. As part of the mine's objectives is an increase in ROM production for the FY26 year, a target of 400 000 t per month is planned. The pit is well established and the pit length at a maximum, before it starts reducing when nearing the palaeohigh area with the waste dump.

ES2.20 Mine scheduling

The mine schedule is contractor based, with the equipment capacity driven by the required sales commitment, as per the CSA with Eskom. As such, the monthly RoM varies between 400 000t to 250 000t.

The LOM model simulates the Kusile Power Station qualities through the onsite crush and screen plant at Moabsvelden to produce a raw coal product for Eskom as well as a wash product from the Processing Plant at Vanggatfontein. The main drivers in the quality model are based on achieving the sulphur and ash quality parameters as stipulated in the CSA. The modelled qualities can still be somewhat modified by diligent RoM stockpile management. All ROM coal modelled as a crush and screen raw feed is blended with the processed coal product. The wash yields vary between 40 % to 60% with an average for the LOM of 50 %. The base qualities targeted for Kusile Power Station, is an air-dried calorific value greater than 18.8 MJ/kg (the average for the LOM is 20.03 MJ/kg), an ash content less than 36%, (the average for the LOM is 30.11%), a volatile matter content greater than 18.8%, (the LOM average is 22.45%), and a sulphur content less than 1.1%, (the LOM average is 0.98%).

The mine will have to focus on the sulphur parameter, as the indicated 1.1% for Kusile is close to the predicted 0.98% from the schedule.

Risks

The mining related risks identified at Moabsvelden are summarised in Table ES 8.

Table ES 8 Identified Mining Related Risks at Moabsvelden

TYPE OF RISK	RISK	MITIGATION	LEVEL OF RISK
Geotechnical	Current faulting structures and increasing depth.	Survey, monitor and align COP.	Medium
Production levels	Not achieving planned production levels.	Create sufficient buffers between processes to allow space for equipment to be productive	Low
Concurrent rehabilitation	Availability of plans and funds.	Implement effective concurrent rehabilitation practices. Draft an optimised closure plan for dumps and voids. Identify closure items that can be optimised, including possibility to complete as part of concurrent mining operation.	High

ES2.21 Coal Processing

[JSE12.10(h)(vii)] [SR4.3(ii), SR5.2(viii), SR5.3]

Vanggatfontein owns two Coal Handling and Processing Plants (**CHPPs**) with processing capacities of 100tph and 480tph, respectively. The 100tph plant used to process S5 coal only; this plant is reserved to wash Moabsvelden S4U, S2U and contaminated coal on a toll basis.

Both plants were designed and constructed by DRA Mineral Projects (**DRA**) and are currently operated by a processing contractor.

Moabsvelden has crushing and screening mobile equipment for processing good quality coal (S4L and S2L). Both the raw coal and the washed coal from the Vanggatfontein plant make Power Station specification.

ES2.22 Tailings / Discard areas

[SR1.1(ii)]

Moabsvelden has no discard dump or in pit disposal permission. The discard from the washed product at Vanggatfontein is disposed of in the Vanggatfontein mining voids. Vanggatfontein has a waste license to dispose of discard in the mining voids. This process also assists Vanggatfontein with their rehabilitation backlog.

ES2.23 Coal Market

[SR4.1(iii), SR4.3(vi), SR5.6(i-iv)]

Salungano secured an Eskom CSA for Moabsvelden together with the VG6 S4 underground project (under the Vanggatfontein MR), for a total of 34 Mt ROM, equating to 28.3 Mt saleable, at the initial Kusile specification of 18.8 MJ/kg, this concluded contract related to 520 MGJ of energy. Of this 520 MGJ, the VG6 contribution was 3.6 Mt at a 100% crush and screen yield, relating to 67 MGJ and Moabsvelden 24.6 Mt. saleable, relating to 462 MGJ in the original CSA with Eskom.

The remaining saleable tonnes from Moabsvelden was estimated at the effective date to be 14.9 Mt. To date, Moabsvelden has supplied a total of 367 MGJ, of the total 529 MGJ on the current joint CSA for both Moabsvelden and VG6. Excluding the 66 MGJ assigned to VG6, 96 MGJ remains for Moabsvelden. Based on a 20 MJ/kg product quality, that relates to 4.8 Mt remaining in the contract for Moabsvelden. In terms of the total Saleable Coal Reserve Estimation for Moabsvelden totalling some 14.9 Mt; this equates to approximately 10 Mt of potential saleable still to be contracted.

Salungano has progressed significantly in the extension of the current contract, for the remainder of the reserve not contracted.

ES2.24 Historical Coal Reserve Estimates

[SR1.4(iii)]

Table ES 9 Historical Coal Reserve Estimates

MOABSVELDEN RESERVE HISTORY								
DATE	MTIS (AD) Mt	ROM (AR) Mt	SALEABLE (AR) Mt	YIELD (%)	CV (MJ/kg) AD	ASH (%) AD	VOL (%) AD	TS (%) AD
FY2020	28.38	29.01	24.47	0.84	20.18	29.32	22.47	0.90
FY2021	28.09	28.72	24.49	0.85	20.15	29.41	22.46	0.90
FY2022	24.29	24.84	21.30	0.86	20.14	29.47	22.44	0.89
FY2023	22.88	23.40	19.38	0.83	20.07	29.59	22.41	0.86
FY2024	19.71	20.15	16.66	0.83	20.06	29.75	22.32	0.89
FY2025	17.46	17.85	14.98	0.84	20.04	30.61	22.76	0.91

Table ES 9 shows the historical Coal Reserve Estimates for Moabsvelden from 2020 to current 2025. In general, the mine showed gains year on year. Through the years slight adjustments were made to the mining footprint, with some minor adjustment resulting from geological model updates.

ES2.25 Current Coal Reserve Estimate (31 March 2025)

[JSE12.10(h)(ix)] [SR5.1(i), SR5.2(ii-iv), SR5.6(V), SR6.1(i-ii), SR6.2(i), SR6.3(i,iii,v,vi), SR10.6(i-ii)] [SV1.9]

The Coal Reserve Estimate has been independently Estimated and signed-off by Mr L. Raaths of Miptec. The Coal Reserve Estimate is declared as at 31 March 2025.

The Coal Reserves for Moabsvelden as at 31 March 2025 are summarised in Table ES 10 below.

Table ES 10 Current Coal Reserve Estimate For Moabsvelden Colliery - 31 March 2025

MOABSVELDEN RESEVE ESTIMATE 31 March 2025 (100% Salungano attributable)										
PROJECT	RESERVE CATEGORY	SEAM	MTIS (AD) Mt.	ROM (AR) Mt.	SALEABLE (AR) Mt.	YIELD (%)	CV (Mj/kg) AD	ASH (%) AD	VOL (%) AD	TS (%) AD
MOABSVELDEN	PROVEN	S5	1.46	1.49	1.32	88%	19.30	34.35	24.05	1.04
		S4UU	0.19	0.19	0.19	96%	19.82	34.05	27.54	2.94
		S4U	2.89	2.95	1.03	35%	19.00	32.65	21.12	0.52
		S4L	4.93	5.04	5.04	100%	20.97	27.32	22.87	1.02
		S2U	2.21	2.26	1.49	66%	19.00	32.74	20.87	0.51
		S2L	5.27	5.39	5.39	100%	19.95	31.31	22.97	0.90
		S1	0.52	0.53	0.53	100%	19.05	34.34	23.25	0.85
	100% Basis	MINE	17.46	17.85	14.98	84%	20.04	30.61	22.76	0.91

Note:

1. CV = Calorific Value air dried, contaminated.
2. RoM (AR) = Run of Mine on an as received basis
3. Saleable (AR) = Coal sales on an as received basis
4. All coal quality data reported as air-dried contaminated basis

The Coal Reserve Estimate is based on the supplied survey polygons as at the effective date, and a geological model based on 1st Principals as it was updated with drilling in 2025. All of the Coal Resources included in the Coal Reserve Estimate are classified as Measured.

ES2.26 Reconciliation of Coal Reserve Estimates

The previous Coal Reserve Estimate, also estimated by Miptec, has an effective date of 31 March 2024. Table ES 11 details the Coal Reserve reconciliation between the Coal Reserves declared as at 31 March 2024 and 31 March 2025.

Notable in Table ES 11 is the nett gain of 1.03 Mt, primarily attributable to the inclusion of the Coal Reserves right up to the wetland buffer in the north. The decision was made to change the current designs to extract optimally up to the wetland defined buffer zones, in anticipation of the possible permission to mine the wetland. The total mined ROMar was 3.33 Mt for FY25, and this together with the change in the reserve footprint, resulted in the 1.03 Mt net increase year on year.

Table ES 11 Reserve Estimation Reconciliation FY24 to FY25

MOABSVELDEN RESERVE RECONCILIATION 31 March 2024 to 31 March 2025					
	RESERVES 31 March 2024	SURVEY DEPLETION FY25	CALCULATED 31 March 2025	RESERVE ESTIMATE 31 March 2025	Net Gain
S5	1.85	0.16	1.69	1.49	-0.20
S4UU	0.06	0	0.06	0.19	0.13
S4U	3.34	0.61	2.73	2.95	0.22
S4L	5.49	1.04	4.45	5.04	0.59
S2U	2.7	0.61	2.09	2.26	0.17
S2L	6.71	0.91	5.8	5.39	-0.41
S1			0	0.53	0.53
TOTAL	20.15	3.33	16.82	17.85	1.03

ES2.27 Environmental, Social and Governance (ESG)

[SR5.5(iii)]

Moabsvelden has a wetland to the north, which is cut-off from the mining area; clean water is diverted around the mine. There is work being conducted by the Colliery's neighbours to potentially mine this wetland through an offset agreement. If this is done, Moabsvelden will apply for permission to mine their side of the wetland. This will require additional exploration to confirm the coal measures to be converted to Coal Resources and ultimately converted to Coal Reserves.

Surface Water Resources

No surface water resources are utilised by the mine.

Wetland Systems

The wetlands were identified in both the north and the south of the Moabsvelden mining area; mining in the north is restricted to a 150 m wetland buffer and a 150m wetland floodline buffer zone; the delineation of which was provided by the environmental specialists.

The mine has incorporated the compliance aspects with regard to wetland systems in their management system, through the required internal and external audits, mine management are kept focussed on the findings, nonconformances and progress with regard mitigation measures.

Environmental parameters

[JSE12.10(h)(viii)] [SR4.1(iii), SR4.3(v)]

The environmental parameters are encapsulated in the IWUL, EA and EMP for Moabsvelden. The external audits as required by such parameters stipulated in the licenses were done in accordance with the requirements. The mine keeps a live action plan document in excel to track the findings and progress the required actions.

Conformance and compliance audits

[SR7.1(i-ii)]

WSP completed a compliance audit in November 2024, with main significant findings listed below:

- Closure liability assessment, Salungano to assess the closure liability in terms of the Financial Provision Regulations (as amended) in 2018.
- Align rehab guarantee with the closure liability assessments.
- Alien vegetation, Alien vegetation management plan to be implemented.

The following aspect were extracted from the mine's action plan related to external audits on the EMP and EA, to ensure compliance. Those actions not closed out are highlighted in the section below:

- Daily inspections to be instituted to prevent mixing of soils during stripping and dumping operations. Such reports were requested from the Geologist.
- It was found that plant do not have concrete floors, Although the comment was made that mobile plants are utilised, the action state that all mobile plant will conform to this requirement.
- It was found that stormwater channels do not exist at the plant and that dirty water finds it way into the clean environment. The corrective projects are on hold due to financial constraints.

In addition, inspections by DWS finding and corrective actions are tracked, the aspects not closed out are listed in the section below:

- Storm water channels at the workshop area is not sufficient, ponding of water occur. The mine suggested that the grader level and slope the area to drain effectively.
- Alien vegetation was observed on rehabilitated areas, the mine has halted the project to eradicate due to financial constraints
- Flow meters were installed but not calibrated due to financial constraints, the mine still has to comply.

ES2.28 Material contracts

[SR1.5(ii)]

Coal Supply Agreements

Salungano secured an Eskom CSA for the Moabsvelden Reserves, together with the VG6 S4 underground project, for a total of 34 Mt ROMar, equating to 28.3 Mt saleable. At the initial Kusile specification of 18.8 MJ/kg, this concluded contract related to 520 MGJ of energy.

Moabsvelden is currently in the process of acquiring additional coal supply contracts to Eskom, for their remaining Coal Reserve Base. Initial discussions with Eskom indicated that there should be no problem in concluding another CSA.

Mining

Moabsvelden has a mining contract with Trollope Mining Services (Pty) Ltd (**Trollope**). Trollope were appointed as the boxcut contractor when the mine commenced operations and have since continued as the contract miners.

Coal Processing

[SR5.4(ii-iii)]

No information regarding the rented mobile crushers at site was made available.

There is an agreement in place for the toll washing of the coal from Moabsvelden at the VGF Processing plant.

No details regarding any of the Material Contracts in place were made available to Miptec for review.

ES2.29 Mine Closure and Liabilities

[SR1.7(i), SR5.6(iX)]

The Moabsvelden rehabilitation liability was calculated by Zyntha Consulting using both the DMRE guidelines and a volume-based assessment methodology. The volume-based assessment provides for a more realistic estimate of immediate closure liabilities, compared to the DMRE methodology. The DMRE methodology amounted to a calculated liability of R83.3 Million. The volume-based assessment amounted to R742.3 Million; which has been reduced from the previous estimate of R1081.5 Million, based on preliminary work conducted by Ukwazi Mining Services, with regard to an optimised closure plan, which still needs to be finalised. Currently, the dumps above the original ground level (**OGL**) contain 11.6 Million cubic meters of material, with voids amounting to 23.5 Million cubic meters. There is a considerable deficit in the volume of material required as the mine experienced a shortage of out of pit dumping space and moved material to the neighbouring mine voids. As part of the current closure optimisation study, the backfill will endeavour to achieve minimum drainage levels, thus eliminating the need to backfill to OGL levels.

Miptec has reviewed the process by which Salungano provides for closure and has concluded that it is a very high-risk methodology. The current Centriq/Nedbank fund holds approximately R60 million, which when compared to the current closure liability of R742.3 Million, is totally underfunded. In place of a net present value (**NPV**) provision, the mine should consider a periodical contribution to the Centriq/Nedbank fund, which at the average fund growth rate would sufficiently provide for the future cost of closure, with an annual adjustment to the fund contribution based on the fund growth rate and the updated liability estimation.

For immediate closure, Moabsvelden has an R85.83 Million guarantee in place for the R83.3 Million quantum calculated by Zyntha Consulting. The guarantee as provided is sufficient for the 31 March 2025 valuation.

For mine closure, Salungano has a current fund value of (Centriq) R17.56 million and (Nedbank) R42.23 million, for an approximate total of R60 Million. The tax adjusted present value (**PV**) as per Salungano financial model, equates to R224.3 Million. In total, with a PV of R284 Million, Moabsvelden has a reasonable remaining life with upside potential. There is enough opportunity to sufficiently provide for the closure of Moabsvelden

Based on the provisional optimised closure quantum of R742.3 Million, the total PV provided for, amounting to R284 Million is deemed insufficient, and will require an adjustment to the Salungano approach in providing for closure activities.

Moabsvelden has a low risk in terms of providing for final closure, as the mine still has significant reserves remaining with some additional upside that could still increase the reserve base. The mine must endeavour to provide sufficiently and proportionally over the mines economic life to ensure sufficient funding for closure. The current methodology of providing for closure based on NPV within the valuation model is not effective and does not align with the actual closure liability quantum.

It is therefore recommended that the mine:

1. Aligns current rehabilitation funds with the latest closure liability estimate;
2. Implements annual reviews of both the liability quantum and fund performance;
3. Adopt a structured, proportional funding approach over the remaining mine life to ensure full coverage of closure obligations at end-of-life; and
4. Continues the closure optimisation process to refine the rehabilitation strategy and reduce overall closure costs where feasible.

Progressive alignment of the rehabilitation fund to the updated closure quantum will ensure Moabsvelden's financial readiness for closure while reinforcing its compliance and sustainability commitments.

ES2.30 Asset Valuation Method

[JSE12.9(a)(i), JSE12.10(f)] [SV1.2, SV1.12, SV1.14, SV1.15]

The valuation of Moabsvelden has been undertaken in accordance with the SAMVAL Code, which prescribes internationally aligned standards for the valuation of mineral assets. As per the code, Salungano used the Income Approach to prepare the valuation model. The Valuation Model was prepared by Zaheer Saloojee, a full time Associate of Salungano.

The valuation model was reviewed by Miptec, with all required amendments communicated to the Client. Miptec considers the Income Approach to be the most appropriate method for valuing the Moabsvelden operation, as the

value derived under this approach is based on projected cash flows generated from a detailed LOM schedule. The underlying operating and capital cost assumptions are well understood and supported by historical performance data and current operational knowledge, providing a robust basis for the valuation.

Income Approach Valuation Results

The main drivers in terms of ROM, Strip ratio and sales, together with the total cost summary and revenue for the Moabsvelden LOM, is summarised in Table ES 12. The Free cashflow is shown with a NPV calculated on the free cash flow. The rehabilitation Liability is accounted for at NPV level, with the relevant detail with regard to the Total PV of R224.3 Million. The NPV before the rehabilitation adjustment amounts to R588.6 Million, however after accounting for the closure provision of R224.3 Million the value for Moabsvelden is estimated at R365.2 Million.

Table ES 12 Moabsvelden Valuation Basis

VALUATION BASIS (NOMINAL)		TOTAL	FY26	FY27	FY28	FY29	FY30
ROM	ton	16,688,438	3,519,621	4,096,846	3,673,808	3,621,897	1,776,267
SR	Ratio	2.66	2.34	2.47	2.88	3.02	2.51
SALES	Ton	13,764,935	2,916,875	3,451,236	3,095,782	2,918,780	1,382,261
TOTAL COST	ZAR	-	1,609,514,501	2,050,454,015	2,059,895,387	2,171,883,504	1,285,712,967
OPERATIONS	ZAR		816,751,714	1,055,564,156	1,114,585,137	1,197,967,348	657,905,166
Mining Cost	ZAR		659,547,709	850,090,202	905,000,447	974,676,067	543,132,311
Diesel	ZAR		157,204,005	205,474,153	209,584,691	221,291,281	114,572,855
PROCESSING	ZAR		279,820,872	334,466,399	301,204,339	324,781,315	166,775,923
PRODUCT DISTRIBUTION	ZAR		346,290,710	428,222,582	401,456,203	395,565,896	196,052,330
OTHER COST OF SALES	ZAR		3,977,775	5,542,167	5,791,773	6,052,403	6,324,761
REPAIR AND MAINTENANCE	ZAR		-	-	-	-	-
FIXED OVERHEADS	ZAR		162,673,429	226,658,311	236,857,935	247,516,542	258,654,787
REVENUE	ZAR		2,169,659,329	2,682,654,164	2,514,644,663	2,477,558,567	1,226,108,602
Sales Revenue	ZAR		1,789,502,976	2,212,613,540	2,074,041,785	2,043,453,721	1,011,276,270
Transport revenue	ZAR		380,156,353	470,040,624	440,602,878	434,104,847	214,832,333
EBIT	ZAR		560,144,828	632,200,149	454,749,276	305,675,064	(59,604,365)
Changes in Working capital	ZAR		117,694,484	9,431,598	(11,860,506)	(6,970,331)	(57,784,010)
Royalty Tax	ZAR		62,242,942	80,953,082	56,809,517	39,874,133	6,130,543
Tax	ZAR		134,433,509	148,836,708	107,443,735	71,766,251	(17,748,425)
Capital Expenditure	ZAR		146,991,229	24,341,852	56,622,637	58,298,004	30,149,144
Free Cash Flow	ZAR		98,782,664	368,636,910	245,733,893	142,707,007	(20,351,616)
WACC		15.75%	1.16	1.34	1.55	1.80	2.08
PV Factor							
PV of Free Cash Flow			85,338,552	275,123,628	158,437,752	79,488,343	(9,793,132)
Valuation Date : 1 Apr 2025							
NPV		588,595,144					
NPV Of Rehab Provision		224,340,642					
NPV Post Rehab Provision		364,254,702					

The following adjustments were made to the Salungano Valuation model:

1. Removed coal buy in – this is not deemed relevant as Moabsvelden has contracted all Coal Reserves to Eskom. During the life-to-date, the mine provided around 11 Mt of their contracted tonnes from buy in coal, under a rectification contract. Salungano is currently in the process to secure an additional contract for the remaining Coal Reserves at Moabsvelden.

2. A change in the Rehabilitation Liability inflation from 3% to 4.5% to align with that used for the WACC calculation.

Concerns with regard to the valuation model:

1. Moabsvelden is the main revenue generating asset for the Salungano Group; responsible for almost all Group contributions. The Group debt of ~R300 Mil has reduced to less than R200 Mil at the time of the report. The Salungano group contribution is reflected in the high off mine costs provided for in the valuation model.
2. The Rehabilitation Liability calculated by Salungano under-provides for the current estimated closure liability. The Group should be sufficiently contributing to a fund for closure. The risk, with the provision at NPV level is that no real mechanism is in place to provide for the final rehabilitation. The current fund with Centriq and Nedbank amounting to approximately R60 Million should form the basis for providing towards closure activities at the end of the mine's life. The current NPV contribution, if left to the end of the mine's life, would require approximately 40% of the free cash from FY28 and all that is projected to be generated over the last two years of the mine.

ES2.31 Project Risks Summary

JSE12.10(h)(x)) [SR4.3(viii), SR5.7(i)]

Table ES 13 details the main identified project risks at Moabsvelden.

It is evident that the area of highest concern relates to mine closure specifically the lack of financial closure provisions.

Table ES 13 Moabsvelden Project Risks

TYPE OF RISK	KEY ISSUES / DESCRIPTION	MITIGATION	LEVEL OF RISK
Geological	Mining in close proximity to the transgressive sill; potential unpredicted dolerite intersections	Losses applied in Coal Resource Estimates; geophysically log pre-split drill holes	Low
Geological	Palaeohigh in the south-west may pose eventual unplanned quality and mining constraints.	Additional drilling in this area would assist in further delineating the effect the palaeohigh has had on the coal seams.	Low

TYPE OF RISK	KEY ISSUES / DESCRIPTION	MITIGATION	LEVEL OF RISK
Geological/Structural	Survey information for faulting and dolerite not available to onsite geologists or included in geological model	Include survey and geophysical data in the geological model; improve prediction of structures for mine planning, tonnage estimation, and grade control	Low
Operational - safety	Accident and Injury due to the pits not being in a steady state.	Establish working benches with enough work in progress before committing to full production tonnages.	Medium
Surface Water Management	Dirty water entering clean water systems due to inadequate stormwater channels.	Implement stormwater control projects; regrade workshop areas to improve drainage; prioritise funding for critical works.	High
Environmental Compliance	Outstanding audit findings related to EMP/EA non-conformances, including alien vegetation management and infrastructure deficiencies.	Prioritise key compliance actions; reinstate alien vegetation control when funds are available; maintain audit tracking system.	Medium
Offtake Agreement	Eskom does not approve an extension or a new CSA	Explore alternative markets	Low
Closure Rehabilitation	Current high closure assessment	Implement effective concurrent rehabilitation practices. Draft an optimised closure plan for dumps and voids. Identify closure items that can be optimised, including possibility to complete as part of concurrent mining operation	High
Closure finance	Not having available funds at the end of mine's productive life	Schedule closure activities as part of current LOMP. Reduce backlog and provide through financial and investment instruments for closure post productive life of the colliery	High

ES2.32 Opportunities

Salungano has identified potential upside opportunities at the Moabsvelden project through ongoing discussions with neighbouring mines.

Wetland Mining Potential: The neighbouring operation to the north has obtained approval to mine within a wetland area, subject to appropriate offset arrangements. Based on this precedent, there is a possibility that Salungano may also secure permission to mine the portion of the wetland located on its side of the boundary.

Expansion to the East and Powerline Adjustment: The same neighbouring mine has indicated plans to extend its mining activities to the east of Moabsvelden, in the area between Moabsvelden, the powerline, and the public road. This creates potential for collaboration between both parties to jointly fund and execute the relocation of the powerline.

Should this relocation proceed, Salungano would gain access to additional coal resources currently sterilized by the 100-metre blasting exclusion zone around the powerline.

ES2.33 Conclusions

The Moabsvelden Colliery hosts a Coal Resource base of approximately 27.07 Mt, all classified as Measured, with additional upside potential contingent upon obtaining approvals to mine within the wetland area and to relocate the nearby powerline. The operation benefits from established infrastructure, valid mining and environmental licences, and a secured coal supply agreement with Eskom, all of which support its ongoing production and planned expansion activities.

The geological and resource models are underpinned by extensive drilling, sampling, and geological interpretation, demonstrating consistent seam continuity and coal quality suitable for thermal coal production. Current Resource and Reserve estimates provide a robust basis for continued economic extraction within the existing licence period, which extends to 2031.

Nevertheless, effective risk management remains essential, particularly with respect to geological variability, water management, and closure liabilities. Financial modelling indicates that the operation is sustainable and economically viable, with potential for increased production and resource conversion subject to successful negotiations regarding wetland mining and infrastructure realignment.

Overall, Moabsvelden represents a viable and strategically significant long-term coal asset, provided that the Company continues to manage geological, environmental, and closure-related risks prudently while pursuing opportunities to unlock the identified upside potential.

ES3. Vanggatfontein Colliery

ES3.1 Property Description

[JSE12.10(h)(ii)] [SR1.1(i), SR5.1(i)]

Vanggatfontein is an opencast coal mining operation, situated just outside Delmas, in the Mpumalanga Province of South Africa Vanggatfontein mines the S5, S4 and S2 Seams from two operating opencast pits (VG4 and VG5) using truck and shovel roll-over mining methods. Additionally, there are two underground projects (VG6 and VG7), situated to the west of the public road, which dissects Vanggatfontein into an East and West Resource Block, termed the ERB and WRB, respectively (Figure ES 5)

The original CSA with Eskom for supply to Tutuka Power Station ended, and the mine was placed on care and maintenance from March to August 2022. Currently, Vanggatfontein is supplying coal to Eskom as part of rectification opportunities on an interim supply agreement, however they are currently in the advanced stages of securing a CSA with Eskom for the remainder of the LOM reserves.

Apart from Eskom, the mine supplies limited quantities to other inland and export markets.

Vanggatfontein has two operational DMS processing plants; one has a 100 tph capacity while the other has a 480 tph capacity.

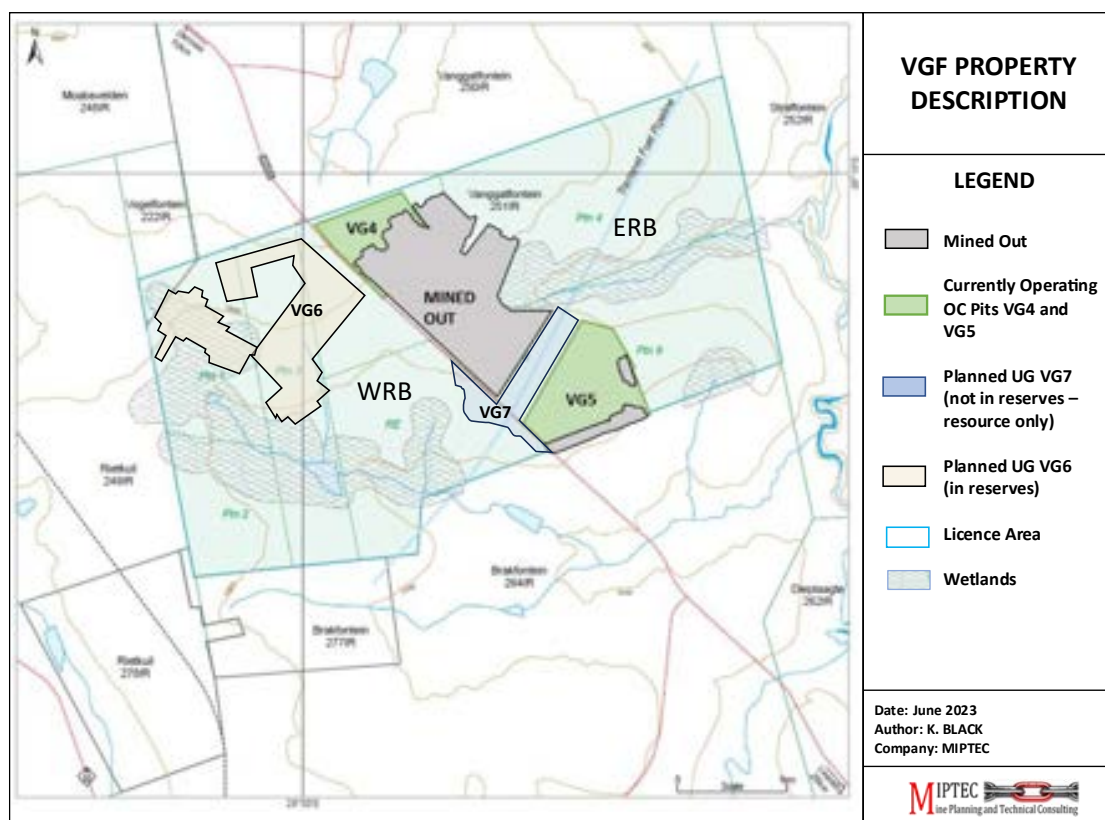


Figure ES 5 A plan illustrating the Location of the Opencast Pits and the Planned Underground Areas.

ES3.2 Location

[SR1.1(ii), SR1.2(i,iii), SV1.5]

Vanggatfontein, as illustrated in Figure ES 6, is located approximately 16 km east southeast of the town of Delmas in the Mpumalanga Province of South Africa, approximately 65 km southwest of Emalahleni and approximately 94km east of Johannesburg. The mine can be accessed from the tarred R50 off the R555 road linking the towns of Delmas and Ogies.

The Colliery is situated on farm Vanggatfontein 251IR and covers an area of 1,651.98ha with an extension of 421.00ha for a total area of 2,072.98ha.

The approximate location of the farm is 26.179°S latitude and 28.846°E longitude.

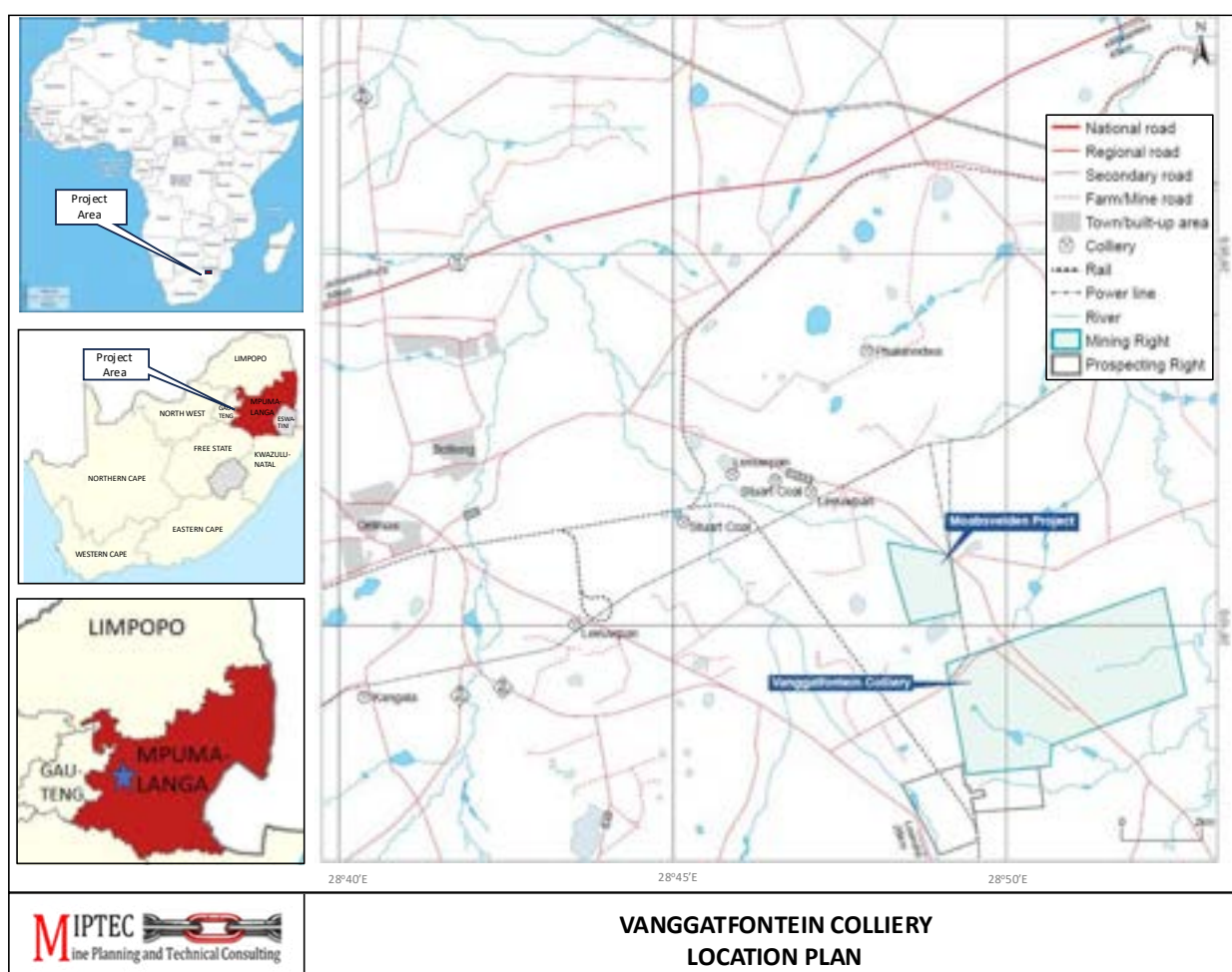


Figure ES 6 Vanggatfontein Locality Plan.

ES3.3 Title and Rights

Mining and Prospecting Rights

[JSE12.10(h)] [SR1.1(ii), SR1.5(i)] [SV1.5] [ESG4.1]

In June 2009, Prospecting Right (MP/30/5/1/1/2/1/416PR) was successfully converted into a 20-year MR (MP/30/5/1/1/2/2/309MR), which is held by Keaton Mining.

The MR was executed on 23 February 2010, and unless cancelled or suspended in terms of clause 13 of the MR, or section 47 of the MPRDA (Act 28 of 2002), will continue to be in force for a period of 20 years, ending on 22 February 2030. A period of 4.9 years remains as at the effective date.

Surface rights

[SR1.1(ii), SR1.5(i-ii)]

Salungano, through its subsidiary, Keaton Mining owns the surface rights to Portions 1, 2, 3, 4, 5, 8 and 9 (a portion of portion 8), which covers the east and west areas of the farm Vanggatfontein 251IR, and the full MR area.

Environmental Authorizations and Licenses

[SR1.5(ii)(v), SR5.5(i-ii)] [ESG4.3]

The environmental superintendent provided the summary as detailed in Table ES 14, Miptec did not have sight of the actual licences.

Table ES 14 Vanggatfontein Environmental Authorisations

Authorisation Type	Reference No.	Scope of Authorisation /Description of Activities	Date Issued	Valid Until	Issued To
Environmental Authorisation	17/2/3N-371	Activities Listed in GN R544 associated with the proposed construction of a coal processing plant and filter press plant infrastructure on the farm Vanggatfontein 251 IR Portion 4, Victor Khanye Local Municipality, Mpumalanga Province	4/20/2016	2026	Keaton Mining (Pty) Ltd
Environmental Authorisation	17/2/2/2 MP-79	Environmental Authorisation for the Proposed Vanggatfontein Mining Project on various portions of Vogelfontein 222 IR, Brakfontein 277 IR, Rietkuil 249 IR and Vanggatfontein 251 IR, Delmas, Mpumalanga	9/25/2009	2011	Keaton Mining (Pty) Ltd
Water Use Licence	04/B20F/ABCGIJ/2788	Section 21 (a), (b), (c), (g), (i) and (j) for Portions 4, 5 and 8 of the farm Vanggatfontein 251 IR	11/1/2015	2035	Keaton Mining (Pty) Ltd
IWUL-VG06	06/B20F/ACGIJ/11352	VG06 infrastructure section 21 (a),(c),(g),(i) and (j)	2/23/2022	2037	Keaton Mining (Pty) Ltd
Environmental Management Plan	MP 30/5/1/2/2/309 MR and 17/2/3N-371 (DEDET)	Environmental Management Programme for Keaton Mining (Pty) Ltd in respect of the Farm Vanggatfontein 255 IR, Magisterial District of Delmas - February 2010	2/23/2010	LOM	Keaton Mining (Pty) Ltd
Environmental Management Plan	MP 30/5/1/2/2/309 MR and 17/2/3N-371 (DEDET)	Environmental Management Programme for Keaton Mining (Pty) Ltd in respect of the Farm Vanggatfontein 251 IR, Magisterial District of Delmas - February 2017	3/9/2015	LOM	Keaton Mining (Pty) Ltd

GNR 704 exemption was approved on 10 January 2018 for the backfilling with discard into pits (Licence no: 06/B20E/G/6700).

ES3.4 Local Geology

[SR 2.1(ii) (iii) (vi); SR 3.1(vii); SR 10.2(i)]

The Vryheid Formation at Vanggatfontein comprises zones of alternating conglomerates, sandstone and mudstones within which the coal seams are located. The stratigraphy of the Vryheid Formation may be divided into three main sequences at Vanggatfontein: a basal No. 2 Seam Sequence, overlain by the No. 4 Seam Sequence, which in turn is overlain by the No. 5 Seam Sequence.

No. 2 Seam Sequence

The No. 2 Seam sequence includes the succession from the top of the pre-Karoo basement or Dwyka Formation to the top of the S2 roof (Cairncross and Cadle, 1987), and includes coarse-grained arkosic sandstones, granulestones and conglomerates, with some minor amounts of siltstones and mudstones.

The S2 is well developed over Vanggatfontein, until it subcrops against the LOW towards the east. The seam comprises zones of alternating bright and dull coal, with occasional shaley coal bands in places. On average the seam is 6.5 m thick. The floor of the seam is variable, ranging from a mudstone to a highly silty sandstone, and in places to a medium-grained sandstone. The roof of the seam is also variable, generally consisting of a coarse-grained sandstone grading to granulestone; however, in some areas it comprises a carbonaceous mudstone. Within the opencast VG4 and VG5 pits, the entire S2 is mined; however, within the planned VG7 underground, the mining horizon has been limited to a maximum of 4.8 m from the roof of the seam downwards and is referred to as the S2M.

The average depth to the S2 is around 81 m in VG4, 60 m in VG5, and 64 m in VG7.

The parting between the S2 and S4 above varies greatly in thickness between VG4 in the north and VG5 in the south. In VG4, the parting ranges between 4 – 8 m, whereas in VG5 it ranges between 14 – 20 m. The parting material comprises a basal, highly carbonaceous siltstone, interbedded siltstone, and fine-grained sandstone, which is frequently bioturbated and that grades upwards into a medium to coarse-grained arkosic sandstone. In many places this succession is truncated by an erosively based channel sandstone, which forms a fining-upwards sequence to the base of the S4.

No. 4 Seam Sequence

The No. 4 Seam Sequence comprises a predominantly sandstone succession from the roof of the S2 to the top of the S4. The S4 contains zones of dull coal with bands of shaley coal increasing towards the top. Based on the presence and degree of the shaly parting material, the S4 is divided into an S4U and an S4L ply. The S4U contains most of the dull coal and shaly bands, whereas the S4L is the better-quality lower portion of the seam.

The average depth to the S4 roof is 63 m in VG4 and around 43 m in VG5. The floor of the seam is variable, ranging from a carbonaceous siltstone, a bioturbated fine- to medium-grained sandstone, or a well-developed medium- to coarse-grained and gritty sandstone.

The sequence between the S4 and the base of the S5 is formed by a thick succession of interbedded sandstones and carbonaceous siltstones, culminating in the rocks that form the immediate floor to the S5. This parting is consistently between 16 – 20 m thick.

No. 5 Seam Sequence

The S5 is only present across the remaining portion of VG4; it has been removed by erosion in VG5, and the north-central portion of the WRB. The seam averages 1.3 m thick, and comprises bright coal, interbedded with thin stringers of carbonaceous siltstone.

The immediate roof of the S5 is formed by a succession of interbedded siltstones and sandstones or coarse-grained glauconitic sandstone, commonly referred to as the “Glauconite Marker”. This marker horizon is an important marker when logging the coal, as well as during mining, as it forms an easily recognisable unit immediately above the S5 coal. The sequence above the S5 is often located close to the weathering zone due to its proximity to surface.

The S5 only accounts for 2% of the total Coal Resource Estimate.

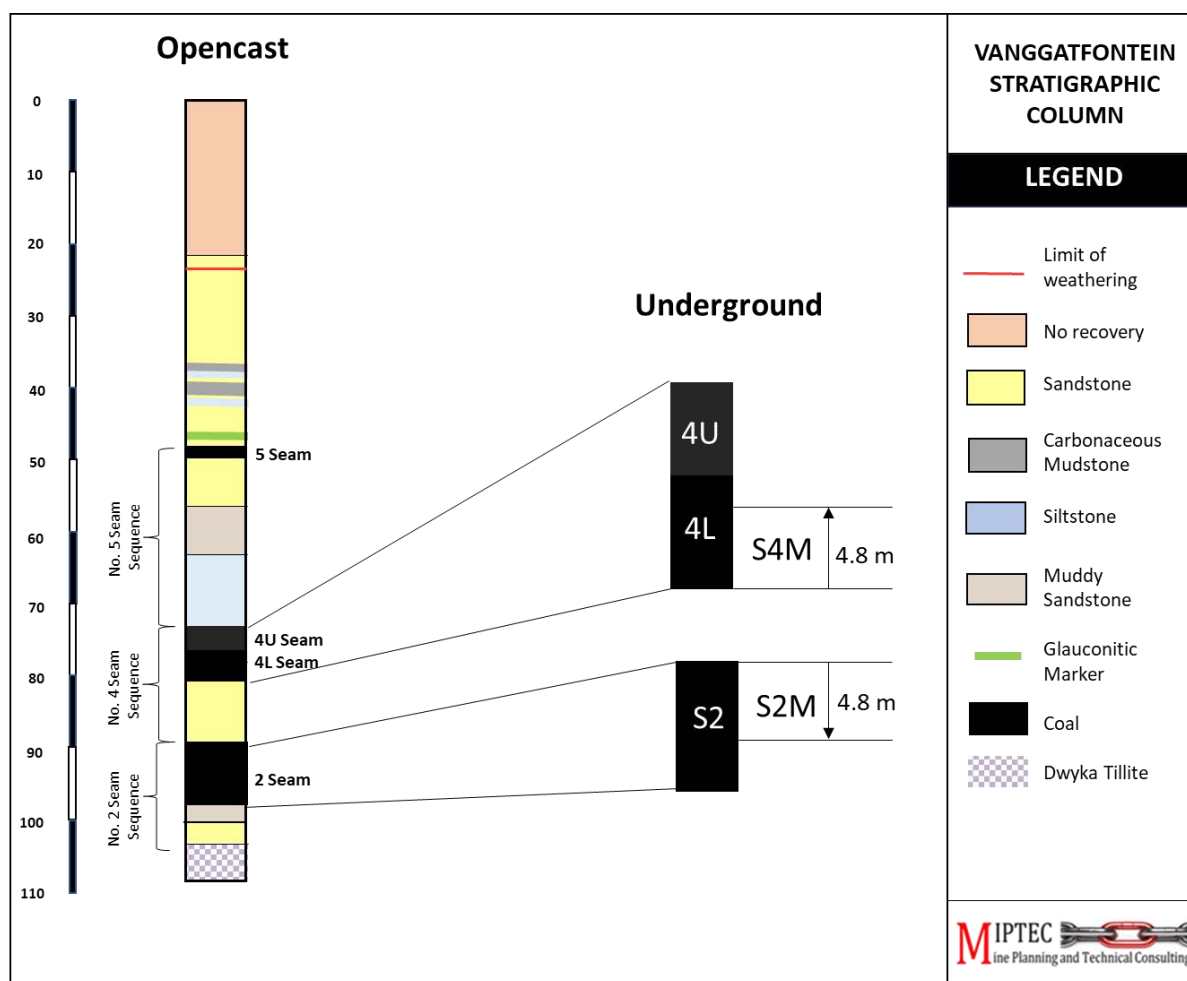


Figure ES 1-7 Generalised Stratigraphic Column and Underground Seam Delineations.

Evidence of faulting and displacement (besides differences in floor elevation) have not been intersected in any of the drill holes; however, minor displacement has been intersected during mining in VG4. No major coal losses were associated with this displacement.

Dolerite has been intersected on a small scale in VG4 and the mined-out VG3, and on a much larger scale in VG5. In VG5, a transgressive dolerite sill has been identified from airborne geophysics as well as drill hole intersections. The sill is transgressive in nature and has had a notable effect on the S4. As the sill is located above the S4, the S4U is largely heat-affected across VG5, with the S4L affected when the sill transgresses down into the seam. Along the eastern extent of VG5, the sill transgresses down through both the S4 and the S2.

A major fault has been intersected in the WRB, in the vicinity of VG6. The fault is associated with a dolerite sill transgression, and uplift is in the region of 15 – 20 m. Dolerite dykes have been interpreted to occur in VG6 (airborne survey), with a few drill holes actually intersecting dolerite. Additional drilling is required throughout VG6 to confirm the extent and effect the faulting and transgressive sill may have on the planned mining footprint.

ES3.5 Exploration and Drilling

[JSE12.10(h)(vi)] [SR1.4 (i) SR2.1(iii), SR3.1, SR3.2]

Historical drilling records obtained from the Council of Geoscience's (**CGS**) Geode spatial coal database show that between 1962 and 1963 a total of 40 drill holes were drilled on the property. As only drill hole collar co-ordinates and coal intersections were made available to Keaton Mining, and no analytical results were included in the information received from the CGS, these drill holes were not used in the construction of the current geological model.

Recent exploration refers to all exploration carried out since the project was acquired by Keaton Mining in 2006.

Between 2007 and 2015 five phases of exploration drilling were undertaken by Keaton Mining on Vanggatfontein, with a total of 248 fully-cored holes drilled; CCIC was responsible for the management and logging of these drilling programmes.

In 2017, 16 fully-cored drill holes were drilled, and in 2018, 32 fully-cored drill holes were drilled over both the ERB and WRB. These drill programmes were designed and managed by Miptec. All drill holes were geophysically logged (also called wireline logged); in addition, a portion of those included geotechnical logging.

No additional drilling has been conducted at Vanggatfontein subsequent to the 2018 drilling; additional drilling has been recommended in the planned underground areas, however no future drilling has been budgeted for.

All available data from 2007 through to the drilling completed in 2018 has been included in the geological model; where the data passed the verification stage. All drill holes included in the model are fully cored diamond holes, the majority of which have been sampled and analysed, and some of which have been geophysically (wireline) logged.

The majority of the coal samples taken were analysed for raw proximate analyses plus CV and TS, and washability analyses were conducted on all samples at float density fractions (in g/cm³) ranging from 1.3, 1.35, 1.4, 1.45, 1.5, 1.55, 1.6, 1.65, 1.7, 1.75, 1.8, 1.85 and sinks, the densities selected depending on the drill campaign.

Due to the relatively flat nature of the coal seams, as well as the shallow nature of the drilling, all the drill holes are considered vertical, and the apparent thickness of the coal seams is considered representative of the true thickness.

All drill hole collars at Vanggatfontein have been surveyed by independent registered land surveyors.

ES3.6 Data Management and Validation

[SR 3.1(i); SR 3.1(ii) SR 2.1(iv); SR 3.1(vi); SR 4.1(i); SR 4.1(ii); SR 4.2(iii)]

Drill hole data are checked for physical data errors including overlapping and missing intervals, correct ply correlations as well as depth checks where the wireline logs are available. Quality verifications are also performed on each sample analysis. Any errors identified during the verification process were investigated by the responsible person. All drill holes were presented graphically as well as plotted on plans for additional verification.

As Vanggatfontein is an operating colliery, reconciliations are conducted and the data checked against actual mining statistics.

Based on the verification techniques applied, the CP is satisfied that the data are valid and fit for purpose for the construction of a geological model, which accurately reflects the original drill hole data, as well as the estimation of Coal Resources over the Vanggatfontein area.

ES3.7 Target Seams

The target coal seams at Vanggatfontein include the S2, S4U, S4L and S5. Within the ERB, the S2, S4L, S4U and S5 are the economic coal seams within the opencast VG4 and VG5 pits. Within the planned underground VG7, the S2M is the only target seam, and within the planned VG6 underground, the S4M is considered the only economic target.

ES3.8 Geological Modelling

[SR 2.1(iii); SR 4.2 (i); SR 4.2 (iv); SR 4.2(v)]

The current 2025 geological modelling was undertaken by Ms. K. Black (Pri. Sci. Nat), a Resource Specialist under contract to Miptec. The model was created using Datamine's MineScape™ Software, Version 2023, Update 4; specialist software designed for the 3D modelling of tabular ore deposits such as coal. The model was peer reviewed by Leon Raaths based on the geological grids that were supplied from the geological model. The model is dated May 2025.

Modelling Process and Validation

The modelling software includes a user-generated Schema, where the interpolators are set, modelled units are listed in downhole stratigraphic order (a form of model control), the relationships between parent and daughter seams defined and the nature of each unit set (e.g., conformable/non-conformable, transgressive, contiguous). Should the input lithology file contain seams that are in the uncorrected stratigraphic sequence, then upon upload, the model will report an error (logged as an error report). This is the first level of data verification while modelling.

Once the table model has been built, a 3D grid model is constructed. The grid modelling process interpolates the table data onto the grid block nodes. The grids' spatial orientation is determined by the centre point coordinates of the project area and the cell size determined by the user from the drill hole spacing. The interpolators used to model the data are specified by the modeller and can vary from project to project, depending on the data. For this project, the Inverse Distance Cubed interpolator was used to ensure close honouring of the actual data. Various checks were done to compare the model data with the drill hole data in order to ensure accurate data honouring.

Three hundred and twenty six fully cored drill holes were used to create the geological model. The average spacing of the drill holes across the licence area is 151 m; based on this, a grid cell size of 30 m was used. The structural model is set to truncate the coal seams where they intersect the LOW, ensuring Coal Resources for only unweathered coal are estimated. Extrapolation of data was constrained to 250 m beyond the last known data point.

Model Validation: The grid model is interrogated by creating data value posts, statistical reports, contour plots, various grid arithmetic plots and posts, and both two- and three-dimensional cross sections.

The following surfaces were modelled for each of the mineable coal seams::

- Topography;
- Limit of weathering;
- Seam roof and floor elevations;
- Seam thickness;
- Raw air-dried qualities; and
- Washed qualities.

In addition, the interburden thicknesses, the dolerite roof and floor elevations and thickness were also modelled.

The target coal seams and the parting bands, namely the S5, S4U, S4L, 4P, S2U, 2P and S2L were modelled. The resource boundaries are based on the seams' subcrops, seam thickness and quality cut-offs, the mining right boundary, and the servitude and environmental boundaries.

ES3.9 Coal Resource Estimation

[JSE12.10(a)] [SR1.4(iii), SR4.1(iv), SR4.5(ii) (iv) (v) (vii), SR6.1(i), SR6.3(vi)]

The Coal Resource Estimates were conducted in accordance with the SAMREC Code, 2016 Edition, as well as SANS10320:2020.

The Coal Resource estimate has been independently estimated and signed off by Ms. K. Black of KJB GeoServices, on behalf of Miptec, and is declared as at 31 March 2025.

The following cut-off parameters were applied when delineating the resource polygons and estimating the Coal Resources:

- Seam extent was constrained by:
 - The limit of weathering;
 - The mining right boundary and a 9 m pillar buffer; and
 - A 100 m wetland buffer.
- Quality cut-offs:
 - A DAFV cut-off of 24% was applied to all opencast seams; and 27% on the underground seams
 - A raw ash content of 50% was applied to all opencast seams; and 45% on the underground seams
- Physical seam parameters:
 - Coal seams less <0.5 m thick were excluded from the opencast Coal Resource Estimates;
 - Within the underground area, a minimum mining height cut-off of 1.8 m was applied; and
 - A maximum mining height of 4.8 m was applied to the underground seams.
- Mining parameters:
 - A maximum strip ratio of 1:10 BCM/ROM tonnes was applied.

All Coal Resources are inclusive of the Coal Reserves.

Provision has been made for a geological loss factor (discount). Losses may occur mainly as a result of intersection of dolerite dykes, small-scaled faulting and other unforeseen geological losses. The geological discounts applied to the Measured Coal Resources are 10%.

Miptec is confident that the logging, sampling, data density and distribution, as discussed in the sections above, are suitable for the estimation of Coal Resources.

Table ES 15 includes the summarised Vanggatfontein Coal Resource Estimate on a Mineable Tonnes In Situ (**MTIS**) air-dried (**adb**) basis.

Table ES 15 Vanggatfontein Coal Resource Estimate at as 31 March 2025

Resource Area	Mining Method	Resource Category	Seam	Area (ha)	Thick (m)	ARD (g/cm ³)	GTIS (Mt)	Geo Loss (%)	MTIS (Mt)
VG4	OC	Measured	S5	17.96	1.41	1.55	0.39	15	0.33
			4U	20.65	4.59	1.80	1.71	15	1.45
			S4L	20.65	4.61	1.67	1.59	15	1.35
			S2	22.02	7.00	1.64	2.53	15	2.15
				81.28	5.38	1.69	6.22	10	5.29
VG5	OC	Measured	4U	35.70	2.77	1.79	1.77	10	1.59
			4L	40.66	3.18	1.59	2.06	10	1.85
			S2	59.44	6.15	1.63	5.97	10	5.37
				135.80	4.91	1.65	9.79	10	8.81
			TOTAL OC RESOURCES	217.08	5.09	1.67	16.02		14.10
VG6	UG	Measured	S4	113.84	4.05	1.65	7.61	15	6.47
VG7	UG	Measured	S2	36.83	4.69	1.59	2.75	10	2.47
			TOTAL UG RESOURCES	150.67	4.23	1.63	10.35		8.94
			TOTAL VGF RESOURCES		4.75	1.65	26.37		23.04

Note:

1. Minimum seam thickness cut-off of 0.5 m for OC and 1.8 m for UG.
2. Ash Content >50% cut-off applied to OC Seams, and >45% for UG Seams
3. Dry ash-free basis (daf) >24% limit applied to OC Seams and >27% for UG Seams.
4. ARD – Apparent Relative Density.
5. Weighted average qualities estimated on MTIS. All seam thicknesses used are true thicknesses.
6. Coal Resources quoted on a MTIS adb basis in million tonnes.
7. Fresh coal only, and coal within Mining Right boundary.

Table ES 16 Vanggatfontein Raw Coal Qualities at as 31 March 2025

Resource Area	Mining Method	Resource Category	Seam	MTIS (Mt)	Raw Coal Qualities (Air Dried, Uncontaminated)							
					Ash (%)	CV (MJ/kg)	FC (%)	IM (%)	RD (%)	TS (%)	VM (%)	DAFV (%)
VG4	OC	Measured	S5	0.33	28.80	21.35	43.99	4.27	1.55	1.36	22.94	34.27
			4U	1.45	45.89	14.23	32.18	3.66	1.80	0.87	18.28	36.23
			S4L	1.35	33.76	18.32	41.00	4.18	1.67	0.87	21.06	33.93
			S2	2.15	33.45	18.87	42.13	3.83	1.64	0.93	20.60	32.84
				5.29	36.65	17.61	39.23	3.90	1.69	0.93	20.23	34.14
VG5	OC	Measured	4U	1.59	46.22	14.72	36.18	3.09	1.79	1.22	12.52	24.69
			4L	1.85	28.99	21.18	47.82	3.60	1.59	1.56	19.58	29.05
			S2	5.37	32.32	19.63	42.43	3.65	1.63	1.24	21.60	33.73
				8.81	34.13	19.07	42.79	3.54	1.65	1.30	19.53	31.11
			TOTAL OC RESOURCES	14.10	35.08	18.52	41.46	3.67	1.67	1.16	19.79	32.25
VG6	UG	Measured	S4	6.47	33.60	19.00	43.38	3.78	1.65	1.10	19.24	30.73
VG7	UG	Measured	S2	2.47	29.53	20.87	44.69	3.88	1.59	1.23	21.89	32.87
			TOTAL UG RESOURCES	8.94	32.47	19.52	43.74	3.81	1.63	1.14	19.97	31.32
			TOTAL VGF RESOURCES	23.04	34.07	18.91	42.34	3.73	1.65	1.15	19.86	31.89

Note:

- Weighted average qualities estimated on MTIS.
- CV - Calorific Value, VM – Volatile Matter Content, FC - Fixed Carbon, TS - Total Sulphur, IM - Inherent Moisture, DAFV – dry, ash-free Volatile Matter Content, ARD – Apparent Relative Density.
- Coal Qualities reported on an air-dried basis (adb).

Table ES 17 Vanggatfontein F1.8 Coal Qualities as at 31 March 2025

COAL RESOURCE SUMMARY					F1.8 Coal Qualities (Air Dried, Uncontaminated)						
Resource Area	Mining Method	Resource Category	Seam	MTIS (Mt)	Ash (%)	CV (MJ/kg)	FC (%)	IM (%)	TS (%)	VM (%)	YIELD (%)
VG4	OC	Measured	S5	0.33	20.06	24.30	50.02	4.47	0.86	25.48	81.62
			4U	1.45	27.79	21.19	45.63	4.32	0.81	22.46	52.96
			S4L	1.35	23.86	22.11	48.50	4.66	0.48	22.81	71.40
			S2	2.15	22.13	23.30	50.90	4.32	0.49	22.94	71.62
				5.29	24.00	22.48	48.78	4.42	0.60	22.93	67.07
VG5	OC	Measured	4U	1.59	30.30	21.08	52.25	3.41	1.14	13.97	57.43
			4L	1.85	23.72	23.04	51.86	3.94	1.08	20.26	84.82
			S2	5.37	22.55	23.41	49.50	4.17	0.78	23.70	75.43
				8.81	24.19	22.91	50.49	3.98	0.91	21.22	74.15
					24.12	22.75	49.85	4.15	0.79	21.86	71.49
TOTAL OC RESOURCES				14.10							
VG6	UG	Measured	S4	6.47	UG RAW PRODUCT ONLY						
VG7	UG	Measured	S2	2.47	UG RAW PRODUCT ONLY						
TOTAL UG RESOURCES				8.94							
TOTAL VGF RESOURCES				23.04							

Note:

- Weighted average qualities estimated on MTIS.
- CV - Calorific Value, VM – Volatile Matter Content, FC - Fixed Carbon, TS - Total Sulphur, IM - Inherent Moisture, DAFV – dry, ash-free Volatile Matter Content, ARD – Apparent Relative Density.
- Coal Qualities reported on an air-dried basis (adb).

ES3.10 Reconciliation with the Previous Coal Resource Estimate

[SR1.4(iii), SR4.2(v), SR4.5(vi), SR6.1(iii)]

Table ES 18 below details the Coal Resource reconciliation between FY24 and FY25.

The net increase in the Coal Resource Estimate of 0.68 Mt between FY24 (22.88 Mt) and FY25 (23.04 Mt), is primarily due to the splitting of the S4 into the S4U and S4L in VG4; it was previously reported as a total S4 Coal Resource. The seam was split based on the qualities and to reflect the changing strategy of the mine. Additionally, gains were realised on the VG6 estimate, due to a change in the S4M mining horizon delineation. Previously, a somewhat select mining horizon within the S4L was designated as the S4M. Currently, the S4M has been delineated as 4.8 m from the base of the S4L up.

Table ES 18 Vanggatfontein Resource Reconciliation

Reconciliation Mar'24 to Mar'25 Estimates					
	FY 2024 Mt	FY 2025 Mt	Variance Mt	FY25 Actual Mining ROM (AR) Mt	Loss/Gain Mt
Vanggatfontein Total	22.88	23.04	0.17	0.51	0.68
Eastern Resource Block (ERB)	14.24	14.10	-0.14	0.51	0.37
5 Seam	0.35	0.33	-0.02	0.03	0.01
4U Seam	6.16	3.05	-3.12	0.09	-3.02
4L Seam		3.20	3.20	0.14	3.34
2 Seam	7.73	7.52	-0.21	0.25	0.04
Western Resource Block (WRB)	8.64	8.94	0.30	-	0.30
5 Seam	-	-	-	-	0.00
4 Seam	6.03	6.47	0.43	-	0.43
2 Seam	2.60	2.47	-0.13	-	-0.13

ES3.11 Risks

[SR 5.7]

The geological risks identified at Vanggatfontein pertain the identified structural features including the transgressive sill and faulting as detailed in Table ES 19.

Table ES 19 Identified Geological Risks

TYPE OF RISK	RISK	MITIGATION	LEVEL OF RISK
Structural	Loss of resources due to faulting and dolerite	Infill drilling in areas of structural complexity and in areas with anomalous drill hole information.	High

ES3.12 Recommendations

The following work is recommended:

- Additional drilling is required to further delineate the location and extent of the identified faults and dolerite.

ES3.13 Mining

[SR4.1(iii); SR4.3(i-ii); SR4.5(iii,v); SR5.1(i); SR5.2(i-ix)]

Opencast

Opencast operations at Vanggatfontein are based on typical truck and shovel methodologies with push over assist. This methodology was applied since the commencement of construction and initial mining of the VG1 pit July 2010, as well as the subsequent depletion of pits VG1, VG2 and VG3. The pit layout is based on 100 m block lengths

and 45 m wide strips to facilitate planning, execution and control. The remaining pits, VG4 and VG5, remain as opencast pits, with respective average RoM strip ratios of 3.08 and 3.42 BCM:ROM Tonnes. The remaining opencast reserve pit shell, apart from the strip ratio, was determined by additional factors such as the public road, Transnet pipeline, mine access road, powerlines and mined out areas. For the pit shell benches at the end of the mine's life, the minimum safe offsets as defined by the rock engineer in the slope stability assessment, was applied.

Underground

The VG6 underground S4 project is planned on a board and pillar methodology, planned for mechanized extraction. The seam heights included in the plan vary from a minimum of 2 m to a maximum of 4.5 m. 55% of the areas range from 2.5 to 3.5 m in height, with the remaining 45% ranging from 3.5 to 4.5 m. Production is planned to use two continuous miner sections, each producing an average of 40 000 tons per month. The entrance portal to the underground sections is planned from the VG4 opencast high wall area next to the public road. The underground areas vary in depth to the S4, ranging from minimum of 40 m from surface to 105 m. The entrance is planned at a depth of 65 to 70 m to access the S4 underground reserve. Work with regard to the final position of the entrance still needs to be finalised, the intention is to access the VG6 Underground from the VG4 open pit end wall. The design for the underground is based on a fixed board width of 6.5 m, with varying pillar widths varying from 8.5 m to 16.5 m to maintain a safety factor of 2 – 2.3.

ES3.14 Rock Engineering

[JSE12.10(h)(vii)] [SR 3.1(i), SR4.1(ii), SR4.3(ii), SR5.2(ii)]

Opencast

Salungano has appointed Tsebo as their independent rock engineering consultants for Vanggatfontein. They provide for a legal appointee responsible for the rock engineering function, inclusive of regular audits and updates to the code of practice which endeavours to combat rockfalls. Miptec has relied on Tsebo and their appointed representative to provide the required input with respect to the sections below. As part of the site visit, Miptec conducted a visual review of the opencast pits at Vanggatfontein. Points to note include that some of the old mined out pits are not fully rehabilitated, and that the VG4 pit requires offset benches for highwall safety as it is currently at the minimum offset configuration.

ES3.15 Underground geotechnical designs

[SR5.2(vii)]

ARMS provided the rock engineering guidelines and factors for the determination of pillar stability and risk. The design parameters as listed below, relevant to specific areas, were done to allow for a 99.9% probability of pillar survival and therefore protection of surface areas. The recovery varies from as much as 68% to as low as 49% in areas at depth with thick coal seams.

Pillar width to height ratio does have an impact and was considered in the finalisation of the designs. Areas constituting shallow mining is minimal, it must be noted that designs were done and that the risk of plug failures were addressed in the relevant designs with the final risk rating being low. Although the initial underground design was done to provide conservative coal extraction, the final designs for implementation will be less averaged based and will address the individual areas in the required detail. The designs were done to also protect the surface from subsidence with the final risk rating being low.

ES3.16 Opencast Mine design

[SR 5.2(iii)]

The geological model utilised for the opencast mining model was constructed in Stratmodel™, updated in 2023. The relevant structure and quality grids, covering the full extent of the resource area, were provided to the mining engineer for mine modelling purposes. This geological model was the base for both the mining models and resource estimates.

Miptec as part of the technical evaluation, conducted a block ranking on the opencast resources in 2023. This formed part of a margin optimization, which is still valid as it confirms the low margins in the deep areas in VG4 next to the public road, as well as in VG5 next to the Transnet pipeline and the north-south low margin areas that correlate to a geological structure with possible faulting. The mine was cautioned not to focus on mining only the low strip ratio areas, the northeastern side of the VG5 Pit, as the current LOM schedule follows a good practice approach, averaging the overall strip ratio. In addition, it was proven that the mine does require sufficient work in progress on especially the softs and S5 benches to provide space for the equipment on the upper benches to be productive. The ranking showed minimal potential for opencast on the western side of the public road.

The opencast footprints for both VG4 and VG5 for the FY25 LOM, are based on the delineation done during the FY23 reporting period. During this update, the offsets as determined by the Rock engineer, were applied to determine both endwall and final void configurations. This, with the limiting factors set by other surface structures roads (100 m), Transnet Pipeline (100 m) and the defined wetland buffer zones were taken into consideration for the finalisation of the mining footprint. This was essentially trimming the sides of the footprint to ensure it conformed to the limiting structures and safe designs.

ES3.17 Opencast Modifying Factors and Coal Recovery

[SR 5.1(ii)]

Opencast

In terms of physical and quality cut-offs on all seams, the factors applied to the mining model are summarised below:

- A minimum seam thickness of 0.5 m;

- A maximum raw ash content of 55%; and
- A minimum Dry ash free volatile of 24%.

For the calculation of the RoM and coal recovery, the following factors, as detailed in Table ES 20, were applied to the mining model, in addition to the cut-off parameters listed above.

Table ES 20. Vanggatfontein Modifying Factors

SEAM	TOTAL LOSS	CONTAMINATION	SURFACE MOISTURE
VG4 - S5	15%	4%	4%
S4 & S4U & S4L	12%	4%	4%
S2	18%	4%	4%

The coal losses are converted back to waste volumes to allow for a realistic calculation of the strip ratio and accurate estimations of both waste and coal volumes.

The LOM mining model was constructed in the Runge software scheduling software. Geological gridded data was provided and the mining layouts constituting the full opencast mining footprint were updated with all relevant structural and quality data through a reserving process. An extensive handshake between geology and the mining engineer confirmed the accuracy of information transfer. The mining model was updated on a mining process level, with a full quality model representing the intended Eskom Duvha PowerStation supply quality. The model was updated with the stated modifying factors to derive the RoM coal model on an as received basis. This was based on factors that were proven over the years through reconciliation to provide for accurate RoM estimations and mining RoM strip ratios.

The LOM model provides a monthly schedule for the remaining life of Vanggatfontein, with the detailed coal allocation and final product qualities.

ES3.18 Underground Mine design

[SR 5.2(iii)]

The geological model utilised for the underground mining model was constructed in Stratmodel™, updated in 2022. The relevant structure and quality grids, covering the full extent of the resource area, were provided to the mining engineer for mine modelling purposes. This geological model was the base for both the mining model and resource/reserve estimates.

Normal rock engineering design and practices were applied together with mining engineering concepts in the determination of underground reserve and extraction. No further Optimisation was done.

The underground footprint was determined by a range of factors before it was finalised. The factors based on industry and area knowledge.

The underground S4 footprint was finalised based on geotechnical, geological and mining engineering input.

ES3.19 Underground Modifying Factors and Coal Recovery

In terms of physical and quality cut-offs on all seams, the following was applied;

- A minimum of 2.5 m seam thickness;
- A maximum raw ash of 45%;
- A minimum DAFV content of 24%;
- A floor dip less than 8%; and
- A depth greater than 40 m.

The modifying factors applied to the mine plan include:

- 0.1 m contamination;
- A minimum seam height of 2.5 m with a maximum of 4.5m (including contamination);
- Geological losses of 5% applied to in-panel areas;
- 4% additional moisture to derive RoM on an AR basis; and
- The select seam qualities remain on a raw basis, as any contamination would be coal related in the thick seam areas.

The underground plan was created in the Runge software for underground, the designs replicate the geotechnical parameters. The footprint was established based on the criteria discussed and scheduling and product simulation were done based on two continuous miner sections.

ES3.20 Production History

[SR1.4(iii); SR5.2(viii)]

Opencast

Table ES 21 shows the impact of the ending of the initial Eskom CSA. The mine, in Calendar year 2021 produced 3.12 Mt, decreasing to 0.97 Mt in 2022, to 0.3 Mt in both 2024 and 2025.

Table ES 21 Vanggatfontein Production Statistics

VANGGATFONTEIN CALENDAR YEAR PRODUCTION STATISTICS																			
		2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	TOTAL	
VG1	Waste	2,00	4,27	4,52	0,58													11,37	
	ROM	0,08	1,01	1,87	0,24													3,21	
VG2	Waste	0,06	2,09	3,32	2,79	2,19	0,97	0,71										12,14	
	ROM		0,36	0,99	1,12	0,35	0,44	0,25										3,52	
VG3	Waste			0,89	5,47	6,96	4,78	3,87	2,83	3,73	4,07	3,63	1,25	-	-	-	-	37,47	
	ROM			0,03	1,78	2,19	1,81	1,40	0,91	1,30	1,04	1,20	0,48	-	-	-	-	12,13	
VG4	Waste	-	-	-	1,59	2,87	5,56	7,02	6,83	6,34	4,13	8,16	7,15	1,00	0,27	0,27	0,31	51,51	
	ROM	-	-	-	0,06	1,03	1,36	1,98	1,96	1,66	0,90	1,93	1,79	0,55	0,01	0,10	0,13	13,45	
VG5	Waste	-	-	-	-	-	-	-	-	-	0,38	3,13	2,94	1,37	1,84	0,31	0,56	10,53	
	ROM	-	-	-	-	-	-	-	-	-	-	0,66	0,85	0,42	0,48	0,19	0,14	2,73	
MINE	Waste	2,06	6,36	8,73	10,43	12,03	11,32	11,60	9,66	10,07	8,58	14,92	11,34	2,37	2,12	0,58	0,87	123,02	
	ROM	0,08	1,38	2,89	3,20	3,57	3,61	3,63	2,87	2,95	1,93	3,78	3,12	0,97	0,50	0,28	0,27	35,03	

ES3.21 Future production

Opencast

The mine, under the JSE Section 155 compromise, and guided by Salungano and major creditors, has commenced production, although at low rates, and is gearing up in anticipation of the upcoming Eskom contract to Duvha Power Station. The exact equipment required for the planned ramp up was not available at the time of the LOM schedules; Salungano has indicated to Eskom that 150 000 t saleable would be provided on average per month. The LOM schedule forms the base to go out and contract with the opencast contractor for additional capacity. In anticipation, the LOM plan has preparatory aspects to the schedule, which are mostly focused on the VG4 pit. The most prominent is the moving of the waste dump that is situated on top of the remaining reserves, and the establishment of sufficient work in progress to allow for sustainable production from the VG4 pit. The LOM balanced the production from both remaining pits, to ensure a continuous blend, to the end of the mine's life.

Underground

The LOM for VG6 was scheduled, with commencement in FY27. The commencement of the VG6 underground is based on an assumption and aligned with the financial model valuations. Work required for the VG6 underground implementation must still be finalised.

Salungano, in their financial model, moved the VG6 underground to commence April 2027 and end in March 2030. The monthly ROM is included as 100 000t for a 3-year period, amounting to the total reserve estimated at 3.6Mt.

ES3.22 Mine scheduling

The mine schedule is contractor based; with the equipment capacity driven by the required sales commitment, as per the anticipated CSA with Eskom. The monthly RoM varies between 200 000t to 250 000t. The processing plant becomes the constraint with a maximum monthly through put of 280 000 ROM tons.

The LOM model models the Duvha Power Station qualities through the main wash plant at Vanggatfontein. The main drivers in the quality model are based on achieving the sulphur and ash quality parameters. The modelled quality can still be influenced by diligent RoM stockpile management. All ROM coal is modelled to be processed, with yields vary between 60 to 70%, averaging 65% over the LOM. The base qualities targeted for the Duvha Power Station, is an air-dried CV greater than 22.1 MJ/kg, an ash content less than 26.4%, a VM content greater than 20.9% and a TS content less than 0.96%. The average qualities over the LOM are a CV of 22.2 MJ/kg, an ash content of 25.68a VM content of 21.39%, and a TS content averaging 0.96%.

ES3.23 Risks

Opencast

The risks identified for the opencast at Vanggatfontein are summarised in Table ES 22.

Table ES 22. Vanggatfontein Opencast Risks

TYPE OF RISK	RISK	MITIGATION	LEVEL OF RISK
Geotechnical	Current faulting structures and increasing depth	Survey, monitor and align COP	Medium
Production levels	Not achieving planned production levels	Create sufficient buffers between processes to allow space for equipment to be productive	High
Concurrent rehabilitation	Availability of plans and funds	Implement effective concurrent rehabilitation practices. Draft an optimised closure plan for dumps and voids. Identify closure items that can be optimised, including possibility to complete as part of concurrent mining operation	High
Current JSE section 155 compromise	Varying objectives	Ensure all stakeholders are align with the main objectives for the mine nearing the end of its life in terms of permitting and licensing requirements of which the main focus should be towards closure	High

Underground

The risks identified for the VG6 underground at Vanggatfontein are summarised in Table ES 23.

Table ES 23. Vanggatfontein VG6 Underground Risks

TYPE OF RISK	RISK	MITIGATION	LEVEL OF RISK
Geotechnical	Significant rolls modeled, suspect presence of several faulting structures	Extend drilling program	Medium
Project startup	Delay impact on tenure and contractual conditions	Plan the startup timeously	Medium
Capital	Availability of funds to prepare the underground entrance and related infrastructure	Update the capital requirement for the required project items and include into the project financing schedules	High

ES3.24 Coal Processing

SR1.1 (ii), SR2.1(v), SR4.3 (i)(ii), SR4.5(iii), SR5.3(i)(ii)(iii)(iv)(v)(vi), SR5.4(ii)(iii), SR5.6(viii)

Vanggatfontein owns two CHPPs with processing capacities of 100tph and 480tph, respectively. The 100tph plant used to process S5 coal only; this plant will be reserved to wash the Moabsvelden S4U and S2U and contaminated coal on a toll basis. The 480tph plant will process RoM from the Vanggatfontein opencast S5, S4 and S2 seams, producing a washed Eskom Power Station product.

The 100tph plant was built and commissioned in 2010, whilst the 480tph plant was built in 2010 and commissioned in May 2011. Both plants were designed and constructed by DRA Mineral Projects (**DRA**) and are currently operated by a processing contractor.

Tailings / Discard areas

SR1.1(ii)

The mine has an approved discard dump facility; this facility is at capacity. In addition, the mine has acquired a waste license that allows dumping of discards in the opencast voids, with associated stipulated conditions. This assists the mine in the filling of voids which form part of rehabilitation backlog.

ES3.25 Coal Market

SR4.1(iii); SR4.3(vi); SR5.6(i-iv)

Vanggatfontein commenced operations, supplying Eskom's Tutuka Power Station. The targeted CV was in the order of 21 MJ/kg. The mine reduced RoM production, following the depletion of the original CSA, in January 2022, from a total of 325 085t to 187 882t in the following month (February 2022), to zero in March 2022.

Salungano, on behalf of Vanggatfontein is in the final stages of concluding a CSA for supply to Duvha Power Station. An informal discussion with Eskom provided an indication that this contract can be finalised before November of 2025. The mine will then have a new CSA for the remainder of the LOM reserves at Vanggatfontein.

Eskom accepted the coal after a representative product sample was provided and tested by Eskom. Eskom, as part of their fuel sourcing process, reviewed all relevant information, from boreholes, geological model, plant flow simulation and LoM plan summary. As part of the Eskom process, a mine cost model was provided to establish and motivate the product price to be finalised through discussion and negotiation for final contract purposes.

ES3.26 Historical Coal Reserve Estimates

SR1.4(iii)

Table ES 24 summarises the historical Coal Reserve Estimates for Vanggatfontein from the year 2019 to the current 2025. It is evident that the VG6 S4 underground probable reserves were first declared back in FY19. Following an approval to undermine wetlands, the reserve estimate increased to 3.6 Mt for FY21. Since then, no additional work was conducted on the VG6 project. This project has an approved joint CSA with the neighbouring Moabsvelde Colliery. With regards to the opencast VG3 pit, it was depleted in FY21, with only VG4 and VG5 remaining for the outstanding life of Vanggatfontein Colliery.

Table ES 24. Historical Coal Reserve Estimates

	31-Mar-19		31-Mar-20		31-Mar-21		31-Mar-22		31-Mar-23		31-Mar-24		31-Mar-25	
	ROM	SAL	ROM	SAL	ROM	SAL	ROM	SAL	ROM	SAL	ROM	SAL	ROM	SAL
	(AR)	(AR)	(AR)	(AR)	(AR)	(AR)	(AR)	(AR)	(AR)	(AR)	(AR)	(AR)	(AR)	(AR)
	Mt	Mt	Mt	Mt	Mt	Mt	Mt	Mt	Mt	Mt	Mt	Mt	Mt	Mt
VG3	2.74	1.78	1.39	0.91	0.51	0.34	0	0	0	0	0	0	0	0
VG4	11.54	6.52	10.44	6.07	6.65	3.9	4.67	2.85	3.83	2.15	3.7	2.09	3.38	1.7
VG5	10.76	7.08	10.82	7.34	10.37	7.05	9.47	6.45	9.19	5.98	8.96	5.74	8.96	5.28
Total OC	25.04	15.38	22.65	14.32	17.53	11.29	14.14	9.3	13.02	8.13	12.66	7.83	12.34	6.98
VG6 UG	2.18	2.18	2.18	0	3.61	3.61	3.61	3.61	3.61	3.61	3.61	3.61	3.61	3.61
TOTAL MINE	27.22	17.56	24.83	14.32	21.14	14.9	17.75	12.91	16.63	11.74	16.27	11.44	15.95	10.59

ES3.27 Previous Coal Reserve Estimate (31 March 2024)

SR1.4(i-ii); SR5.6(V); 6.1(iii); SR6.2(i); SR6.3(i-iii); JSE12.9(h)(ix)

Table ES 25 details the previous Coal Reserve Estimate for Vanggatfontein, with an effective date of 31 March 2024. This update was based on the survey polygons as at the effective date, a geological model that has not changed from the previous estimation, and a mining model with the same mining footprint and modifying factors as was applied for the previous FY23 estimate.

Table ES 25 Previous Coal Reserve Estimate - 31 March 2024

VANGGATFONTEIN RESERVE ESTIMATE 31 Mar 2024										
MINING AREA	RESERVE CATEGORY	SEAM	MTIS (AD) MT	ROM (AR) MT	SALEABLE (AR) MT	YIELD (%)	CV (MJ/kg) (AD)	ASH (%) AD	VOL (%) AD	TS (%) AD
VG4	Proven	S5	0.25	0.26	0.21	79%	22.59	24.58	24.12	1.25
	Proven	S4	1.87	1.95	0.90	46%	22.50	23.24	23.61	0.64
	Proven	S2	1.43	1.49	0.98	66%	22.50	23.88	23.14	0.61
		TOTAL	3.55	3.70	2.09	56%	22.51	23.67	23.44	0.69
VG5	Probable	S4U	1.89	1.97	0.77	39%	22.50	27.31	14.55	1.12
	Proven	S4L	1.97	2.05	1.55	76%	22.50	25.22	19.82	1.24
	Proven	S2	4.74	4.94	3.42	69%	22.50	24.62	23.42	0.87
		TOTAL	8.60	8.96	5.74	65%	22.50	25.14	21.25	1.00
VANGGAT OPENCAST	Proven	S5	0.25	0.26	0.21	79%	22.59	24.58	24.12	1.25
	Probable	S4U	1.89	1.97	0.77	39%	22.50	27.31	14.55	1.12
	Proven	S4	3.84	4.00	2.45	61%	22.50	24.49	21.21	1.02
	Proven	S2	6.17	6.42	4.40	68%	22.50	24.46	23.36	0.81
		TOTAL	12.15	12.65	7.83	62%	22.50	24.75	21.84	0.92
VG6 UG	Probable	S4	3.47	3.61	3.61	100%	20.17	30.61	20.07	1.14
TOTAL	Proven	TOTAL	10.26	10.68	7.06	66%	22.50	24.47	22.64	0.90
TOTAL	Probable	TOTAL	5.36	5.58	4.38	79%	20.58	30.03	19.10	1.14
TOTAL MINE			15.62	16.26	11.44	70%	21.77	26.60	21.28	0.99

ES3.28 Current Coal Reserve Estimate (31 March 2025)

SR5.1(i);SR5.2(ii-iv); SR5.6(V); SR6.1(i-ii); SR6.2(i); SR6.3(i,iii,v,vi); SR10.6(i-ii); SV1.9; JSE12.10(h)(ix)

The Coal Reserve Estimate has been independently Estimated and signed-off by Mr L. Raaths of Miptec. The Coal Reserve Estimate is declared as at 31 March 2025.

The Coal Reserve Estimate for Vanggatfontein as at 31 March 2025 is summarised in Table ES 26 below.

Table ES 26 Current Coal Reserve Estimate For Vanggatfontein Colliery - 31 March 2025

VANGGATFONTEIN RESERVE ESTIMATE 31 Mar 2025										
MINING AREA	RESERVE CATEGORY	SEAM	MTIS (AD) Mt	ROM (AR) Mt	SALEABLE (AR) Mt	YIELD (%)	CV (Mj/kg) (AD)	ASH (%) AD	VOL (%) AD	TS (%) AD
VG4	Proven	S5	0.23	0.24	0.18	75%	23.21	23.19	24.53	1.16
	Proven	S4	1.73	1.80	0.70	39%	23.20	21.15	24.19	0.67
	Proven	S2	1.29	1.34	0.82	61%	23.20	22.14	23.52	0.51
		TOTAL	3.24	3.38	1.70	56%	23.20	21.84	23.91	0.64
VG5	Probable	S4U	1.97	2.05	0.68	33%	23.20	25.64	14.83	1.18
	Proven	S4	2.02	2.10	1.46	69%	23.20	23.45	19.94	1.10
	Proven	S2	4.62	4.81	3.14	65%	23.20	23.09	23.74	0.82
		TOTAL	8.61	8.96	5.28	65%	23.20	23.52	21.55	0.94
VANGGAT OPENCAST	Proven	S5	0.23	0.24	0.18	75%	23.21	23.19	24.53	1.16
	Probable	S4U	1.97	2.05	0.68	33%	23.20	25.64	14.83	1.18
	Proven	S4	3.75	3.90	2.16	55%	23.20	22.70	21.32	0.96
	Proven	S2	5.90	6.15	3.96	64%	23.20	22.90	23.69	0.76
		TOTAL	11.85	12.34	6.98	57%	23.20	23.11	22.12	0.87
VG6 UG	Probable	S4	3.47	3.61	3.61	100%	20.17	30.61	20.07	1.14
TOTAL	Proven	TOTAL	9.88	10.29	6.30	61%	23.20	22.84	22.90	0.84
TOTAL	Probable	TOTAL	5.44	5.66	4.29	76%	20.65	29.82	19.24	1.15
TOTAL MINE			15.32	15.95	10.59	66%	22.17	25.67	21.42	0.96

Note:

1. CV = Calorific Value air dried, contaminated.
2. RoM (AR) = Run of Mine on an as received basis
3. Saleable (AR) = Coal sales on an as received basis
4. All coal quality data reported as air-dried contaminated basis

ES3.29 Reconciliation of Coal Reserve Estimates

Table ES 27 details the Coal Reserve reconciliation from the previously reported FY24 reserves to the current FY25 reporting period. The VG6 reserves remained unchanged at 3.6 Mt.

The opencast areas, realised a net gain of 0.2 Mt, with VG5 contributing to all the gains. The mine has benefited from some upside by recovering coal outside of the planned mining footprint. The total mined RoM was 0.51 Mt for the year, which is considered low. The estimated reserves changed from 12.65 Mt in FY24 to 12.34 Mt at the end of March 2025.

Table ES 27. Reserve Estimation Reconciliation FY24 to FY25

	FY24 Est.	Depletion FY25	Depletion Est. FY25	Est. FY25	Variance
VG4	0.26	0.03	0.24	0.24	0.00
	1.95	0.14	1.81	1.80	-0.01
	1.49	0.06	1.42	1.34	-0.08
	3.70	0.23	3.47	3.38	-0.09
VG5	1.97	-	1.97	2.05	0.08
	2.05	0.09	1.96	2.10	0.15
	4.94	0.19	4.75	4.81	0.06
	8.96	0.28	8.68	8.96	0.29
MINE	2.23	0.03	2.21	2.29	0.08
	4.00	0.23	3.76	3.90	0.14
	6.42	0.25	6.18	6.15	-0.03
	12.65	0.51	12.14	12.34	0.20

ES3.30 Environmental, Social and Governance (ESG)

Sensitive receptors

SR5.5(iii);

Vanggatfontein has various farming communities surrounding the mine, not in very close proximity. Blasts are planned and monitored to minimise the effect of air blast and ground vibration from blasting operations. In addition, the mine monitors dust generation and employs water bowsers and contaminated pit generated water to delay dust on all hauling roads. Plants utilise dust suppression on transfer points.

The mine has two wetlands defined. The western wetland overlays the planned underground operation that is designed to protect the surface. The second wetland system is in the opencast areas; historical mining stopped at the defined wetland buffer zones. Surface water control measures are in place to protect the areas from any dirty mine water ingress.

There are no known ecosystems, apart from the defined wetlands, that are affected by the mining operations. The mine has a stream and wetland system to the north of the current opencast pits and infrastructure. No water is withdrawn, as the mine has sufficient water from the mining operations and stored pollution control dams.

Wetland systems

The wetlands identified in the wetland baseline studies, are affected by the opencast operations, those defined wetlands within the VG6 area have less risk of being affected by the underground planned operation.

A recent aquatic specialist study, as part of the VG6 expansion, indicated that in the case of the opencast areas, the aquatic ecosystem shows moderate to significant modification, with potential for further deterioration post-mining. Sedimentation, water quality deterioration, altered flow regimes are major concerns identified by Ecology International as part of the Aquatic specialist assesment and impact assesment study. The recommendation was that strict mittigation and monitoring are critical.

The mine has incorporated the complaince aspects with regard to wetland system in their management system, through the required internal and external audits, mine mangement are kept focussed on the findings, non conformances and progress with regard mitigation measures. The current status of the mine does impact the effectifeness of managing mitigation measures in general.

ES3.31 Environmental parameters

SR4.1(iii); SR4.3(v); JSE12.10(h)(viii)

The environmental parameters are encapsulated in the IWUL, EA and EMP for Vanggatfontein. The external audits as required by such parameters stipulated in the licenses were done in accordance with the requirements. The mine keeps a live action plan document in excel to track the findings and progress the required actions.

Conformance and compliance audits

SR7.1(i-ii)

The WSP Compliance Audit (Nov 2024) identified several areas of ongoing and emerging environmental and compliance risk at Vanggatfontein. While the mine remains operational, its limited activity since entering care and maintenance in 2023 has constrained the mine's capacity to implement corrective actions and fully comply with existing Environmental Authorizations (EAs).

A Summary of Key Findings and Risks is as follows:

1. Water Management (High Risk)

- PCD silting and silt trap failure reducing dam capacity and risking overflow in wet season.
- Silt trap designs not yet submitted to DWS for approval.
- Stormwater management inadequate—poor containment and ponding observed.
- Water wastage at goose neck; flow meter installation delayed due to costs.

Actions: Desilt PCD, maintain silt traps, submit designs to DWS, and implement stormwater measures.

2. Compliance Implementation (Medium Risk)

- VGF unable to meet all Environmental Authorization (EA) conditions due to financial constraints.

Action: Prioritize and fund high-risk compliance requirements.

3. Closure and Financial Provisioning (High Risk)

Current closure liability estimation approach not yet fully aligned with **GNR 1147** requirements.

Action: Update closure provisioning once GNR 1147 is enacted.

4. Contract and Business Exposure (Medium Risk)

Dependence on Eskom contract remains a concern, though renewal progress is advanced.

Action: Finalize contract to secure revenue stability.

Several previous actions have been closed out, including EMPr amendment, ESMS implementation, emergency planning, and waste/noise controls.

ES3.32 Material Contracts

Coal supply agreements

Salungano is in process with Eskom to secure a CSA to provide coal to Duvha Power Station from the Vanggatfontein opencast operational pits, VG4 and VG5.

The mine has provided saleable coal under rectification agreements with Eskom on the Neosho CSA, as well as to other small opportunistic markets.

VG6 has a joint CSA with Moabsvelden to supply Kusile Power Station.

Mining

The mining is administered through a Section 155 agreement. In this agreement, the price for mining and coal processing, inclusive of diesel, is all encapsulated in a current R531 per saleable tonne for the creditor consortium.

Coal Processing

As per the Mining, the processing is included in the JSE Section 155 agreement with creditor consortium.

ES3.33 Liability

SR1.7(i); SR5.6(ix);

Zyntha Consulting conducted the immediate closure liability assessment for Vanggatfontein Mine in accordance with both the DMRE Guidelines and the volume-based assessment methodology. Although GNR 1147 has not yet been promulgated, the volume-based assessment approach is regarded as providing a more accurate and site-specific estimation of closure liabilities.

Under the DMRE guideline methodology, the immediate closure liability was calculated at R263.3 million. In contrast, the volume-based assessment completed by Zyntha Consulting determined a total closure liability of R2,234.7 million, inclusive of VAT and contingencies.

A comprehensive rehabilitation survey and plan was compiled by the Chief Surveyor from African Soil as at the effective date. This plan reflects all surface features of the Vanggatfontein operation and provides volumetric data relative to the OGL. The survey identified:

- **33.2 million cubic metres** of waste material above the OGL (dumps), and
- **33.6 million cubic metres** of voids below the OGL (areas requiring backfill).

This indicates a favourable balance between available backfill material and required void infilling, providing a sound basis for rehabilitation planning.

The volumetric data from the survey formed the foundation of Zyntha Consulting's volume-based closure assessment. It is important to note that this assessment is valid as at the effective date of this report. The Vanggatfontein opencast operation is currently in a relatively steady state in terms of the development of working benches and access ramps. Mine management should, however, exercise ongoing diligence in maintaining this

position. Specifically, no additional waste should be deposited on surface dumps, as this will increase both void and dump volumes and consequently elevate the closure liability in subsequent reassessments.

The detailed breakdown of Zyntha's closure cost estimate is as follows:

Closure Activity	Estimated Cost (R million)
Dump rehandling and backfilling (movement of dumps to voids)	1,489.9
Water management	20.4
Post-closure maintenance and monitoring	20.4
VAT, P&G, Administration, Contingency and Plans	642.7
Total Estimated Closure Liability	2,234.7

ES3.34 Closure Costs

The closure cost is calculated as a PV, exclusive of the tax benefit in the Salungano model, as depicted in Table ES 28.

The rehabilitation quantum as calculated by Zyntha consulting amounts to R2 234.7 Million, inclusive of Vat. The Salungano calculation as indicated by the Salungano valuator was checked and approved by past auditors, PWC, as well as KPMG.

The future values indicated in the Table ES 28 below were discounted at the calculated WACC of 15.75%.

Undiscounted total costs that make up the main inputs to the:

- Rehab Quantum – R1 659 841 778
- Water Treatment Capital – R20 612 261
- Operations cost – R3 084 855

Table ES 28 Vanggatfontein Closure Provision at NPV level

Life of Mine (Year)	Inflation Rate (%)	Risk Free Rate (%) @ 31 March 2025	Undiscounted Liabilityy @	Future value (R)	Discounted at Nominal WACC (R)
4.00	4.50%	10.55%	276,640,296	329,898,699	-R183,754,824.05
5.00	4.50%	10.55%	276,640,296	344,744,141	- 165,889,759.04
6.00	4.50%	10.55%	276,640,296	360,257,627	- 149,761,576.57
7.00	4.50%	10.55%	276,640,296	376,469,220	-R135,201,412.96
8.00	4.50%	10.55%	276,640,296	393,410,335	- 122,056,821.82
9.00	4.50%	10.55%	276,640,296	411,113,800	- 110,190,177.94
9.00	4.50%	10.55%	20,612,261	30,631,781	- 8,210,187.46
50.00	4.50%	10.55%	3,084,855	27,864,372	- 18,547.10
				2,274,389,975	(875,083,307)
					(630,059,981)

ES3.35 Sufficiency of funding

For immediate closure, Vanggatfontein has a R250.7 million financial guarantee in place against the R263.3 million immediate closure liability calculated by Zyntha Consulting. The guarantee value is therefore slightly below the required quantum as at the effective date of assessment.

For final mine closure, Salungano Group maintains a rehabilitation fund under Centriq for Keaton Mining (Vanggatfontein), with a current balance of R177.4 million. The tax-adjusted present value (PV) of further required provisions amounts to R630.1 million. Given Vanggatfontein's limited remaining life-of-mine and minimal potential to expand its reserve base, these available funds are grossly insufficient when compared to the total closure liability of R2,234.7 million. This represents a significant financial exposure for the operation.

Key Risks

- Severe funding shortfall: Existing financial provisions cover only a small fraction of the total closure liability.
- Limited remaining life and low revenue potential make it unlikely that sufficient closure funds can be raised before end of life.
- Valuation model limitations: Salungano's approach records the liability at NPV level without corresponding funding instruments, leading to a negative valuation and further highlighting the underfunding.

Vanggatfontein's financial provisioning for closure is inadequate and non-compliant with the intent of Financial Provisioning Regulations (GNR 1147). Urgent strategic and financial interventions are required to address the funding gap and ensure compliance with closure obligations.

ES3.36 Asset Valuation

SR5.8(i-iv); SV1.12; SV1.13; JSE12.9(f); JSE12.10(h)(xii)

Previous Valuations

No previous valuations available.

Asset Valuation Method

SV1.14; JSE12.10(h)(xii)

The valuation of Vanggatfontein has been undertaken in accordance with the SAMVAL Code, which prescribes internationally aligned standards for the valuation of mineral assets. As per the code, Salungano used the Income Approach to prepare the valuation model. The Valuation Model was prepared by Zaheer Saloojee, a full time Associate of Salungano.

The valuation model was reviewed by Miptec, with all required amendments communicated to the Client. Miptec considers the Income Approach to be the most appropriate method for valuing the Vanggatfontein operation, as the value derived under this approach is based on projected cash flows generated from a detailed LOM schedule. The underlying operating and capital cost assumptions are well understood and supported by historical performance data and current operational knowledge, providing a robust basis for the valuation.

Income Approach Valuation Results

Table ES 29 summarises the Salungano financial valuation model, over the 5-year valuation period. Before accounting for the NPV adjustment related to rehabilitation and closure provisions, the project's value amounts to approximately R73 million. However, after incorporating the discounted closure cost of R630 million, as detailed in Table ES 29, the valuation shifts to a negative net project value of –R556.9 million. This outcome highlights the significant financial impact of closure liabilities on the project's economic viability.

Table ES 29 Vanggatfontein Valuation Summary

VALUATION BASES (Nominal)		TOTAL	FY26	FY27	FY28	FY29	FY30
ROM	Ton	15,403,739	1,303,812	2,781,272	4,037,673	4,017,858	3,263,125
OC	Ton	11,803,739	1,303,812	2,781,272	2,837,673	2,817,858	2,063,125
UG	Ton	3,600,000	-	-	1,200,000	1,200,000	1,200,000
OC SR	Ratio	3.10	4.52	3.15	3.32	3.00	1.97
OC Sales	Ton	7,552,520	817,768	1,817,109	1,813,757	1,731,002	1,372,883
OC Yield	%	-	0.63	0.65	0.64	0.61	0.67
UG Sales	Ton	3,600,000	-	-	1,200,000	1,200,000	1,200,000
TOTAL SALES	Ton	11,152,520	817,768	1,817,109	3,013,757	2,931,002	2,572,883
TOTAL COST	ZAR	-	712,517,789	1,572,179,072	2,297,677,050	2,295,648,608	2,071,635,046
OPERATIONS	ZAR	-	434,926,229	1,008,441,554	1,537,983,405	1,557,074,067	1,400,731,286
Opencast Cost	ZAR	-	434,926,229	1,008,441,554	1,051,813,875	1,049,026,908	869,822,005
Underground Cost	ZAR	-	-	-	486,169,530	508,047,159	530,909,281
TOLL WASH	ZAR	-	33,059,738	67,763,593	71,646,374	43,968,575	45,947,161
PRODUCT DISTRIBUTION	ZAR	-	193,222,173	448,667,142	626,724,564	632,613,738	560,174,721
FIXED OVERHEADS	ZAR	-	45,269,649	47,306,783	59,322,706	61,992,228	64,781,878
REVENUE	ZAR	-	737,769,752	1,685,955,714	2,627,174,988	2,627,437,529	2,383,718,564
Sales Revenue	ZAR	-	478,394,157	1,110,844,244	1,845,487,003	1,873,288,625	1,707,754,290
OC Sales	ZAR	-	478,394,157	1,110,844,244	1,158,890,640	1,155,586,426	957,753,492
UG Sales	ZAR	-	-	-	686,796,363	717,702,199	749,998,798
Toll Wash Revenue	ZAR	-	44,678,839	76,619,704	84,002,267	49,860,661	52,104,391
Transport revenue	ZAR	-	214,696,756	498,531,706	697,685,718	704,280,243	623,859,884
EBITDA	ZAR	-	25,251,963	113,816,642	329,497,937	331,788,921	312,083,518
Depreciation	ZAR	-	(120,193,966)	(153,438,949)	(571,911,216)	(629,765,293)	(629,765,293)
EBIT	ZAR	-	(94,942,003)	(39,622,307)	(242,413,279)	(297,976,372)	(317,681,775)
Changes in Working capital	ZAR	-	140,730,983	142,524,434	168,451,956	403,783	(1,394,442)
Royalty Tax	ZAR	-	2,415,365	5,937,320	9,647,446	9,615,746	8,799,293
Tax	ZAR	-	-	-	-	58,998,996	81,977,257
Capital Expenditure	ZAR	-	28,036,837	2,055,995	76,056,787	125,089,814	10,493,362
Free Cash Flow	ZAR	-	(146,111,221)	(36,741,107)	75,341,748	136,680,582	212,208,048
WACC		15.75%	-	-	-	-	-
PV Factor		-	1.16	1.34	1.55	1.80	2.08
PV of Free Cash Flow		-	(126,225,793)	(27,420,875)	48,576,845	76,131,601	102,113,823
Valuation Date : 1 Apr 2025							
NPV			73,175,600				
NPV Of Rehab Provision			630,059,983				
NPV Post Rehab Provision			(556,884,383)				

ES3.37 Project Risks Summary

SR4.3(viii); SR5.7(i); JSE12.10(h)(x)

Table ES 30 details the consolidated risks as identified by Miptec during the review of Vanggatfontein.

Table ES 30 Vanggatfontein Consolidated Risk Summary

Risk Area	Key Issues / Description	Recommended Actions	Risk Level
Water Management	PCD silting, malfunctioning silt traps, unsubmitted DWS designs, inadequate stormwater control, and water wastage at goose neck	Desilt PCD, maintain silt traps, submit DWS designs, implement stormwater measures	High
Environmental Authorizations (EAs)	Incomplete implementation of EA conditions due to funding constraints	Prioritize high-risk compliance actions	Medium
Closure & Financial Provisioning	Severe underfunding: R177.4M provision vs. R2.23B closure liability; negative NPV (-R556.9M)	Align provisioning with GNR 1147; update closure liability and guarantee	Extreme
Coal Resource & Geology	Faulting and dolerite throughout resource areas affecting continuity	Conduct additional drilling to refine structure locations	Medium

Risk Area	Key Issues / Description	Recommended Actions	Risk Level
Geotechnical (General)	Increasing faulting and depth impacting pit and slope stability	Continue surveys and monitoring; align with COP	Medium
Geotechnical (Exploration / Modeling)	Significant seam rolls and suspected multiple faulting structures	Extend the drilling program to confirm faulting and refine models	Medium
Production Levels	Not achieving planned output; limited process buffers	Improve process scheduling and equipment utilization buffers	High
Concurrent Rehabilitation	Limited planning and funding for concurrent rehabilitation	Implement progressive rehabilitation; optimize closure plan for dumps and voids	High
Project Startup (Future Operations)	Potential delays impacting tenure and contractual commitments	Plan and schedule project startup activities proactively	Medium
Capital Availability	Insufficient funds to prepare underground access and infrastructure	Update capital requirement schedule; integrate into financing plan	High
JSE Section 155 Compromise	Misaligned stakeholder objectives as mine nears end-of-life	Align stakeholders on closure, permitting, and compliance focus	High
Material Contracts / Eskom Exposure	Eskom contract renewal still underway	Finalize contract to secure revenue stability	Medium
Other Environmental Controls	Waste, lighting, and noise management actions completed	Maintain compliance and monitoring systems	Closed

ES3.38 Conclusions

Vanggatfontein Colliery is a technically viable operation with substantial resources supported by extensive exploration and geological modelling. However, the mine is currently under a JSE section 155 compromise agreement with the creditors, who currently manage the operation. Under this arrangement, Salungano will manage the CSA with Eskom and pay the creditor consortium on a rand per saleable ton basis. The valuation indicates a minimal intrinsic value of approximately R73.2 million over five years, which is insufficient to offset the estimated R2.2 billion rehabilitation liability, discounted by financial experts, this liability brings the NPV to around R630 million, which still significantly exceeds the projected mine value, resulting in a negative overall valuation of approximately R556.9 million. This substantial financial and operational risk underscores the critical need for resolving the liquidity, contractual, and environmental liabilities to avoid potential sale of the asset, liquidation or non-closure of the mine.

Immediate priorities include:

- Align financial provisioning with GNR 1147 and DMRE guidance.
- Implement water management and stormwater control measures.

- Extend drilling and geotechnical monitoring to improve resource and slope confidence.
- Execute concurrent rehabilitation and update closure planning.
- Plan project startup and secure capital for infrastructure development for VG6.
- Align stakeholders on unified closure objectives.

Without immediate intervention, closure, compliance, and operational risks will remain critical, requiring focused attention to secure environmental, financial, and operational sustainability.

ES4. Elandspruit Colliery

ES4.1 Property Description

SR1.1(i); SR5.1(i); JSE12.10(h)(ii)

Elandspruit Mine is an operational opencast coal mining operation with historical underground workings, situated approximately 8 km west of Middelburg in the Mpumalanga Province, South Africa. The colliery mines the S4, S2, and S1 coal seams using truck-and-shovel roll-over mining methods for the opencast operation, achieving peak production rates of up to 220,000 tpm ROM. The S1 Underground Section was mined using a bord-and-pillar extraction method, producing between 20,000 and 30,000 tpm ROM.

At the effective date of this report, the economically recoverable underground reserves have been depleted, and the underground operations have ceased. Previously, all ROM coal was hauled approximately 18 km to the Wescoal Processing Facility located 18km south of the mine. However, due to escalating logistical costs, this arrangement is no longer considered economically viable.

The Graspan Pit, located east of the former S1 Underground workings, represents the planned extension of the current opencast operation, and is scheduled for development to the end of 2026.

Figure ES 8 illustrates the opencast and underground layout at Elandspruit, as well as the mined out areas, and remaining resource footprint.

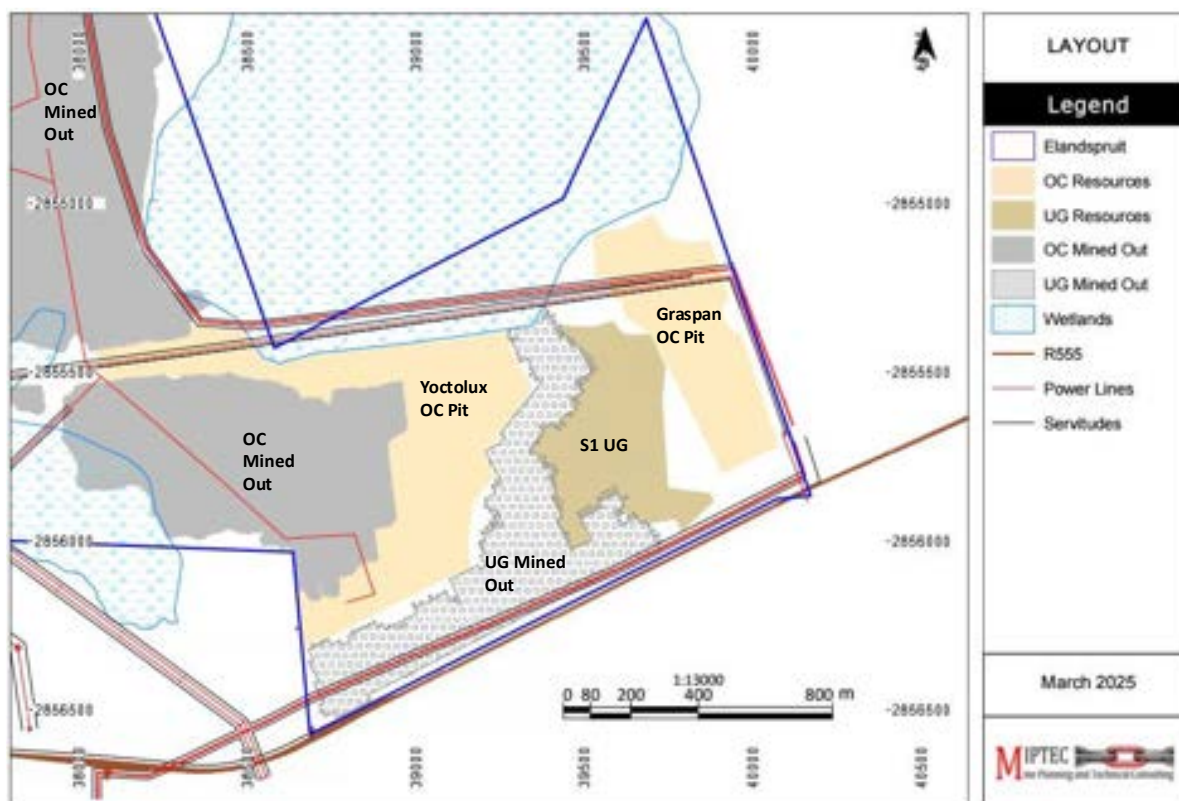


Figure ES 8 A Plan illustrating the Location of the Opencast Pits as well as the Underground Section at Elandspruit.

ES4.2 Location

SR1.1(ii); SR1.2(i,iii); SV1.5

Elandspruit is located 8 km west of the town Middelburg with location 25.80982°S latitude and 29.38474°E longitude (Figure ES 9). It comprises of Portions 29, 30, 32, 33, 34, 36, and 40, of the farm Elandspruit 291 JS, and encompasses an area of 538 Ha. The project has good access to services and infrastructure due to its proximity to the town of, as well as access to a large labour pool of experienced mining individuals, as well as numerous companies specialising in the supply and support of mining equipment. The N4 national highway is located approximately 3.5km south of the license area, while the R555 national road forms the southern boundary of the license area.

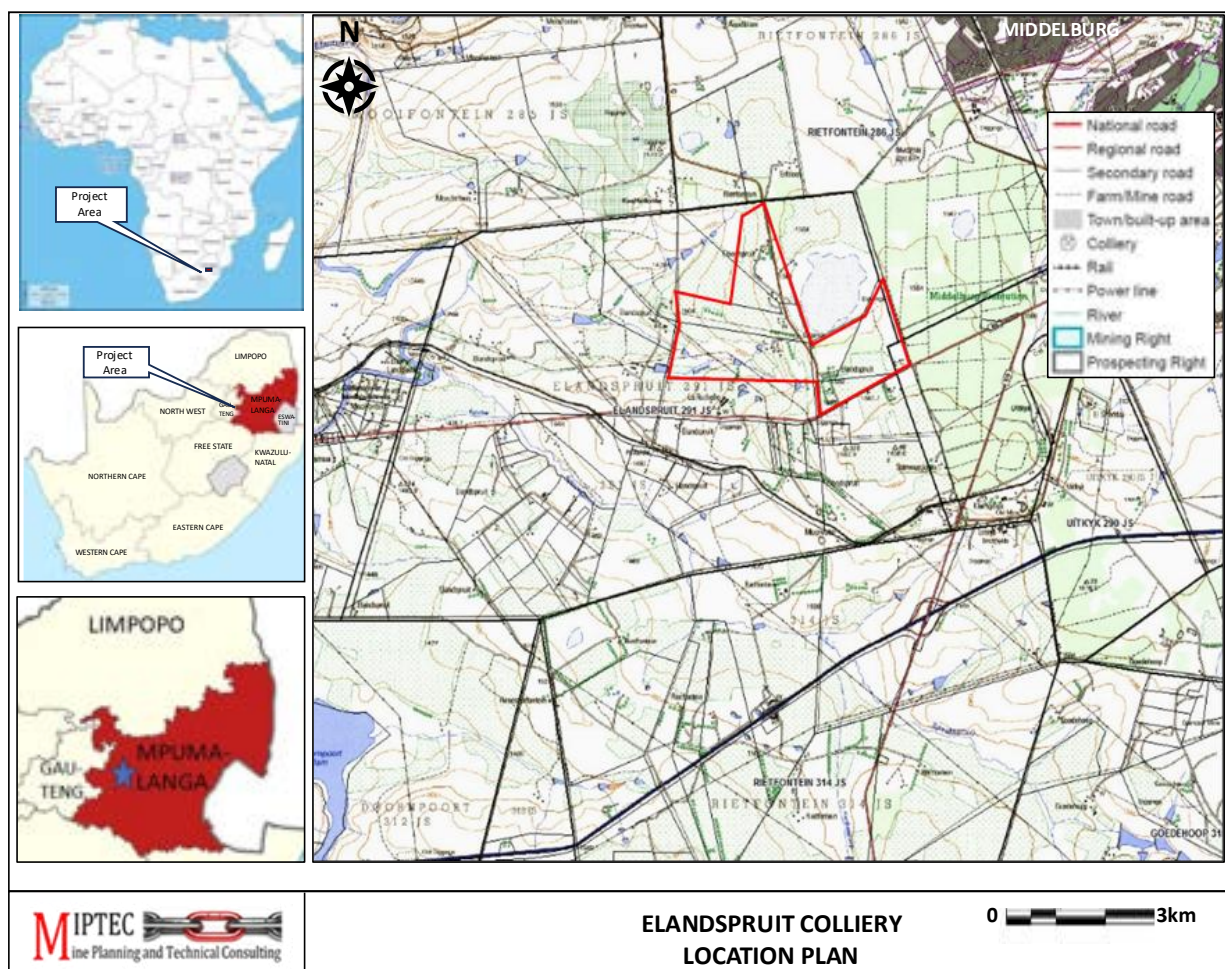


Figure ES 9 Elandspruit Locality Plan

ES4.3 Title and Rights

JSE12.10(h) (SR1.1(ii); SR1.5(i); SV1.5; ESG4.1

Wescoal holds a NOMR (MP 30/5/1/2/2/351 MR), over Mineral Area 7 of Mineral Area 5 situated on Portion 29; Mineral Area 8 of Mineral Area 6 situated on Portion 32 and Portions 30, 33, 34, 36, and 40, all of the farm Elandspruit 291 JS. The MR commenced on 28 October 2010, and unless cancelled or suspended, will continue to be in force for a period of 16 (sixteen) years, ending on 27 October 2026.

A period of 1.58 years remains as at the effective date. This MR was acquired by Wescoal in 2016, as part of a transaction with Duiker Mining, a subsidiary of then Glencore. Wescoal must apply at least four months prior to the 27th October 2026 for an extension to the almost expired MR.

Elandspruit comprises of Portions 29, 30, 32, 33, 34, 36, and 40, of the farm Elandspruit 291 JS. All the surface rights are held by Blanford 006 (Pty) Ltd, a wholly owned subsidiary of Wescoal. The surface right, although owned by Salungano attracts rental costs to the Group, amounting to just more than R0.5 Mil. on a monthly basis.

Miptec did not have sight of the licences; a license summary of the mine was provided. The MR licence details correspond to previous CPR's and technical reports reviewed.

The Mining Right covers the full area planned for the remaining LOM.

The surface rights are owned by Salungano, Wescoal Mining over the full Mining Right area.

ES4.4 Legal Aspects and Permitting

Environmental Authorizations and Licenses

SR1.2(ii); SR1.5(ii)(iv)(v); ESG4.3

The environmental superintendent provided the summary of licences as detailed in Table ES 31. Miptec did not have sight of the actual licences.

Table ES 31. Elandspruit Environmental Authorisations

Authorisation Type	Reference No.	Scope of Authorisation / Description of Activities	Date Issued	Valid Until	Issued To
Environmental Authorisation (Record of Decision)	17/1/394/392	The proposed Elandspruit Coal Mine on various farm portions of the farm Elandspruit 291 JS, within Steve Tshwete Local Municipality, Mpumalanga Province	11/05/2015	Currently applicable	Wescoal Mining (Pty) Ltd
Water Use Licence	04/8111/ACQ/1/5057	Section 21 (A), (G), (g) and (i) and (j) on Portions 29, 32, 33, 34, 36 and 40 of the farm Elandspruit 291 JS	3/08/2015	2031	Wescoal Mining (Pty) Ltd
Section 24G Environmental Authorisation	17/1/5146-NR01/2016/17	The Construction of a provincial road on Portion 36 of the farm Elandspruit 291 JS, Steve Tshwete Local Municipality, Mpumalanga Province	1/14/2017	Activity complete	Wescoal Mining (Pty) Ltd
Water Use Licence for Proposed Road	00/8111/GIC/1/5064	Section 21 (i) and (j) on Portion 34 of the farm Elandspruit 291 JS	4/10/2017	2057	Wescoal Mining (Pty) Ltd
Environmental Management Plan	MP30/5/1/2/1/351MR	Managing the environmental impacts of mining taking place at Mineral Area No.7 of Mineral Area No.5 situated on Portion 29, Mineral Area No.8 situated on Portion 32, Portion 30, Portion 33, Portion 34, Portion 36 and Portion 40 all of the farm Elandspruit 291 JS	20/08/2010	Currently applicable	Duiker Mining (Pty) Ltd
Environmental Management Programme Amendment	MP30/5/1/2/1/351MR	Submitted for Environmental Authorisations in terms of the National Environmental Management Act, 1998 and the National Environmental Management Waste Act, 2008 in respect of Listed Activities that have been triggered by Application in terms of the Mineral and Petroleum Resources Development Act, 2002 (MPRDA) as amended	3/11/2018	Unknown	Compiled for Wescoal Mining (Pty) Ltd

The mine currently lacks two critical authorisations, which significantly impact its strategic options: (1) Authorisation to dispose of waste (discard material) in the pit, and (2) Authorisation to operate a full wash plant within the mining right area.

ES4.5 Material contracts

SR1.5(ii)

Coal Supply Agreements

Elandspruit currently has no CSA with Eskom or any other buyer. Salungano is actively engaged with Eskom on the Duvha RFP to secure a contract for the mine. Miptec has also made enquiries with Eskom regarding such a contract. At the time of this report, Eskom confirmed that it is willing to accept the risk of contracting with a mine under business rescue. Eskom further indicated that, provided the mine submits the outstanding information in a timely manner, a contract could be awarded as early as December 2025.

To meet the Duvha coal specification, the mine will need to partially beneficiate its product. In addition to securing a CSA with Eskom, the mine must either source a nearby processing facility or, if a mobile plant is used, amend the current WUL to cover additional water requirements and obtain a waste licence to dispose of discard material in open voids.

Eskom also indicated that the contract could be transitioned to Kusile once the Kusile RFP process opens. This transition is expected to be the most viable option for Elandspruit.

Mining

Masemanzi currently have an agreement with the Business Rescue Practitioners (BRPs) to operate the mine on a royalty basis. At a high level, the agreement provides for:

- A fixed monthly fee to cover Elandspruit operational costs and business rescue expenses.
- A rand-per-ton royalty to address historical rehabilitation obligations.
- A commitment to conduct concurrent rehabilitation and maintain or improve the current status of the rehabilitation backlog.

Coal Processing

The mining contractor provides the mobile crushing equipment.

ES4.6 Infrastructure

SR1.1(ii); SR4.1(iii); SR4.3(iii); SR4.5(iii); SR5.4(i-iii)

Elandspruit is accessed from the R555 tar road, linking the towns of Middelburg to the east and Emalahleni to the west. The N4 highway, Pretoria to Nelspruit, is situated south of the mine, with the onramp approximately 6km from the mine. The mine commenced mid 2015 with operations and operated until August 2023 when Wescoal had difficulty in servicing most of the opencast creditors and moved to business rescue.

The opencast mining operations source water from in-pit accumulation as well as established pollution control dams. Boreholes are utilised to supply potable water for supply to offices, workshops, change houses and store facilities. Drinking water is supplied from reputable clean water suppliers.

Electricity for offices, workshops, storage facilities and change houses is supplied from rural lines feeding from the main Eskom distribution lines passing through the Elandspruit MR area. Most of the initial farm buildings with water and electrical infrastructure were preserved with functionality as offices and required facilities.

The Mining contractor entrance is located to the west of the MR, on the Presidentsrus access road, leading to a security check point adjacent to the opencast equipment hard park area, workshops and offices. To the south a separate entrance exists with security checkpoint for coal trucks, accessing the ROM stockpiles, to transport ROM or saleable off site.

The S1 underground was accessed from the southern side of the R555, between Emalahleni and the town of Middelburg, and forms part of the Nungu Colliery. Elandspruit had an agreement with Nungu Colliery to use their access to access the Elandspruit underground reserve. The mine still has zinc dams and generators, as backup to Eskom power supply, situated on surface immediately above the underground workings. Ventilation was provided from the Nungu Colliery side and managed underground by the Elandspruit appointed mining contractor.

ES4.7 Project History

SR 1.4(i),(ii),(iii),(iv)

Wescoal purchased the Elandspruit MR from Duiker Mining Ltd (**Duiker**) - thereafter known as Xstrata Plc (**Xstrata**) and now as Glencore Coal SA (**Glencore**). The initial exploration and Coal Resource definition was conducted by Duiker and then by Xstrata prior to Wescoal's involvement. Elandspruit was part of a portfolio of mineral assets owned by Duiker / Xstrata but was not located within the company's main operational hub and was subsequently sold to Wescoal.

ES4.8 Local Geology

SR 2.1(ii) (iii) (vi); SR 3.1(vii); SR 10.2(i)

Within the Ecca Group, the Vryheid formation comprises zones of alternating conglomerates, sandstone and mudstones within which the coal seams are located. At Elandspruit the typical Witbank Coalfield are present

(Figure ES 10). The S4 is split into an S4U and a S4L, and the S2 is also split into a S2U and S2L unit. Within the opencast resource areas of Elandspruit, the S1, S2 and S4 Seams are the primary economic targets, whereas in the underground area, only the S1 is considered economic.

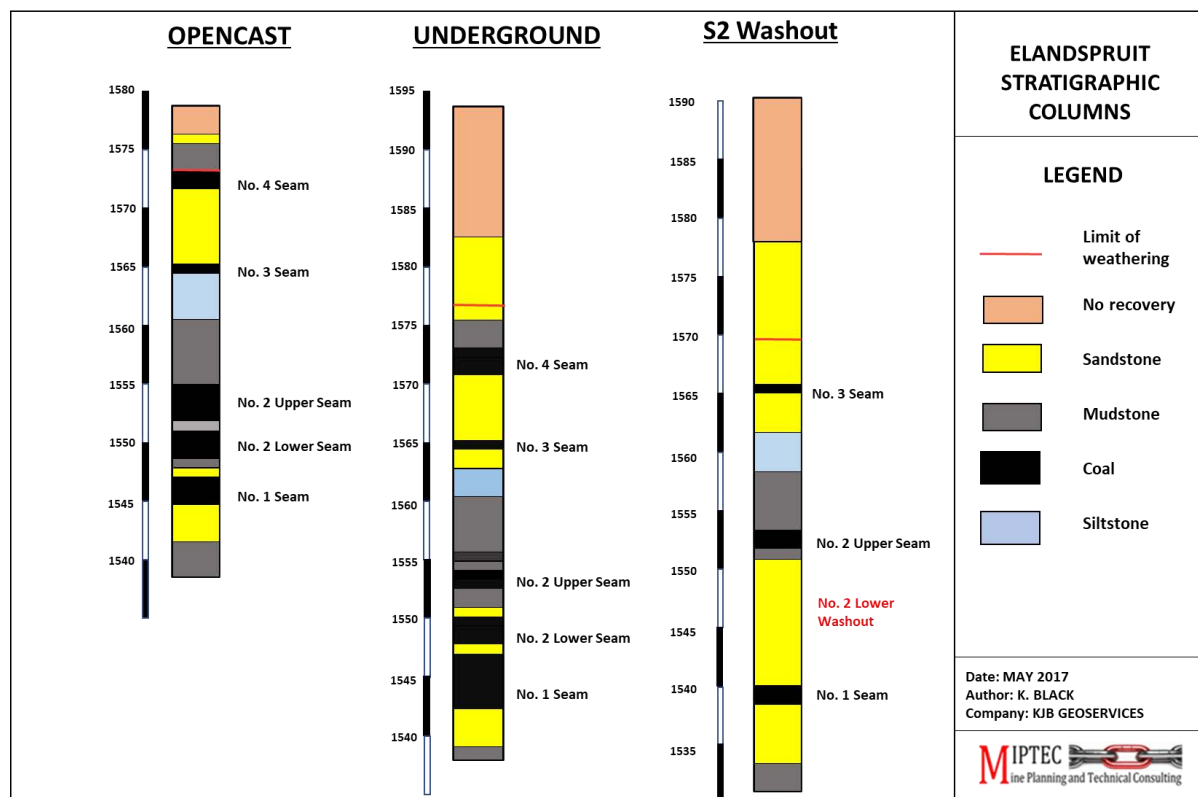


Figure ES 10 Generalised Stratigraphic Column

No. 1 Seam

The S1 is the lowermost coal seam at Elandspruit. It is generally a dull to bright coal with multiple muddy bands; these increase in number towards the base of the seam, particularly in the east (Graspan). The seam is well developed throughout Elandspruit thinning in the west where the seam subcrops against the LOW, and in the east towards Graspan. The depth to seam roof is shallowest in the north of the remaining resource area, increasing towards the south. The S1 is around 3.8 m thick in Yoctolux, decreasing to 2.2 m in the underground section, and averaging around 1.7 m in the Graspan Pit.

The S1 accounts for 44% of the total Coal Resource Estimate at Elandspruit.

No. 2L Seam

The S2L is well-developed over Elandspruit, until it subcrops against the LOW towards the east, and the washout of the seam, also in the east. The seam comprises zones of alternating bright and dull coal, with occasional shaley coal bands in places. On average the seam is between 2 – 3.0 m thick.

In the southeast of the property, the seam is absent along a north-south trending zone approximately 400 to 500 m in width. It is possible that the seam was washed out by a syn- or post-depositional fluvial channel. On either side of the washout, the seam is relatively thin and exhibits elevated ash contents, as would be expected from overbank flow.

The S2L is usually separated from the underlying S1 by less than 1 m of sediments; however, the interval thickness increases to over 11 m in the vicinity of the washout.

The depth to seam roof ranges from 10 - 20 m along the remaining portion of the Yoctolux Pit, increasing to over 60 m in the south.

The floor of the seam is variable, ranging from a mudstone to a highly silty sandstone, and in places to a medium-grained sandstone. The roof of the seam is also variable, generally comprising a coarse-grained sandstone to granulestone; however, in some areas it consists of a carbonaceous mudstone. The floor conditions have not presented any mining challenges.

The S2L accounts for 29% of the total Coal Resource Estimate at Elandspruit.

No. 2 Upper Seam

The S2U includes zones of dull coal with bands of shaley coal throughout (washing the coal ensures the removal of the shale partings). The seam is well-developed across the licence area, subcropping as per the seams below it. The seam averages around 1.9 m thick across the remaining resource area.

The depth to seam roof ranges from 10 - 20 m along the residual portion of the remaining resource area, increasing to over 50 m in the south.

The S2U is separated from the S2L below by a parting that ranges between 2 – 4 m in thickness, increasing in places to over 8 m.

The S2U accounts for 21% of the total Coal Resource estimate at Elandspruit.

No. 3 Seam

The S3 is a good quality bright coal, with a high Calorific CV, Volatile Matter and Total Sulphur content. It is well developed over the entire resource area, ranging in thickness between 0.4 – 0.6 m, thinning slightly around S2L washout.

The seam was previously mined where it was greater than 0.4 m thick; however, it is no longer considered economic to mine.

The S3 is separated from the S2U below by a predominantly sandstone parting ranging in thickness between 12 – 14 m.

No. 4 Lower Seam

The S4L extent across the project area is dictated by the current weathering surface; due to its proximity to the LOW, the seam has a somewhat patchy distribution.

The S4L is a bright coal with excellent raw qualities. Where present, it averages around 1.5 m thick, increasing slightly in places.

It is the shallowest of the coal seams, ranging from less than 10 m deep to just over 30 m in the south.

The S4L seam is separated from the S3 below by a predominantly sandstone parting, with minor mudstone laminations, around 6 – 8 m thick.

The seam accounts for 6% of the total Coal Resource Estimate at Elandspruit.

According to the definitions laid out in SANS 10320:2020, the coal deposit at Elandspruit can be described as a multiple seam coal deposit-type as it is characterised by a discrete number of coal seams, typically between 0.5 m and 7.0 m in thickness, separated by clastic interburden units of thicknesses generally significantly exceeding the thickness of the individual coal seams.

No faulting or dolerite intrusions have been identified at Elandspruit.

ES4.9 Exploration and Drilling, Sampling Techniques and Data

[SR1.4(i), SR2.1(iii), SR3.1, SR3.2] [JSE12.10(e)(iii), JSE12.10(h)(vi)]

Historical exploration refers to all work undertaken prior to Wescoal's acquisition of the Elandspruit Project.

Exploration was first undertaken by Tselentis in 1981 and 1982 when a total of 45 drill holes in the "ELA" series were completed. A second exploration campaign was conducted by the same company between March and November 1990 when a further 71 drill holes prefixed "EP" were drilled. The latest programme of exploration was conducted by Xstrata in 2007 when 23 drill holes were completed in the "ESP" series.

Recent exploration refers to all work carried out subsequent to Wescoal's acquisition of the Elandspruit Project.

All recent geological work has been conducted by GM Geotechnical Consultants cc (**GM**) under contract to Wescoal. GM has been responsible for the design, supervision, logging and sampling of the recent drilling campaigns, all of which were carried out following GM's standard operating procedures. The last two drilling campaigns were planned and managed inhouse by Wescoal, following the GM SOPs to ensure continuity in the geological logging and sampling. Miptec conducted checks and verified all the data prior to inclusion in the geological model.

Between 2012 and 2024, 110 fully cored diamond holes were drilled across the Elandspruit MR area.

Downhole geophysical logging (also known as wireline logging) was not undertaken on any of the holes drilled between 2012 – 2017 as there are many historical project holes drilled to basement, allowing for good seam correlations. The drill holes drilled between 2020 and 2021 were, however, geophysically logged.

All available data from 1981 through to the recent drilling completed in 2024, has been included in the geological model; where the data passed the verification stage. All drill holes included in the model are fully cored diamond holes, of which the majority have valid quality data, and some of which have been geophysically (wireline) logged.

All of the coal samples taken were analysed for raw proximate analyses plus CV and TS, and washability analyses were conducted on samples at float density fractions (in g/cm³) ranging from 1.45, 1.55, 1.65, 1.75, 1.8; and sinks, the densities selected depending on the drill campaign.

Due to the relatively flat nature of the coal seams, as well as the shallow nature of the drilling, all the drill holes are considered vertical, and the apparent thickness of the coal seams is considered representative of the true thickness.

All drill hole collars at Elandspruit have been surveyed by independent registered land surveyors.

At this stage no additional exploration is planned for FY26.

ES4.10 Data Management and Validation

SR 3.1(i); SR 3.1(ii) SR 2.1(iv); SR 3.1(vi); SR 4.1(i); SR 4.1(ii); SR 4.2(iii)

All drill hole collar and lithology information as well as the laboratory results are currently housed within an MS Excel™ database, managed and maintained by GM. Copies of the original drill hole logs, photographs, laboratory certificates, as well as the digital data, are available for viewing at the GM offices in Middelburg.

Drill hole data are checked for physical data errors including overlapping and missing intervals, correct ply correlations as well as depth checks where the wireline logs are available. Quality verifications are also performed on each sample analysis. Any errors identified during the verification process were investigated by the responsible person. All drill holes were presented graphically as well as plotted on plans for additional verification.

As Moabsvelden is an operating colliery, reconciliations are conducted and the data checked against actual mining statistics.

Based on the verification techniques applied, the CP is satisfied that the data are valid and fit for purpose for the construction of a geological model, which accurately reflects the original drill hole data, as well as the estimation of Coal Resources over the Elandspruit area.

ES4.11 Target Seams

All the seams present at Elandspruit are considered opencast economic targets (where the seam thickness and quality allow) in the remaining Yoctolux and Graspan Pits. Within the central portion of the area, only the S1 is

considered as an underground economic target, with all seams located above the S1 excluded from the Coal Resource Estimate.

ES4.12 Geological Modelling

SR 2.1(iii); SR 4.2 (i); SR 4.2 (iv); SR 4.2(v)

The current 2025 geological modelling was undertaken by Ms. K. Black (Pri. Sci. Nat), a Resource Specialist under contract to Miptec. The model was created using Datamine's MineScape™ Software, Version 2023, Update 4; specialist software designed for the three-dimensional (3D) modelling of tabular ore deposits such as coal. The model was peer reviewed by Leon Raaths based on the geological grids that were supplied from the geological model. The model is dated May 2025.

Modelling Process and Validation

SR 4.1(i); SR 4.2(ii); SR 4.2(iii)

The modelling software includes a user-generated Schema, where the interpolators are set, modelled units are listed in downhole stratigraphic order (a form of model control), the relationships between parent and daughter seams defined and the nature of each unit set (e.g., conformable/non-conformable, transgressive, contiguous). Should the input lithology file contain seams that are in the uncorrected stratigraphic sequence, then upon upload, the model will report an error (logged as an error report). This is the first level of data verification while modelling.

Once the table model has been built, a 3D grid model is constructed. The grid modelling process interpolates the table data onto the grid block nodes. The grids' spatial orientation is determined by the centre point coordinates of the project area and the cell size determined by the user from the drill hole spacing. The interpolators used to model the data are specified by the modeller and can vary from project to project, depending on the data. For this project, the Inverse Distance Cubed interpolator was used to ensure close honouring of the actual data. Various checks were done to compare the model data with the drill hole data in order to ensure accurate data honouring.

Two hundred and thirty fully cored and sampled drill holes were used to create the geological model. The average spacing of the drill holes across the licence area is 80 m; based on this, a grid cell size of 20 m was used. The structural model is set to truncate the coal seams where they intersect the LOW, ensuring resources for only unweathered coal are estimated. Extrapolation of data was constrained to 250 m beyond the last known data point.

The following surfaces were modelled:

- Topography;
- Limit of weathering;
- Seam roof and floor elevations;
- Seam thickness;
- Raw air-dried qualities; and

- Washed qualities.

The target coal seams and the parting bands, namely the S4L, S2U, S2L, and S1 were modelled. The resource boundaries are based on the seams' subcrops, seam thickness and quality cut-offs, the mining right boundary, and the servitude and environmental boundaries.

Verification routines regarding the import of quality data are also built into StratModel. Should any inconsistencies between the modelled lithology and imported sample depths be detected, these are reported in a Quality Load error report. This report is then interrogated, the listed errors corrected, and the edited quality file reloaded.

The grid model is continuously interrogated by creating data value posts, statistical reports, contour plots, various grid arithmetic plots and posts, and both two- and three-dimensional cross sections.

The model is an established model, which undergoes annual scrutiny during the annual Resource and Reserve reporting process, whereby the actual coal mined is reconciled against the model, and any necessary adjustments made. There has always been a good correlation between actual mining and the model.

The spacing and distribution of the current data set as included in the geological model is sufficient to establish the degree of geological and grade continuity for the estimation and classification applied. For the current SAMREC resource classification for multiple seam deposits, the resource has been classified as Measured based on the drill and sample density.

ES4.13 Coal Resource Estimation

[JSE12.10(a)] [SR1.4(iii), SR4.1(iv), SR4.5(ii) (iv) (v) (vii), SR6.1(i), SR6.3(vi)]

The Coal Resource Estimates were conducted in accordance with the SAMREC Code, 2016 Edition, as well as SANS10320:2020.

The Coal Resource estimate has been independently estimated and signed off by Ms. K. Black of KJB GeoServices, on behalf of Miptec, and is declared as at 31 March 2025.

The following cut-off parameters were applied when delineating the resource polygons and estimating the Coal Resources:

- Seam extent was constrained by:
 - The limit of weathering;
 - The mining right boundary and a 9 m pillar buffer; a 50 m barrier pillar between the opencast and underground resources; and
 - A 100 m wetland buffer.
- Quality cut-offs:
 - A DAFV cut-off of 27.5% was applied to all seams; and
 - A raw ash content <45% was used on all seams.

- Physical seam parameters:
 - Coal seams less <0.5 m thick were excluded from the opencast Coal Resource Estimates; and
 - Within the underground area, a minimum mining height cut-off of 1.6 m was applied. No maximum mining height was applied, as all the coal within the underground area is less than 4.8 m in thickness.
- Mining parameters:
 - A maximum strip ratio of 1:6 BCM/ROM tonnes was applied.

ES4.14 Coal Resource Estimation

[JSE12.10(a)] [SR1.4(iii), SR4.1(iv), SR4.5(ii) (iv) (v) (vii), SR6.1(i), SR6.3(vi)] [SV1.9]

The Coal Resource estimates were conducted in accordance with the SAMREC Code, 2016 Edition, as well as SANS10320:2020.

The Coal Resource Estimate has been independently estimated and signed off by Ms. K. Black of KJB GeoServices, on behalf of Miptec, and is declared as at 31 March 2025. The Elandspruit Opencast Coal Resource Estimates comprise 6.46 Mt (MTIS) of Measured Coal Resources as detailed in Table ES 32 with raw and washed qualities shown in Table ES 33 and Table ES 34, respectively.

All Coal Resources are inclusive of the Coal Reserves.

Provision has been made for a geological loss factor (discount). Losses occur mainly as a result of intersection by dolerite dykes, small-scale faulting and other unforeseen geological losses. The geological discounts applied to the Measured Coal Resources are 10%.

Miptec is confident that the logging, sampling, data density and distribution, as discussed in the sections above, are suitable for the estimation of Coal Resources.

The Elandspruit Opencast Coal Resource estimates comprise 5.99 Mt Measured Coal Resources, and the Underground Resources comprise 0.47 Mt Measured Coal Resources, for a total Measured Coal Resource estimate of 76.46 Mt (MTIS).

Table ES 32. Elandspruit Coal Resource Estimate as at 31 March 2025

Resource Estimates 31 March 2025								
Resource Area	Mining Method	Resource Category	Seam	Block Area (Ha)	Coal Thick (m)	ARD (g/cm3)	Geo Loss (%)	MTIS (Mt)
YOCTOLUX	Opencast	Measured	S4L	9.68	1.65	1.47	10.00	0.21
			S3					
			S2U	27.82	1.94	1.66	10.00	0.81
			S2L	30.28	2.66	1.59	10.00	1.15
			S1	34.17	3.79	1.61	10.00	1.88
				101.95	2.99	1.61	10	4.05
GRASPAN	Opencast	Measured	S4L	8.61	1.77	1.46	10.00	0.20
			S3					
			S2U	21.54	1.82	1.58	10.00	0.56
			S2L	20.66	2.41	1.59	10.00	0.71
			S1	17.68	1.71	1.73	10.00	0.47
SUBTOTAL				68.49	2.00	1.61	10	1.94
OPENCAST TOTAL				170.44	2.67	1.61	10	5.99
UNDERGROUND	Underground	Measured	S1	14.37	2.18	1.66	10.00	0.47
SUBTOTAL				14.37	2.18	1.66	10.00	0.47
UNDERGROUND TOTAL				14.37	2.18	1.66	10.00	0.47
ELANDSPRUIT TOTAL				184.81	2.63	1.61	10	6.46

Note:

1. Minimum seam thickness cut-off of 0.5 m.
2. Ash Content <45% cut-off applied to all seams
3. Dry ash-free basis (daf) >27.5% limit applied.
4. ARD – Apparent Relative Density.
5. Weighted average qualities estimated on MTIS. All seam thicknesses used are true thicknesses.
6. Coal Resources quoted on a MTIS adb basis in million tonnes.
7. Fresh coal only, and coal within Mining Right boundary.

Table ES 33. Elandspruit Raw Coal Qualities as at 31 March 2025

Resource Estimates 31 March 2025				Raw Coal Qualities (Air Dried, Uncontaminated)					
Resource Area	Mining Method	Resource Category	Seam	Ash (%)	CV (MJ/kg)	FC (%)	IM (%)	TS (%)	VM (%)
YOCTOLUX	Opencast	Measured	S4L	18.09	25.26	56.90	3.68	0.96	21.33
			S3						
			S2U	33.76	19.28	40.77	2.69	1.38	21.90
			S2L	28.35	21.77	30.14	2.88	0.87	20.66
			S1	30.22	21.37	45.10	2.52	0.95	22.19
				29.76	21.27	40.59	2.72	1.01	21.65
GRASPAN	Opencast	Measured	S4L	17.25	25.28	57.50	4.08	0.86	21.14
			S3						
			S2U	29.69	21.02	44.52	2.78	1.55	23.09
			S2L	26.84	22.24	48.74	2.71	1.02	21.80
			S1	41.12	17.74	34.80	1.92	0.63	22.17
SUBTOTAL				30.13	21.11	45.05	2.68	1.06	22.19
OPENCAST TOTAL				29.88	21.22	42.04	2.70	1.03	21.83
UNDERGROUND	Underground	Measured	S1	34.59	20.15	40.73	2.08	0.92	22.60
SUBTOTAL				34.59	20.15	40.73	2.08	0.92	22.60
UNDERGROUND TOTAL				34.59	20.15	40.73	2.08	0.92	22.60
ELANDSPRUIT TOTAL				30.22	21.14	41.94	2.66	1.02	21.88

Note:

1. Weighted average qualities estimated on MTIS.
2. CV - Calorific Value, VM – Volatile Matter content, FC - Fixed Carbon content, TS - Total Sulphur content, IM - Inherent Moisture content, DAFV – dry, ash-free Volatile Matter content, ARD – Apparent Relative Density.
3. Coal qualities reported on an air-dried basis (adb).

Table ES 34. Elandspruit F1.8 Coal Qualities as at 31 March 2025

Resource Estimates 31 March 2025				F1.8 Theoretical Coal Qualities (Air Dried, Uncontaminated)							
Resource Area	Mining Method	Resource Category	Seam	Yield (%)	Ash (%)	CV (MJ/kg)	FC (%)	IM (%)	TS (%)	VM (%)	
YOCTOLUX	Opencast	Measured	S4L	95.97	16.35	26.01	58.30	3.73	0.49	21.66	
			S3								
			S2U	65.33	23.72	23.45	50.44	3.00	0.50	22.79	
			S2L	81.33	22.72	23.87	52.77	3.03	0.35	21.36	
			S1	80.33	24.33	23.60	49.87	2.66	0.32	23.21	
				78.44	23.34	23.77	51.25	2.89	0.37	22.52	
GRASPAN	Opencast	Measured	S4L	97.37	16.50	25.55	58.48	4.05	0.45	20.99	
			S3								
			S2U	78.19	23.44	23.69	49.86	2.70	0.58	24.13	
			S2L	87.03	21.82	24.38	52.99	2.60	0.42	22.59	
			S1	71.79	29.53	22.27	43.23	2.05	0.46	25.21	
SUBTOTAL				81.86	23.61	23.79	50.29	2.65	0.48	23.50	
OPENCAST TOTAL				79.55	23.42	23.78	50.94	2.81	0.41	22.84	
UNDERGROUND	Underground	Measured	S1	77.18	24.89	24.03	48.02	2.22	0.39	25.11	
SUBTOTAL				77.18	24.89	24.03	48.02	2.22	0.39	25.11	
UNDERGROUND TOTAL				77.18	24.89	24.03	48.02	2.22	0.39	25.11	
ELANDSPRUIT TOTAL				79.38	23.53	23.80	50.73	2.77	0.41	23.00	

Note:

1. Weighted average qualities estimated on MTIS.
2. CV - Calorific Value, VM – Volatile Matter Content, FC - Fixed Carbon, TS - Total Sulphur, IM - Inherent Moisture, DAFV – dry, ash-free Volatile Matter Content, ARD – Apparent Relative Density.
3. Coal Qualities reported on an air-dried basis (adb).

ES4.15 Reconciliation with Previous Coal Resource Estimate

[SR1.4(iii), SR4.5(vi)] [SV1.6]

Table ES 35 compares the FY23 with the FY25 Coal Resource Estimates. The FY23 estimate was used for the reconciliation, as FY24 was a depletion year, whereby the tonnage estimates provided by the surveyors were used to deplete the Coal Resource estimate. Included below, are the calculated mined tonnages for both FY24 and FY25 based on survey face positions and estimated from the geological model. Also included in Table ES 35 is the loss of Coal Resources due to a change in the resource footprint of the underground and Graspan areas.

Table ES 35. Elandspruit comparison of Resource Estimates 2023 and 2025

Reconciliation Mar'23 to Mar'25 Estimates								
	Coal Resource Estimate (ADB)			FY24 Mined	FY25 Mined	Change in Resource Area	Total Change in Resources	Unaccounted Loss/Gain (Mt)
	Mar' 23 Mt	Mar' 25 Mt	Variance Mt					
Elandspruit Colliery Total	7.65	6.46	-1.20	-0.56	-0.34	-0.46	-1.36	0.16
Opencast Total	6.62	5.99	-0.63	-0.33	-0.09	-0.34	-0.76	0.13
4L Seam	0.50	0.41	-0.09	-0.03	-	-0.11	-0.14	0.05
3 Seam	-	-	-	-	-	-	-	-
2U Seam	1.55	1.36	-0.19	-0.06	-0.03	-0.10	-0.19	0.00
2L Seam	1.93	1.87	-0.07	-0.10	-0.06	-0.02	-0.18	0.11
1 Seam	2.63	2.35	-0.29	-0.14	-	-0.11	-0.25	-0.04
							0	
Underground Total	1.03	0.47	-0.57	-0.23	-0.25	-0.1	-0.6	0.0
1 Seam	1.03	0.47	-0.57	-0.23	-0.25	-0.12	-0.60	0.03

ES4.16 Geological Risks

The main geological risks at Elandspruit are associated with the area of S2L washout. There is always a concern of seams thinning and quality declining in the vicinity of a washout.

Table ES 36 Geological Risks Identified at Elandspruit.

TYPE OF RISK	RISK	MITIGATION	LEVEL OF RISK
Geological – S2L washout Area	Potential Impact on sustainable production, coal volumes and qualities.	Targeted drilling	Low/Medium

ES4.17 Mining

SR4.1(iii); SR4.3(i-ii); SR4.5(iii,v); SR5.1(i); SR5.2(i-ix)

Elandspruit plans to continue opencast operations while under business rescue. The current operational plan is centred on Masemanzi, which is conducting mining activities under an agreement with the Business Rescue Practitioners (BRPs) of Wescoal. In terms of this agreement, Masemanzi will continue mining until January 2026, with an intended production ramp-up to approximately 120,000 tonnes per month by December 2026. The agreement also includes the potential to extend operations beyond this date, subject to commercial and operational viability.

While this arrangement provides for an income, it does not fully realise the long-term economic potential of the Elandspruit resource. Accordingly, the BRPs have indicated the need for a more economically beneficial strategy to ensure the mine's sustainability beyond the current arrangement.

One option under consideration is to wait for the Kusile RFP which Eskom indicated will open in the near future. This option is considered the most suitable for Elandspruit, as the majority of the ROM coal can be beneficiated through a crush-and-screen process only, thereby minimising processing costs and improving margins. The current valuation scenario assumes that Elandspruit will continue participating in the Duvha RFP, commence supply under this framework, and subsequently request approval to switch to the Kusile supply contract once the RFP process opens. This strategy is designed to ensure operational continuity and cash flow while positioning the mine for improved long-term economic performance under the Kusile supply arrangement.

In terms of mine planning, the updated LOM schedule continues to assume a steady production rate of approximately 150,000 ROM tpm. The associated valuation reflects the potential economic benefit of this production scenario under the various market and offtake options currently under consideration.

Mining Method

Opencast

Opencast operations at Elandspruit are based on typical truck-and-shovel methodologies with push-over assist, applied since the completion of the initial boxcut and access ramps in 2015. The pit layout is designed with 100 m block lengths and 40 m wide strips to facilitate planning, execution, and operational control.

The remaining Elandspruit coal reserves at Yoctolux and Graspan have average strip ratios of 1:3.9 and 1:4.25 BCM/RoM tonnes, respectively. The remaining pit shell was determined based on the MR boundary, geological cut-offs, wetland buffers, mined-out areas, and economic strip ratios. The pit shell remains largely the same as that used in the FY24 reporting, with only depletion adjustments applied.

ES4.18 Rock Engineering

JSE12.10(h)(vii); SR 3.1(i), SR4.1(ii), SR4.3(ii), SR5.2(ii)

Salungano has also appointed Tsebo as their independent rock engineering consultants for Elandspruit. They provide for a legal appointee responsible for the rock engineering function, inclusive of regular audits and update to the code of practice that endeavours to combat rockfalls. Miptec has relied on Tsebo and their appointed representative to provide the required input with respect to the sections below.

Tsebo provides a weekly pit inspection by a strata control officer and a monthly inspection by a qualified rock engineer that is also the legal appointed engineer. Both provide reports to management regarding both good practices observed, and hazards identified. The hazards are accompanied by mitigation indication, for the mine to execute on.

Mandatory Codes of Practice

The mandatory COP to combat rockfall and slope stability related incidents was compiled by the Company as controlled documents, for both opencast and underground. It conforms to the DMRE guideline 7/4/118-AB4. This is mandatory in terms of sections 9(2) and 9(3) of the MHSA.

Miptec requested but did not have sight of the actual COP documents. Tsebo Mining representative is noted as the appointed person from a rock engineering perspective, he confirmed that the COP's are in place and that he has signed off on the COP's.

In addition, it was confirmed by Tsebo, that all COP's are in the process of being updated, following a finding by Miptec on the inspection of the Vangatfontein COP

ES4.19 Opencast Geotechnical Designs

Opencast operations are based on truck and shovel methodologies since the commencement of the opencast back in 2017 when the boxcut construction commenced in the north with the IPP pit. The pit widths were changed

from 40 m to 50 m wide during the last mining operation, before the mine went into business rescue back in August 2023. In terms of the planning for future mining, the pit width was reduced back to 40 m to optimise the benefits from cast blasting and dozer pushover. The mining layout is further broken into mining blocks of 100 m length to facilitate planning and execution control.

The remaining pit shell for the Elandspruit OC pits, was determined based on economical strip ratio's and feasible coal qualities together with surface limiting factors such as Powerlines, Public roads, wetlands and the mining right boundary. The mined-out areas are defined by actual survey information and incorporated into the remaining pit shell design. The mine keeps the offset benches in place and only plans to reduce to minimum safe offsets for the final highwall. Final highwall and endwall designs will conform to a minimum of 10 m offset on the S4 floor elevation and another of 20 m on the softs floor horizon.

Identified risks relevant to slope stability is blast vibrations, blast engineers conduct blast simulations and effective designs to mitigate the effect of vibration on opencast slopes.

In addition, water is a risk, water management is conducted, clean water is diverted around the operating pit, water accumulations on the high walls are monitored and drained during rainy season.

ES4.20 Mine Design

SR 5.2(iii),

The geological model utilised for the opencast mining model was constructed in Stratmodel™, updated in 2023 and again in 2024 with data from boreholes drilled in the underground sections. The relevant structure and quality grids, covering the full extent of the resource area, were provided to the mining engineer for mine modelling purposes. This geological model was the base for both the mining models and resource estimates. The LOM mining model was constructed in the Runge software scheduling software. Geological gridded data were provided and the mining layouts constituting the full opencast mining footprint were updated with all relevant structural and quality data through a reserving process. An extensive handshake between geology and the mining engineer confirmed the accuracy of information transfer. The mining model was updated on a mining process level, with a full quality model representing the intended Scenario 1, Eskom Kusile Power Station and Scenario 2, Eskom Duvha Power Station supply. The model was updated with the stated modifying factors to derive the RoM coal model on an as received basis. This was based on factors that were proven over the years through reconciliation to provide for accurate RoM estimations and mining RoM strip ratios.

The LOM model provides a monthly schedule for the remaining life of Elandspruit, with the detailed coal allocation and final product qualities for the two Eskom supply scenarios

The geological model quality and physical cut-offs are replicated in the mining model. Within the mining model the remainder of the modifying factors are applied based on reconciliation results.

ES4.21 Modifying Factors and Coal Recovery

[JSE12.10(h)(vii)] [SR5.1(i)(ii), SR6.1(iii), SR6.2(i)] [SV1.10]

In terms of physical and quality cut-offs on all seams, Table ES 37 summarises the parameters applied to the mining model.

Table ES 37. Elandspruit model cut off parameters

SEAM	SEAM THICKNESS	RAW ASH	RAW DAFV
All Seams	0.5 m	50%	25%

Table ES 38 details the modifying factors applied to the mining model, after the above cut-offs have been applied.

Table ES 38. Elandspruit Modifying Factors Applied

SEAM	TOTAL LOSS	CONTAMINATION	SURFACE MOISTURE
All seams	18%	4%	4%

The coal losses are converted back to waste volumes to allow for a realistic calculation of the strip ratio and accurate estimations of both waste and coal volumes.

ES4.22 Production History

SR1.4(iii); SR5.2(viii)

Opencast

Where survey information was available, it was used to compile the following opencast ROM historical profiles (Figure ES 11). Evident during peak steady state performance was the mines ability to product up to 300 000tpm. The decrease, to eventual nonproduction in 2023 is due to the company entering business rescue proceedings. The mine was on Care and Maintenance until January 2025, when Mazemanzi, under a Royalty model, commenced production

Underground

In terms of the underground data available, the specific start of mining cannot be identified due to a lack of available information, however survey information available indicates a commencement in March 2018. There is a possible data loss or underground stoppage from September 2018 to July 2021, however no one at the mine could confirm

this. Evident from August 2023, when the opencast was on Care and Maintenance, is that the underground was producing an average of 20 000tpm. The underground operations ceased in April 2025 as mining became uneconomic, due to thin seams and quality issues. There are currently no underground reserves remaining at Elandspruit.

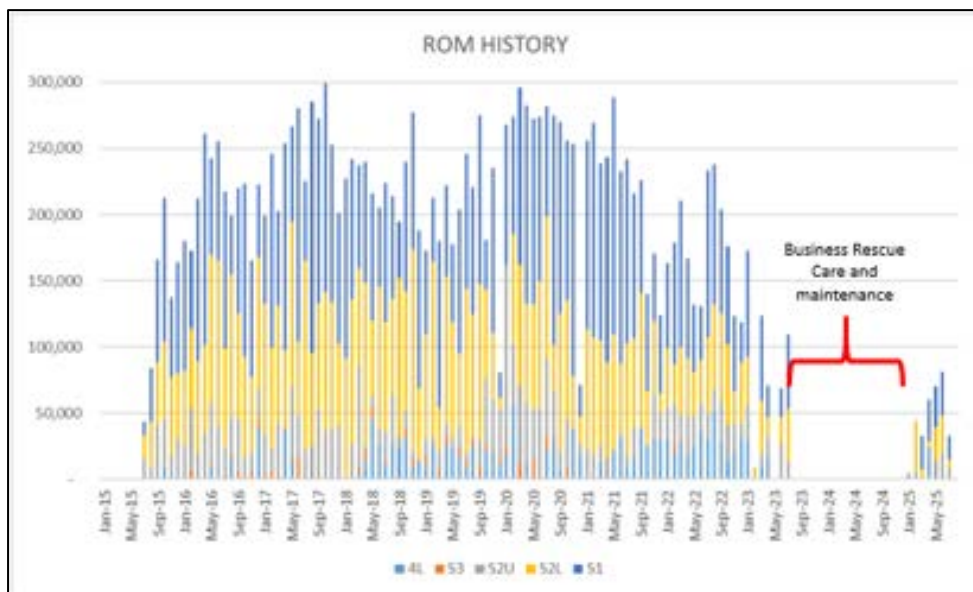


Figure ES 11 Elandspruit Opencast ROM History

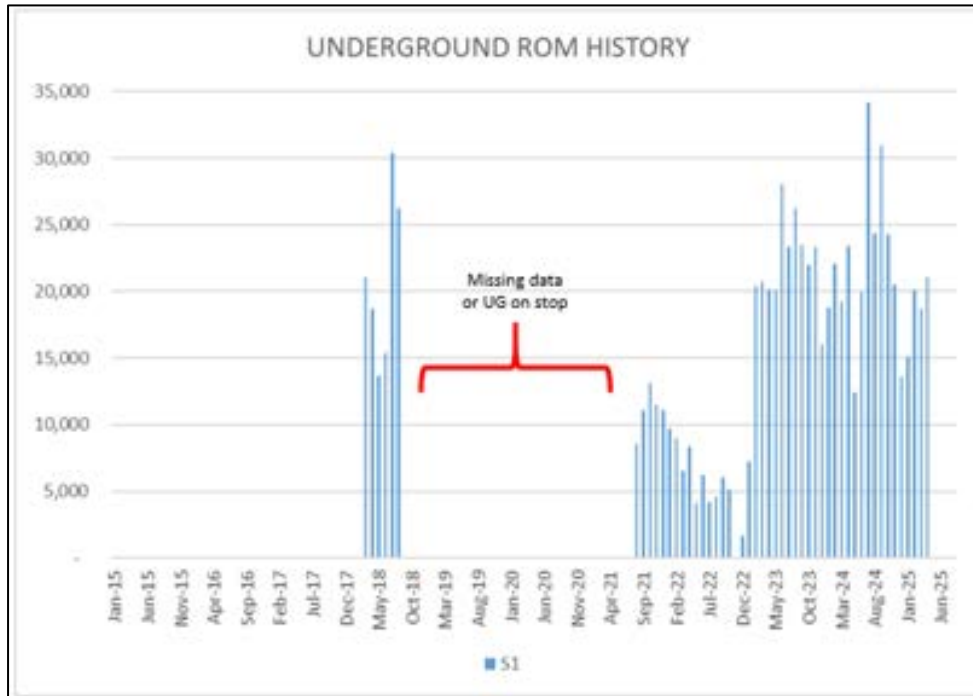


Figure ES 12 Elandspruit Underground ROM History

ES4.23 Future production

Elandspruit Colliery has always operated as a contract mining operation comprising both opencast and underground sections. Underground mining has ceased following the depletion of reserves suitable for current market conditions, and future operations are now focused exclusively on opencast mining.

In consultation with BRPs, Salungano entered into an agreement with Masemanzi to conduct opencast mining at Elandspruit for a limited period. Masemanzi commenced operations in January 2025, achieving peak monthly production of 81,439 tonnes in June 2025. The current agreement runs until December 2026, with potential for extension subject to finalisation of a long-term operating strategy.

While this interim arrangement provides operational continuity, it does not fully capture the mine's potential economic value. The preferred long-term strategy involves securing a Kusile-specification CSA with Eskom. Salungano is currently participating in the Duvha RFP process, with the option to transition to Kusile supply once available.

An additional boxcut to access the Graspan pit is scheduled for the 2027 financial year, which will provide access to additional opencast reserves and extend the life of mine. Neighbouring operators are also seeking approval to mine the wetland area to the north-east of the Elandspruit MR. Should similar authorisations be granted to Elandspruit, this area could unlock additional coal measures, subject to further technical studies confirming the quality, thickness and continuity of the underlying coal.

It must be noted that the LOM for Elandspruit has associated assumptions, such as the main schedule is based on a ramp up to 150 000 tpm ROM from the opencast, with the underground being closed. For Elandspruit to limit the transport of ROM, a typical mobile plant at site would be preferred. For a mobile wash plant, the mine would have to obtain an additional extension to the current WUL, to include the wash plant water use. In addition, the mine would require a waste license to place rising discard back into the mining voids. Alternative options identified for coal processing, is to toll wash at the neighbour or other identified plants in the area. For a Kusile option, small tonnages if required, can still be processed at Wescoal Processing.

ES4.24 Mine scheduling

Figure ES 13 shows the RoM split on a seam basis; monthly RoM varies between 120 000 to 150 000 tpm. The schedule is contractor based, where the equipment capacity is eventually driven by the required sales commitment, as per the CSA with Eskom.

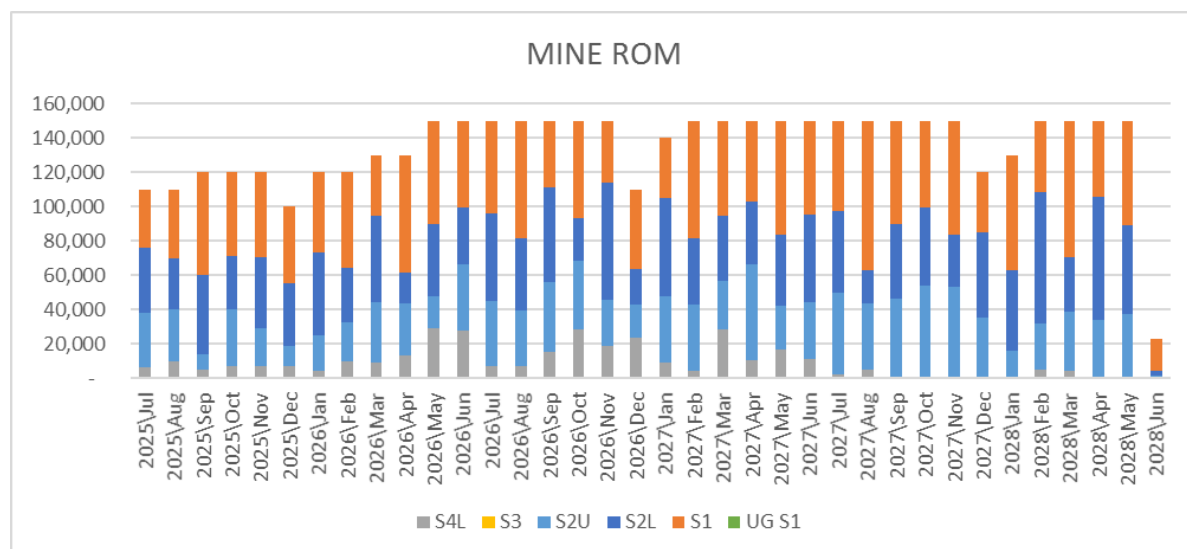


Figure ES 13 Elandspruit LOM RoM Breakdown

The LOM model models the Duvha and Kusile Power Station qualities through the crush and screen plant at Elandspruit and the wash plant. This plant, as indicated, could be the Wescoal processing plant, with a rather large penalty on material transport over the 18 km distance, or a plant option closer to Elandspruit.

The main drivers in the quality model are based on achieving all quality parameters. The modelled quality can still be influenced by diligent RoM stockpile management. The CV, ASH and TS quality indicators were achieved, with some of the parameters quite close to the Power Station indicator values. The wash feed required varies between 50 000 t to 100 000 t plant feed per month to achieve the Duvha Specification. For the Kusile option, only the abrasiveness requires monitoring, as all other quality parameters can be achieved on a crush and screen blend basis.

Two Products were simulated, the first being the current Duvha option which Salungano is pursuing under the Duvha RFP and is in the final stages of being concluded by Eskom, and secondly a Kusile option that the business rescue team feel can leverage more value and confirmed in a high level valuation. This option would require waiting on the Kusile RFP to be opened up by Eskom or commencing with the Duvha supply and the switching over to Kusile.

The Duvha option requires the plant capacity to cater for 50 000t to 100 000 t plant feed per month. The product is yielded (70% to 88%), with the additional cost of transport, beneficiation and discard handling. In this option, all coal seams are utilised for either raw or wash feed.

The Kusile option has a lower coal specification, considerably lower than that for Duvha, allowing for the S4 to be reserved for export or similar markets, and the remainder of the coal to be crushed, screened and blended to a final

product. In this option, the product is not yielded, 100%, and the cost of processing is related to crushing and screening only. In addition, no discard handling is required.

ES4.25 Coal Processing

SR1.1 (ii), SR2.1(v), SR4.3 (i)(ii), SR4.5(iii), SR5.3(i)(ii)(iii)(iv)(v)(vi), SR5.4(ii)(iii), SR5.6(viii)

Wescoal own a CHPP some 18 km from the current Elandspruit operation. It is a dense medium plant, capable of processing on average 280 000 ROM per month. Wescoal purchased this plant from Muhanga, which is situated on the old Muhanga owned OpGoedenhoop operation. The CHPP has an existing approved discard dump, with a design capacity, which has since been exceeded; resulting in a contravention of the waste disposal licence conditions. As such, Muhanga, who still own the original liability, intervened, resulting in discard placement being stopped at the processing plant area. This has resulted in a requirement that all resulting discards be removed by the mine, thereby attracting additional logistic costs. This increase logistical cost renders the Wescoal CHPP uneconomical for use by Elandspruit, and therefore an alternative processing facility will have to be sourced closer to the mine site. Wescoal endeavoured to obtain the required licences to construct a processing facility at site, however, they have not been successful to date.

Currently the Wescoal CHPP has commenced operation, on a toll washing basis for various clients.

ES4.26 Capital Cost

SR4.1(iii); SR4.3(vi); SR5.6(i-iv)

Elandspruit will require Capital to construct the Graspan boxcut and related infrastructure, in addition, if the powerline is not redundant as indicated, this will require additional unplanned capital to access those coal reserves.

Currently under business rescue, this is not an option, costs of such nature will most probably be absorbed under the mining contractor's costs.

ES4.27 Historical Coal Reserve Estimates

SR1.4(iii);

Table ES 39 shows the historical reserve estimates for Elandspruit from FY20 to current FY25. In general, the mine showed gains year on year. Through the years slight adjustments were done to the mining footprint, with some minor adjustment resulting from geological model updates. The underground had a significant update where thin seams were removed from reserves.

Table ES 39. Elandspruit Historical Reserve Estimates

ELANDSPRUIT RESERVE HISTORY								
DATE	MTIS (AD) Mt	ROM (AR) Mt	SALEABLE (AR) Mt	YIELD (%)	CV (MJ/kg) AD	ASH (%) AD	VOL (%) AD	TS (%) AD
OPENCAST								
FY2020	11.90	12.87	10.08	78%	23.03	25.15	22.59	0.86
FY2021	9.56	10.34	8.02	78%	23.05	25.15	22.72	0.88
FY2022	7.22	7.81	5.95	76%	22.96	25.47	22.83	0.84
FY2023	5.55	6.00	4.50	75%	23.09	25.59	23.05	0.70
FY2024	5.31	5.75	4.31	75%	23.09	25.59	23.05	0.70
FY2025	4.75	5.13	3.69	72%	23.39	25.59	23.05	0.70
UNDERGROUND								
FY2020	1.10	1.19	0.87	73%	23.38	25.87	24.13	0.57
FY2021	1.10	1.19	0.87	73%	23.38	25.87	24.13	0.57
FY2022	1.03	1.11	0.81	73%	23.38	25.87	24.13	0.57
FY2023	0.48	0.52	0.39	76%	22.95	26.60	23.12	0.53
FY2024	0.23	0.25	0.19	76%	22.95	26.60	23.12	0.53
FY2025								

Note:

1. CV = Calorific Value air dried, contaminated.
2. RoM (AR) = Run of Mine on an as received basis
3. Saleable (AR) = Coal sales on an as received basis
4. All coal quality data reported as air-dried contaminated basis

ES4.28 Previous Coal Reserve Estimate (31 March 2024)

SR1.4(i-ii); SR5.6(V); 6.1(iii); SR6.2(i); SR6.3(i-iii); JSE12.10(h)(ix)

Table ES 40 summarises the previous Coal Reserve Estimate for Elandspruit, with an effective date of 31 March 2024.

This update was based on a depletion approach, a geological model that had not changed from the previous FY23 and a mining model with the same mining footprint and modifying factors as was applied for the F23 estimate, only adjusted for depletion.

Table ES 40. Elandspruit Previous Coal Reserve Estimate - 31 March 2024

ELANDSPRUIT RESERVE ESTIMATE 31 Mar 2024 (100% Wescoal attributable)								20 MJ/kg and 20 % vol. Seam 1 and 2L max 26% Ash)				
PROJECT	RESERVE CATEGORY	SEAM	RESERVE BLOCK	MTIS (AD) Mt	ROM (AR) Mt	SALEABLE (AR) Mt	YIELD (%)	CV (MJ/kg) (AD)	ASH (%) (AD)	VOL (%) (AD)	TS (%) (AD)	
ELANDSPRUIT OPENCAST	PROVEN	S4L	Pit2	-	-	-	98%	-	-	-	-	
			Powerline	-	-	-	98%	-	-	-	-	
			Yoc. E	0.14	0.16	0.15	98%	25.52	17.20	22.93	1.18	
			GrasP	0.20	0.22	0.22	98%	27.31	15.11	30.34	1.93	
		TOTAL 4L Seam			0.35	0.38	0.37	98%	26.52	16.03	27.07	1.60
		S2U	Pit2	0.03	0.03	0.02	55%	22.70	25.29	20.81	0.24	
			Powerline	-	-	-	0%	-	-	-	-	
			Yoc. E	0.71	0.77	0.50	65%	22.70	26.25	22.58	0.65	
			GrasP	0.42	0.45	0.37	82%	22.70	26.82	22.38	0.90	
		TOTAL 2U Seam			1.16	1.25	0.89	71%	22.70	26.46	22.47	0.74
		S2L	Pit2	0.04	0.05	0.04	73%	22.55	26.32	20.78	0.56	
			Powerline	0.19	0.20	0.16	80%	22.55	26.34	20.94	0.58	
			Yoc. E	0.90	0.98	0.77	78%	22.55	26.18	21.42	0.65	
			GrasP	0.47	0.51	0.29	57%	22.55	29.04	26.08	0.53	
		TOTAL 2L Seam			1.61	1.74	1.25	72%	22.55	26.84	22.38	0.61
		S1	Pit2	0.04	0.05	0.04	75%	22.95	25.51	23.51	0.87	
			Powerline	0.29	0.31	0.25	79%	22.95	25.46	22.17	0.69	
			Yoc. E	1.45	1.57	1.18	75%	22.95	26.15	22.59	0.52	
			GrasP	0.41	0.45	0.33	75%	22.95	27.35	25.01	0.57	
		TOTAL 1 Seam			2.20	2.38	1.80	76%	22.95	26.26	22.98	0.56
TOTAL PROVED			5.31	5.75	4.31	75%	23.09	25.59	23.05	0.70		
TOTAL / AVG ELANDSPRUIT OPENCAST			5.31	5.75	4.31	75%	23.09	25.59	23.05	0.70		
	PROBABLE	1 Seam	Primary Mining	0.23	0.25	0.19	76%	22.95	26.60	23.12	0.53	
			TOTAL / AVG ELANDSPRUIT UNDERGROUND			0.23	0.25	0.19	76%	22.95	26.60	23.12
TOTAL /AVG ELANDSPRUIT COLLIERY RESERVES			5.55	6.00	4.50	75%	23.08	25.67	23.06	0.69		

Note:

1. CV = Calorific Value air dried, contaminated.
2. RoM (AR) = Run of Mine on an as received basis
3. Saleable (AR) = Coal sales on an as received basis
4. All coal quality data reported as air-dried contaminated basis

ES4.29 Current Coal Reserve Estimate (31 March 2025)

SR5.1(i);SR5.2(ii-iv); SR5.6(V); SR6.1(i-ii); SR6.2(i); SR6.3(i,iii,v,vi); SR10.6(i-ii); SV1.9; JSE12.10(h)(ix)

The Coal Reserve Estimate has been independently Estimated and signed-off by Mr L. Raaths of Miptec. The Coal Reserve Estimate is declared as at 31 March 2025.

The Coal Reserves for Elandspruit as at 31 March 2025 are summarised in Table ES 41 below.

For the classification of the Coal Reserves, the measured resource was used as a guide, together with the historical statistics in mining of the opencast. All seams and full remaining reserve were classified in the proven category.

This reserve update is based on a geological model updated during FY24, where additional holes were drilled in the UG area to understand changes in the S1 seam thickness and quality. Similar coal cut-offs were applied in the mining model as was applied in the geological model to simulate/replicate the resource estimation.

The ROM estimated below is mined to the ROM stockpiles, from where it is trucked to market destinations. The saleable estimation is based on providing to the Duvha Power Station market.

Table ES 41 Elandspruit Current Coal Reserve Estimate - 31 March 2025

ELANDSPRUIT RESERVE ESTIMATE 31 Mar 2025 (100% Wescoal attributable)							Saleable Qualities (4L and 3 seam raw, 2U seam 20 Mj/kg and 20 % vol. Seam 1 and 2L max 26% Ash)					
PROJECT	RESERVE CATEGORY	SEAM	RESERVE BLOCK	MTIS (AD) Mt	ROM (AR) Mt	SALEABLE (AR) Mt	YIELD (%)	CV (MJ/kg) (AD)	ASH (%) (AD)	VOL (%) (AD)	TS (%) (AD)	
ELANDSPRUIT OPENCAST	Proven	S4L	Yoctolux	0.15	0.16	0.16	100%	25.26	17.93	21.62	0.99	
	Probable		Yoctolux PL	-	-	-	0%	-	-	-	-	
	Proven		Graspan	0.16	0.17	0.17	100%	25.24	17.43	20.98	0.92	
	Probable		Graspan PL	0.01	0.02	0.02	100%	25.14	17.81	20.98	1.05	
		TOTAL 4L Seam			0.32	0.35	0.35	100%	25.24	17.68	21.27	0.96
	Proven	S3	Yoctolux									
	Probable		Yoctolux PL									
	Proven		Graspan									
	Probable		Graspan PL									
		TOTAL 3 Seam										
	Proven	S2U	Yoctolux	0.63	0.68	0.42	62%	23.20	24.21	23.40	0.74	
	Probable		Yoctolux PL	0.03	0.04	0.01	29%	23.20	22.96	21.04	0.28	
	Proven		Graspan	0.26	0.28	0.20	70%	23.20	24.78	24.37	1.29	
	Probable		Graspan PL	0.18	0.20	0.13	64%	23.20	24.08	23.35	0.66	
		TOTAL 2U Seam			1.10	1.19	0.75	63%	23.20	24.32	23.61	0.87
	Proven	S2L	Yoctolux	0.73	0.79	0.60	75%	23.20	24.48	21.11	0.59	
	Probable		Yoctolux PL	0.15	0.16	0.12	74%	23.20	24.30	20.81	0.47	
	Proven		Graspan	0.33	0.36	0.28	79%	23.20	24.80	21.93	0.80	
	Probable		Graspan PL	0.19	0.21	0.16	78%	23.20	24.51	22.32	0.82	
		TOTAL 2L Seam			1.40	1.52	1.16	77%	23.20	24.55	21.45	0.66
	Proven	S1	Yoctolux	1.30	1.41	1.02	73%	23.20	25.76	23.08	0.47	
	Probable		Yoctolux PL	0.24	0.26	0.19	74%	23.20	24.86	22.38	0.61	
	Proven		Graspan	0.26	0.28	0.16	56%	23.20	27.11	26.51	0.43	
	Probable		Graspan PL	0.12	0.13	0.06	46%	23.20	25.56	27.16	0.45	
		TOTAL 1 Seam			1.92	2.07	1.43	69%	23.20	25.78	23.52	0.48
	PROVEN	S4L	Yoctolux Graspan	0.31	0.33	0.33	100%	25.25	17.67	21.28	0.95	
		S2U		0.89	0.96	0.62	64%	23.20	24.39	23.71	0.92	
		S2L		1.06	1.15	0.88	77%	23.20	24.58	21.37	0.66	
		S1		1.56	1.69	1.18	70%	23.20	25.94	23.53	0.46	
		TOTAL PROVEN			3.82	4.13	3.01	73%	23.43	24.31	22.68	0.67
	PROBABLE	S4L	Yoctolux PL Graspan PL	0.01	0.02	0.02	100%	25.14	17.81	20.98	1.05	
		S2U		0.22	0.23	0.14	59%	23.20	24.00	23.18	0.64	
		S2L		0.34	0.37	0.28	76%	23.20	24.43	21.69	0.67	
		S1		0.36	0.39	0.25	65%	23.20	25.02	23.49	0.57	
		TOTAL PROBABLE			0.93	1.00	0.68	68%	23.24	24.41	22.63	0.64
TOTAL / AVG ELANDSPRUIT OPENCAST				4.75	5.13	3.69	72%	23.39	25.59	23.05	0.70	
TOTAL /AVG ELANDSPRUIT COLLIERY RESERVES				4.75	5.13	3.69	72%	23.39	25.59	23.05	0.70	

Note:

1. CV = Calorific Value air dried, contaminated.
2. RoM (AR) = Run of Mine on an as received basis
3. Saleable (AR) = Coal sales on an as received basis
4. All coal quality data reported as air-dried contaminated basis

This FY25 update was based on the survey polygons as at the effective date, and a geological model updated with drilling on the underground model during FY24 and FY23 for the opencast model. The mining model has the same mining footprint (adjusted for depletion) and modifying factors as was applied for the previous FY24 estimate.

ES4.30 Reconciliation of Coal Reserve Estimates

Table ES 42 shows the reconciliation from the reported FY24 reserves to the current reporting period.

Regarding the opencast areas, a nett loss of 0.53 Mt is shown, this is primarily due to an adjustment in the opencast area due to the impact from the changed underground footprint, as well as some exclusions based on slightly high strip ratios. The opencast ROM mined for FY25 equates to 81 960 t, all of which were mined by Masemanzi since their startup in January 2025. The underground area extracted 257 581 t for the financial year to the effective date. Total reserves changed from 6.0 Mt. as of 31 March 2024 to 5.13 Mt. at the effective date of this report.

Table ES 42 Elandspruit Reserve Estimation Reconciliation FY24 to FY25

ELANDSPRUIT RESERVE RECONCILIATION OPENCAST							
DATE / PERIOD	AREA	Seam 4	Seam 3	Seam 2U	Seam 2L	Seam 1	TOTAL
31 March 2024		0.38	-	1.25	1.74	2.38	5.75
31 March 2025		0.35	-	1.19	1.52	2.07	5.13
Net Change	Pit2, Yoc E,	(0.03)	-	(0.06)	(0.23)	(0.30)	(0.61)
Mining Depletion	GrasP & Powerline	-	-	0.01	0.05	0.03	0.08
							-
Net loss / gain		-0.03	-	-0.05	-0.18	-0.28	-0.53

ELANDSPRUIT RESERVE RECONCILIATION UNDERGROUND							
DATE / PERIOD	AREA	Seam 4	Seam 3	Seam 2U	Seam 2L	Seam 1	TOTAL
31 March 2024						0.25	0.25
31 March 2025						-	-
Net Change	UG					(0.25)	(0.25)
Mining Depletion						0.26	0.26
Net loss / gain						0.00	0.00

ES4.31 Environmental, Social and Governance (ESG)

Sensitive receptors

SR5.5(iii);

Elandspruit specialist studies identified three major sensitive receptors. The mine has a large pan with sensitive zones situated in the north-east, mostly outside the Mining Right area, with seepage zones and related 100m regulated zones within the MR area. There is an indication that the company now owning the neighbouring resources has applied to mine this pan. If they get approval, Elandspruit can follow suit and apply to mine their portion of the current sterilized resources. The most sensitive part of this pan will then be affected by the neighbour.

To the south is an indicated stream and wetland area. Water originated from a spring just outside the MR area to the south, within the Yoctolux MR area. Yoctolux mined most of this area, thereby cutting off the previous constant source of water feeding this system. This wetland was adhered to on the Elandspruit side. The wetland to the

North-west was not affected by mining. All these wetland areas are affected by runoff water from the operations. Systems were designed to separate clean from dirty water, to minimise any contamination from surface water runoff.

The WUL places strong emphasis on water quality monitoring, wetland protection, and rehabilitation integration into operational planning. Current financial constraints under business rescue have led to partial non-compliance, particularly in water monitoring and water balance updates. Immediate focus areas include desilting the PCD, updating the water balance, and re-establishing full monitoring compliance to prevent potential Acid Mine Drainage (AMD) risks and regulatory penalties.

ES4.32 Conformance And Compliance Audits

SR7.1(i-ii);

WSP Consultants conducted a corrective action plan and Compliance Monitoring audit during August 2024 on the Assets of Salungano, of which Elandspruit Colliery formed part of.

The compliance status at Elandspruit Colliery is documented in the Corrective Action Plan (CAP) Compliance Monitoring Report 2024, covering the period from October 2022 to July 2024.

Elandspruit Colliery has been placed on hold since August 2023 due to the operation entering voluntary business rescue. This status has significantly hindered the mine's ability to execute corrective measures identified in the 2022 CAP Monitoring Report and to implement environmental management measures contained in approved environmental authorizations (EAs) and licenses. Salungano indicated that they have an agreement with relevant regulatory authorities regarding the inability to fully implement these approved plans, although documentary evidence to this effect was not provided to WSP.

The overall risk summary for Elandspruit Colliery highlights several major risks and potentially significant issues remaining open or newly identified during the August 2024 assessment.

Key Compliance Areas and Findings (August 2024-WSP)

Water Management

Water management compliance presents significant risks, primarily driven by financial limitations related to the business rescue. The mine has not fully complied with the water monitoring, although it has commenced on a focused scale within business rescue. Some water results indicated the possibility of AMD. The water balance has not been updated and the PCD is silted up and needs to be desilted.

Mine Closure and Rehabilitation

The mine's status under business rescue raises concerns about its ability to meet rehabilitation and closure obligations. Outstanding is the rezoning of agricultural to mining.

ES4.33 Liability

SR1.7(i); SR5.6(ix);

An updated closure liability assessment for Elandspruit Mine was completed by Zyntha Consulting as at the effective date of this report. Based on the DMRE Guidelines, Zyntha calculated an immediate closure liability of R127.1 million. In comparison, the volume-based assessment, which provides a more site-specific and realistic estimate, determined a rehabilitation liability of R700.8 million. This assessment was based on the rehabilitation survey and plan compiled by African Soil Technical Services.

The survey quantified the waste and void volumes relative to the OGL as follows:

- Waste material on dumps: 11.45 million cubic metres
- Voids below OGL: 18.4 million cubic metres

This results in a deficit of approximately 7 million cubic metres of backfill material required to achieve a stable post-mining topography.

The detailed cost breakdown of the volume-based closure estimate is summarised as follows:

Closure Activity	Estimated Cost (R million)
Dump rehandling, backfilling, topsoiling, and seeding	467.5
Water management	15.1
VAT, P&G, contingency, planning, aftercare, and monitoring	211.3
Demolition of structures and road rehabilitation	7.0
Total Estimated Closure Liability	700.8

The mine is currently evaluating optimisation opportunities to reduce closure costs and improve rehabilitation efficiency. Preliminary findings indicate that not all dumps will be rehandled. Instead, the mine will pursue a free-draining rehabilitation model, where remaining dump material will be reshaped and stabilised in situ, followed by topsoiling and revegetation.

ES4.34 Sufficiency of funding

As of the effective date, Zyntha Consulting has calculated the immediate-closure provision for the Elandspruit Mine at R127.1 million. A rehabilitation guarantee of R109.95 million is reportedly in place (as confirmed via

correspondence with Salungano personnel), although no official certificate has been made available for independent verification. This guarantee therefore requires an increase of approximately R18 million to fully meet the assessed immediate closure liability.

For final mine closure, Salungano reports an existing trust fund (managed by Old Mutual SuperFund) valued at R64.76 million (as at July 2025). However, this fund covers the entire Wescoal Holdings Limited operations—including Elandspruit, Wescoal Processing and the Khanyisa Complex—and is not dedicated solely to Elandspruit's closure.

Given the assessed total rehabilitation liability of R700.8 million, existing financial provisions are entirely inadequate to fund the mine's closure. This major shortfall underscores the urgent need for: (i) optimisation of closure strategy, (ii) reallocation or enhancement of guarantee instruments, and (iii) establishment of a long-term closure funding strategy fully aligned with the liability quantum.

ES4.35 Asset Valuation

SR5.8(i-iv); SV1.12; SV1.13; JSE12.10(f); JSE12.10(h)(xii)

Current Valuation Method

Due to the fact that Elandspruit is currently under business rescue proceedings, and there was no optimised plan for the remaining reserves, as at the effective date, no valuation was performed by the company. However, for the purpose of this report, Miptec undertook to compile multiple valuations for Elandspruit, based on the interim plan (Masemanzi mining), as well as various options explored by the BRP's.

Current Valuation Income Approach

In terms of the basis for valuation, the Elandspruit operation contains an estimated 5Mt of ROM Reserves (as used in the valuation), of which approximately 1Mt are currently sterilised by an existing powerline. The BRP's have indicated that this powerline has been discontinued and is expected to be reclaimed in the near future. Should this not be the case, the relocation or removal of this powerline would have a material capital impact, as such work is costly and time-consuming; however, its reclamation would unlock approximately 1 Mt of additional reserves.

Ownership and Financial Commitments

Salungano holds the surface rights and leases them to Elandspruit at approximately R0.51 million per annum. In addition, the mine remains obligated to pay a R5/tonne royalty on all ROM extracted to a previous shareholder.

The current (un-optimised) rehabilitation liability is estimated at R700.8 million.

Creditor liabilities were a key factor leading to Elandspruit/Wescoal Mining entering business rescue proceedings. The published Business Rescue Plan proposed continuing underground operations and commencing opencast

mining. At the time of this report, the underground section remains closed, while opencast operations have resumed under the Masemanzi agreement.

Masemanzi Agreement

The existing contract with Masemanzi Mining Holdings covers only monthly operational and financial commitments. Masemanzi pays a R15/ROM tonne royalty, contributing toward historical rehabilitation obligations. The original intention was for this royalty arrangement to support business rescue operations temporarily, pending the development of a long-term economic strategy.

However, several constraints hinder this plan:

- Market uncertainty for the remaining reserves, with Eskom seen as the primary potential offtaker.
- Licensing limitations, particularly around water use (required for on-site coal washing) and waste disposal in-pit.

The strategic options identified can be tabled as follows:

1. Continue with the Current Masemanzi Royalty Model

- This option provides short-term operational continuity but cannot generate sufficient value to fund final closure or rehabilitation obligations.

2. Transition to Supplying the Eskom Duvha Power Station

- The CSA would be held by Salungano, meaning Elandspruit would not directly realise the full sale price benefit.
- The Duvha specification requires that at least 60% of coal be processed to achieve compliance.
- The nearest processing option, Wescoal Plant (18 km away), poses logistical and cost challenges due to:
 - High transport costs for ROM and discard material.
 - Limited discard storage capacity at Wescoal without constructing an additional facility.
 - The absence of an in-pit discard licence, which prevents cost-effective return of waste to the mine.
- A mobile wash plant on-site could resolve these issues, but it would require amendments to the WUL and a Waste Licence for discard management.

3. Transition to Supplying Kusile Power Station

- The Kusile coal specification can be met through crush-and-screen raw coal, eliminating the need for additional processing or licensing.
- Eskom has indicated that while the Kusile RFP will open in the near future, the mine can proceed under the Duvha CSA, with Eskom's support to transition the agreement to Kusile once available.
- This represents the most viable long-term strategy for Elandspruit, balancing operational practicality with improved economic potential.

Operating and Capital Expenditure:

- The mine lacks access to capital, requiring mining and processing contractors to finance establishment and recover costs through unit rates.
- Fixed monthly costs under business rescue are approximately R3.2 million.
- Mining contractor rates range from R85–R105 per ROM tonne (wet basis).
- Processing costs at the Wescoal facility total R120/tonne (R40 for transport and R80 for processing), with additional costs depending on discard management.
- Crushing and screening costs are estimated between R27.80 and R32.50 per feed tonne.
- The current rehabilitation liability (R700.8 million) could be optimised to R330.1 million, assuming implementation of a structured closure plan.

Income Approach Valuation Results

Three valuation scenarios were modelled based on operational strategies:

1. Royalty Model: –R227.4 million
2. Duvha Power Station Supply: –R168.0 million
3. Kusile Power Station Supply: +R60.1 million

These valuations are indicative only, reflecting the absence of a definitive post-business rescue plan at the effective date of this report.

ES4.36 Project Risks Summary

SR4.3(viii); SR5.7(i); JSE12.10(h)(x)

The identified risks at Elandspruit are summarised in

Table ES 43.

Table ES 43 Consolidated Project Risks

TYPE OF RISK	RISK	MITIGATION	LEVEL OF RISK
Geological – S2L washout Area	Potential Impact on sustainable production, coal volumes and qualities.	Targeted drilling	Low/Medium
No current CSA	Operation continues at a very suboptimal return potential, minimising the remaining value of the asset as a whole.	Pursue and conclude the best optimal CSA with Eskom.	High
Coal Processing	No access to a CHPP, therefore limited to Raw Products only	Source a nearby CHPP	Low/Medium
		Construct own CHPP (timing does not align with the LOMP and the time remaining on the MR).	High
Capital	Insufficient access to Capital to Construct the boxcut.	Find a contractor willing to take on the risk of supplying the capital to mine the Graspan Pit.	Medium
Power Line	If the power line is unable to be moved, this will sterilise ~1Mt of reported coal reserves.	Communication with the BRP's have indicated that the power line is redundant, however this required confirmation in writing from Eskom,	Medium
Tenure	MR expires in October 2026	Timeously apply to an extension	Low
Compliance	Non-conformance poses a risk to both the current tenure as well as future extensions.	Comply to all stipulations as per the SLP and EA.	High
Current Business Rescue Plan is suboptimal	The potential value of the asset is currently not realised.	Evaluate the operation as a whole and come up with a long term strategy, and optimised LOMP	High

TYPE OF RISK	RISK	MITIGATION	LEVEL OF RISK
Concurrent rehabilitation	Availability of plans and funds	Implement effective concurrent rehabilitation practices. Draft an optimised closure plan for dumps and voids. Identify closure items that can be optimised, including possibility to complete as part of concurrent mining operation	High

ES4.37 Conclusions

Elandspruit Colliery is a historically significant coal mining operation located in Mpumalanga, South Africa, with both open-cast and underground activities. Currently, operations are in a state of business rescue due to financial distress, with underground mining halted after depletion of economical reserves. The open-cast section commenced again, under contracted mining, the final strategy still has to be crafted, with prospects of extending and optimizing operations through strategic RFP processes for power station contracts.

The mine has substantial coal reserves, primarily comprising multiple seams, with detailed geological models supporting resource and reserve estimates. These resources are of high confidence, classified as measured, and are being managed with rigorous quality control and modelling procedures. The resource and reserve estimations indicate total measured coal resources of approximately 6.46 Mt, with the potential for further extraction contingent on obtaining water use licenses, environmental authorizations, and market agreements.

Environmental and social governance compliance remains complex amidst ongoing water management, wetlands protection, and rehabilitation liabilities, exacerbated by the mine's current financial constraints and business rescue status. Critical risks include inadequate water quality monitoring, potential AMD issues, insufficient closure funding, and regulatory compliance challenges.

Operationally, the mine relies on contractor-based open-cast methods, with plans for future ramp-up aligned with Eskom contract negotiations. The capacity for coal processing is supported by an existing plant some 18 km away, with options being explored for on-site beneficiation and improvement of waste management practices.

Financially, the valuation indicates that the current operating model is not economically sustainable without strategic market access, notably Eskom's power station contracts. The mine's potential is highly dependent on securing long-term coal supply agreements at favorable prices, possibly through the Kusile RFP, which offers a more advantageous product profile.

In conclusion, Elandspruit holds significant coal resource potential with high confidence estimates and prospects for future recovery. However, its viability hinges on successfully navigating complex regulatory, environmental, water management, and market risks amidst its business rescue process. Strategic partnerships, environmental compliance, and securing long-term power contracts will be vital for unlocking the full value of its resources and ensuring sustainable closure and rehabilitation in the future.

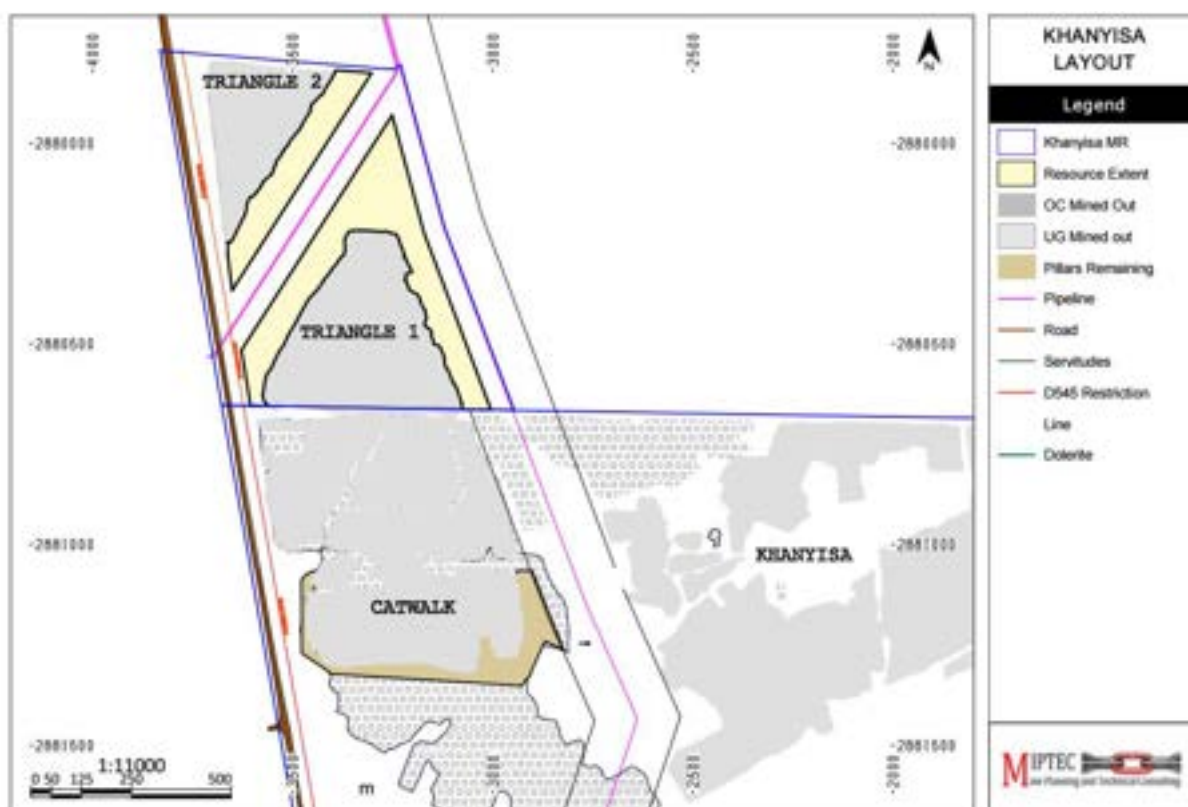
ES5. Khanyisa Colliery

ES5.1 Property Description

SR1.1(i); SR5.1(i); JSE12.10(h)(ii)

The Khanyisa Complex refers to the consolidation of the original (mined out) Khanyisa Colliery, Catwalk (roof and pillar coal reclamation area), as well as the predominantly mined out Triangle area; the only area with remaining coal resources. The colliery has been on Care and Maintenance since 2022, and in 2023, it was placed under business rescue. At the time of the report, the mine was still under business rescue proceedings. The Khanyisa MR expired in October 2021, an extension was timeously applied for, however no communication from the DMRE has been received.

All opencast S4 and S2 coal reserves at Triangle are considered depleted, however the potential exists for the coal located within 50 m of the Transnet pipeline to be mined, should the necessary permissions be obtained. As such, the coal resources remaining within the boundary pillar and 50 m pipeline buffer have been included a Coal Resources, but not as coal Reserves. At this stage, there are no Coal Reserves reported for Khanyisa, and there is no LOMP. All discussions regarding the coal resources at Khanyisa refers to the coal remaining within the Triangle area only. During the mining of the Triangle area, the portion to the south of the pipeline was referred to as Triangle 1 (T1), and to the north of the pipeline as Triangle 2 (T2). The Triangle site layout is illustrated in Figure ES 14.



ES5.2 Location

SR1.1(ii); SR1.2(i,iii); SV1.5

Khanyisa is located 10 km west of the town of Ogies in Mpumalanga and comprises portions of the Heuvelfontein 215 IR farm. The location of the complex is 26.042950°S latitude and 28.973325°E longitude. Khanyisa can be accessed from the N12 national road located to the north, or the R555 in the south. The license area is dissected by a Transnet pipeline, roughly through the centre. Eskom's Kendal Power station is located 5 km to the south, and Kusile Power Station 10 km to the north. Figure ES 15 illustrates the locality of the Khanyisa MR area.

The project has good access to services and infrastructure due to its proximity to the towns, as well as access to a large labour pool of experienced mining individuals, as well as numerous companies specialising in the supply and support of mining equipment.

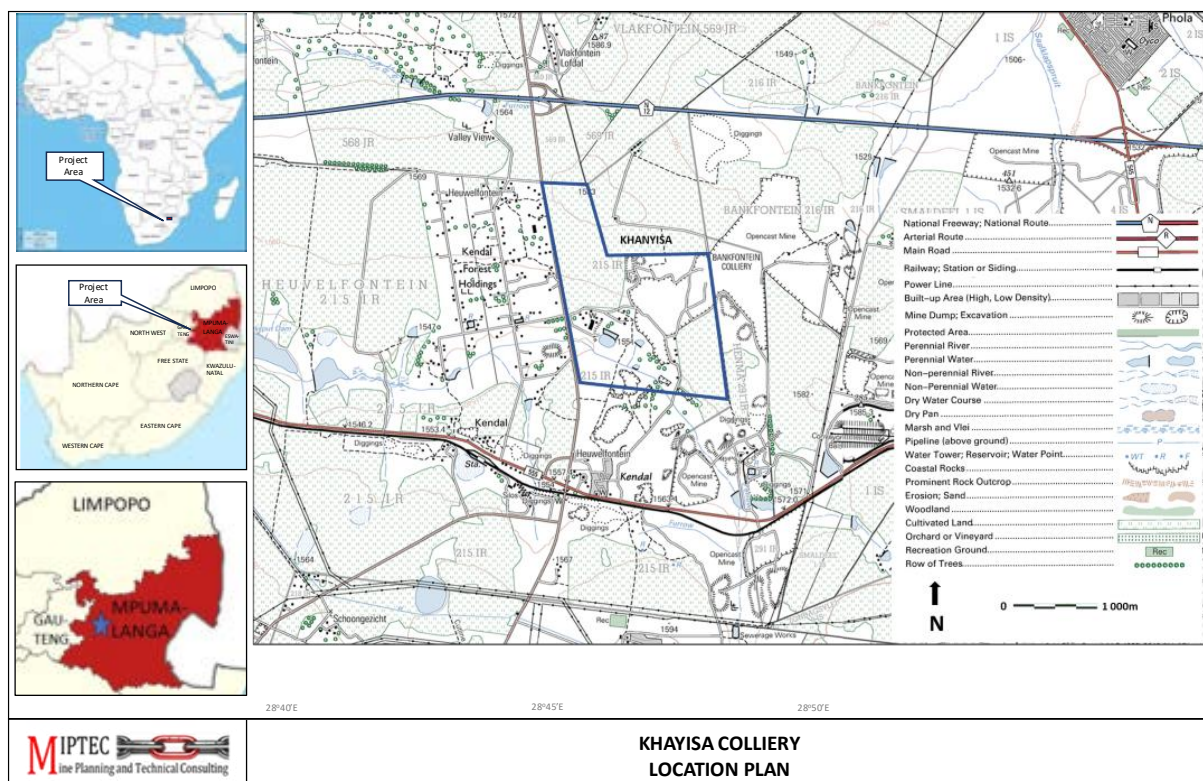


Figure ES 15 Khanyisa Locality Plan

ES5.3 Title and Rights

JSE12.10(h); SR1.1(ii); SR1.5(i); SV1.5; ESG4.1

The Khanyisa anchor MR (MP/30/5/1/1/2/107 MR) was granted 27 October 2006 to BSM Mining (Pty) Ltd. Tenure granted was for a period of 15 years and expired in 2021. The mine indicated that they complied with the prescribed time frames for an extension application, and that no reply from the DMRE was received in respect to this application. Miptec has reviewed the communication between Salungano and the DMRE, as well as the information supplied as is satisfied that the application, as well as the relevant requested information was supplied timeously.

The MR comprises Portions 96, 97 and 99 of the farm Heuvelfontein 215 IR, totalling 212.2644 Ha.

Portion 96 is owned by Caludio Res Boerdery and Portions 97 and 99 are owned by the Truter Boerdery Trust. Salungano has rental agreements with both landowners.

A summary of the Company's Environmental Authorisations are summarised in Table ES 44.

Table ES 44 Summary of the Company's Environmental Authorisations

Authorisation Type	Reference No.	Scope of Authorisation / Description of Activities	Date Issued	Valid Until	Issued To
Water Use Licence	03/8207/MS/14627	Section 21 (k), (g), (i) for Portions 97, 105, 106 and 207 of the farm Heuvelfontein 215 IR	5/13/2018	2038	Wescoal Mining (Pty) Ltd
Water Use Licence	04/8207/MS/11507	Section 21 (k), (b), (d) and (j) for Portions 103 and 106 of the farm Heuvelfontein 215 IR	3/11/2012	2/11/2014	Wescoal Mining (Pty) Ltd
Section 102 Amendment	MP30/S/L/1/1/1/1/300PS and MP 30/S/L/1/1/1/1/300PS	Consent in terms of Section 102 of the Mineral and Petroleum Resources Act for the inclusion of the prospecting right MP30/S/L/1/1/1/1/300PS into the existing Mining Right MP 30/S/L/1/1/1/1/300PS	1/27/2017	Currently applicable	Wescoal Mining (Pty) Ltd
Environmental Management Plan	MP 30/S/L/1/2/1/107 MR	Environmental Management Plan for the proposed New heuvelfontein Opencast Colliery on the Farm Heuvelfontein 215 IR, Mpumalanga - 2004/2005	no data	Replaced by October 2011 Revised EMP	Wescoal Mining (Pty) Ltd
Environmental Management Plan	MP 30/S/L/1/2/1/107 MR	Environmental Impact Assessment and Environmental Management Plan for the Coal Mining Operation on Portions of the Farm Heuvelfontein 215 IR, Emalahleni (Witsbank), Mpumalanga - October 2011	no data	Replaced by December 2011 Revised EMP	Wescoal Mining (Pty) Ltd
Environmental Management Plan	MP 30/S/L/1/2/1/107 MR	Environmental Impact Assessment and Environmental Management Plan for the Coal Mining Operation on Portions of the Farm Heuvelfontein 215 IR, Emalahleni (Witsbank), Mpumalanga - December 2011	no data	Replaced by January 2013 Amendment EMP	Wescoal Mining (Pty) Ltd
Amendment Environmental Management Plan	MP 30/S/L/1/2/1/107 MR	Environmental Impact Assessment and Environmental Management Plan for the Coal Mining Operation on Portions of the Farm Heuvelfontein 215 IR, Emalahleni (Witsbank), Mpumalanga - January 2013	no data	Replaced by October 2013 Amendment EMP	Wescoal Mining (Pty) Ltd
Amendment Environmental Management Plan	MP 30/S/L/1/2/1/107 MR	Environmental Impact Assessment and Environmental Management Plan for the Open Cast and Proposed Underground Mining Operation on Portions of the Farm Heuvelfontein 215 IR, Emalahleni (Witsbank), Mpumalanga - October 2013	12/5/2018	Replaced by June 2018 Amendment EMP	Wescoal Mining (Pty) Ltd
Section 102 Amendment	MP 30/S/L/1/2/1/107 MR	Environmental Impact Assessment and Environmental Management Plan for the Open Cast and Proposed Underground Mining Operation on Portions of the Farm Heuvelfontein 215 IR, Emalahleni (Witsbank), Mpumalanga - Section 102: Extension to Portions 11 and 109 (June 2018)	1/27/2017	Currently applicable	Wescoal Mining (Pty) Ltd

ES5.4 Geological Setting

SR 2.1(ii) (iii) (vi); SR 3.1(vii); SR 10.2(i)

Local Geology

At Khanyisa, the Vryheid Formation comprises zones of alternating conglomerates, sandstone and mudstones which host the coal seams. The stratigraphy of the Vryheid Formation is divided into three main sequences, all of which are observed at Khanyisa; a basal No 2 Seam Sequence, overlain by the No 4 Seam Sequence, overlain by the uppermost No 5 Seam Sequence; of which only the basal interlaminated sandstone and mudstone is present as the upper portion, including the S5 coal seam, has been removed by present day erosion.

The No. 2 Seam sequence includes the succession from the top of the pre-Karoo basement or Dwyka Formation to the top of the S2 roof (Cairncross and Cadle, 1987), and includes coarse-grained arkosic sandstones, granulestones and conglomerates, with some minor amounts of siltstones and mudstones.

The S1 occurs directly on top of the Dwyka Group sediments in Triangle 1 only. Undulations in the palaeo-topography at the time of peat accumulation resulted in zones where the seam did not develop. Within Triangle 1, the S1 is highly variable in nature, ranging from Shaley to dull-lustrous; due to the fact that the seam is thin with relatively poor qualities, it is not considered economic.

The S2 is well developed over the whole of the Triangle Area. The seam comprises zones of alternating bright and dull coal, with occasional shaley coal bands in places. On average the seam is 5.5 m thick, with a raw CV of

21 MJ/kg, and an ash content of 29 %. In Triangle 2, the top of the S2 (< 1m), becomes more obviously shaly in nature than in Triangle 1, and at the request of the mine geologist at the time, the S2U was modelled separately from the main S2 Seam. The S2U averages 0.77 m in thickness and has a raw CV of 16 MJ/kg.

The average depth to the S2 is 40 m.

The parting between the S2 and S4 above ranges between 8.5 and 11.m, slightly increasing in thickness from south to north. The parting material comprises a basal, highly carbonaceous siltstone, interbedded siltstone, and fine-grained sandstone, containing the uneconomic S3, just below the S4.

The No. 4 Seam Sequence comprises a predominantly sandstone succession from the roof of the S2 to the top of the S4. The S4 contains zones of dull coal with bands of shaley coal increasing towards the top. Based on the presence and degree of the shaly parting material, the S4 is divided into an S4U and an S4L ply. The S4U contains most of the dull coal and shaly bands, whereas the S4L is the better-quality lower portion of the seam. The S4U is on average 4.0 m thick with a raw CV averaging 17 MJ/kg. The S4L is 3.8 m thick with an average CV of 23 MJ/kg, and a raw ash content of 23.5 %.

The S4 is not present in the south-western corner of the Triangle Area as it has been eroded.

The average depth to the S4U roof is 22.5 m, and to the S4L roof is 26.3 m.

The sequence between the S4 and the base of the S5 (eroded) is formed by a thick succession of interbedded sandstones and carbonaceous siltstones.

Figure ES 16 illustrates the general stratigraphy encountered in both the Triangle 1 and Triangle 2 areas.

Within the Triangle Project area, only 2 boreholes in the south-western corner of the licence area intersected dolerite, and this had no effect on the coal qualities in that area. The S4U in the south-east of the Triangle area is devolatilised and has been removed from the Coal Resource Estimations.

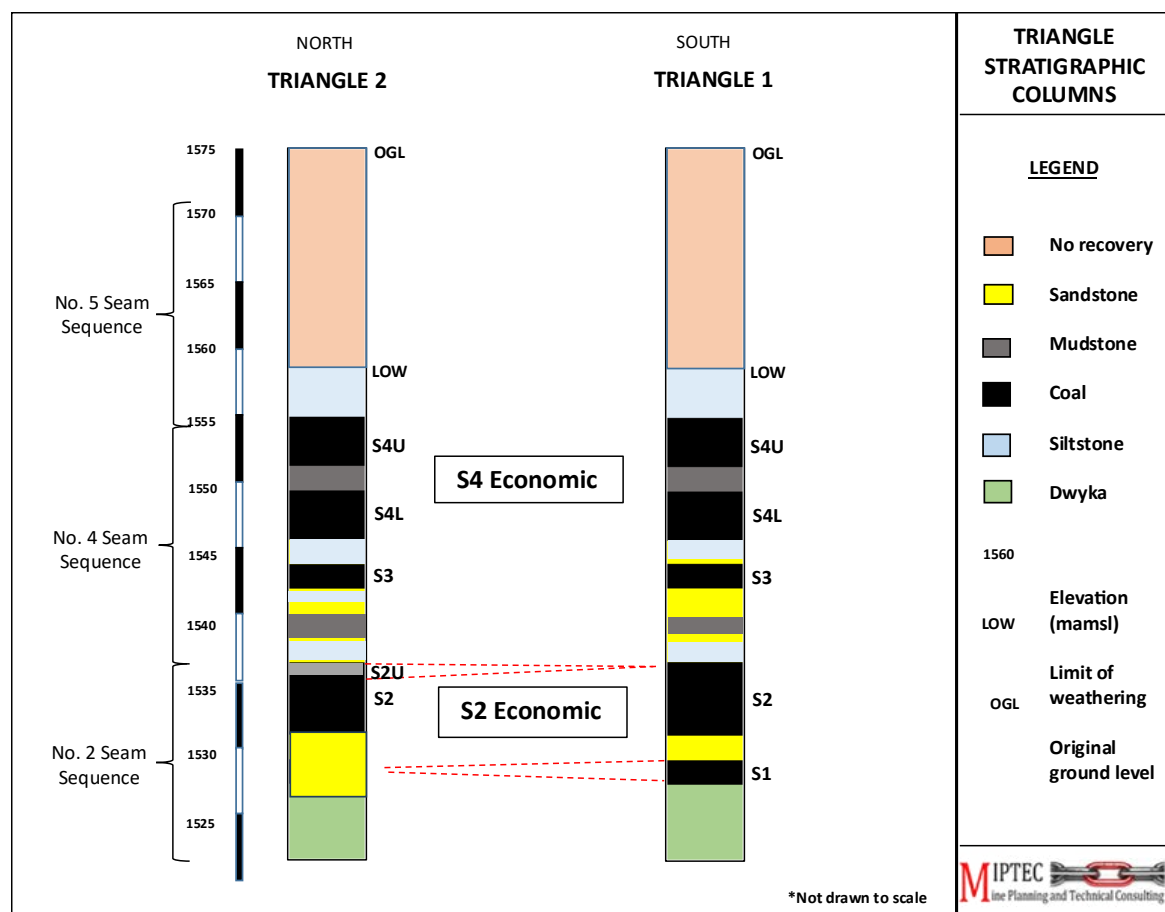


Figure ES 16 Generalised Stratigraphic Column

ES5.5 Exploration and Drilling

[SR1.4(i), SR 3.1(i); SR 3.1(ii); SR 3.1(iii); SR 3.1(iv); SR 3.1(vii)]

Three holes drilled by Anglo Coal in 2008 have been included in the model. The original data pertaining to these holes was made available and verified against the recent information at the time. Six boreholes drilled by Wescoal in 2011 to the south of Triangle were also included in the Triangle geological model.

Recent exploration refers to all work carried out subsequent to Wescoal's acquisition of the licence areas. The first two drilling campaigns conducted in the second half of 2014 were designed and conducted by GM Geotech under contract to Wescoal. GM Geotech was responsible for the design, supervision and logging and sampling of these drill holes, all of which were carried out following GM Geotech's standard operating procedures. The final drilling campaign at Khanyisa included the drilling of six fully cored diamond drill holes in Triangle 2. This drill campaign was managed by the colliery, however Miptec managed the logging and sampling of these holes.

All available data from the 2014 and 2019 drilling campaigns as well as the nine historical holes been included in the geological model; where the data passed the verification stage. All drill holes included in the model are fully cored diamond holes, of which all have been sampled and analysed.

The 2014 coal samples taken were analysed for raw proximate analyses plus CV and TS, whereas the 2019 coal samples were analysed for raw proximate analyses plus CV and TS as well as washability analyses conducted on all samples at float density fractions (in g/cm³) from 1.5, 1.6, 1.7, 1.9, and sinks.

Due to the relatively flat nature of the coal seams, as well as the shallow nature of the drilling, all the drill holes are considered vertical, and the apparent thickness of the coal seams is considered representative of the true thickness.

All drill hole collars at Khanyisa have been surveyed by independent registered land surveyors.

ES5.6 Data Management and Validation

SR 3.1(i); SR 3.1(ii) SR 2.1(iv); SR 3.1(vi); SR 4.1(i); SR 4.1(ii); SR 4.2(iii)

All drill hole collar and lithology information as well as the laboratory results are currently housed within an MS Excel™ database, managed and maintained by Miptec. Copies of the original drill hole logs, photographs, laboratory certificates, as well as the digital data, are available for viewing at the GM offices in Middelburg.

Drill hole data are checked for physical data errors including overlapping and missing intervals, correct ply correlations as well as depth checks where the wireline logs are available. Quality verifications are also performed on each sample analysis. Any errors identified during the verification process were investigated by the responsible person. All drill holes were presented graphically as well as plotted on plans for additional verification.

As Triangle was an operating colliery, recently mined out, reconciliations were conducted and the data checked against actual mining statistics.

Based on the verification techniques applied, the CP is satisfied that the data are valid and fit for purpose for the construction of a geological model, which accurately reflects the original drill hole data, as well as the estimation of Coal Resources over the Khanyisa area.

ES5.7 Target Seams

All coal seams present at Khanyisa are considered target seams. Due to the favourable strip ratios, the remaining Coal Resources have been classified as opencast resources.

ES5.8 Geological Modelling

[SR2.1(iii), SR4.1(i)(ii), SR4.2(iv), SR5.2(iii)]

The geological model was constructed in 2019 by Ms. K. Black (Pri. Sci. Nat), a Resource Specialist under contract to Miptec, and most recently updated in 2023. The model was created using Datamine's MineScape™ Software, Version 2023, Update 4, a specialist software designed for the 3D modelling of tabular ore deposits such as coal. The model was peer reviewed by Leon Raaths based on the geological grids that were supplied from the geological model.

Modelling Process and Validation

The modelling software includes a user-generated Schema, where the interpolators are set, modelled units are listed in downhole stratigraphic order (a form of model control), the relationships between parent and daughter seams defined and the nature of each unit set (e.g., conformable/non-conformable, transgressive, contiguous). Should the input lithology file contain seams that are in the uncorrected stratigraphic sequence, then upon upload, the model will report an error (logged as an error report). This is the first level of data verification while modelling.

Once the table model has been built, a 3D grid model is constructed. The grid modelling process interpolates the table data onto the grid block nodes. The grids' spatial orientation is determined by the centre point coordinates of the project area and the cell size determined by the user from the drill hole spacing. The interpolators used to model the data are specified by the modeller and can vary from project to project, depending on the data. For this project, the Finite Element Method (FEM) interpolator determined to best suit the data. Various checks were done to compare the model data with the drill hole data in order to ensure accurate data honouring.

A total of 26 boreholes were used in the construction of the geological model. The average borehole spacing across the licence area is 95 m and based on this a grid cell size of 15 m was used. The structural model is set to truncate the coal seams where they intersect the LOW, ensuring resources for only unweathered coal are estimated. Extrapolation of data was constrained to 250 m beyond the last known data point.

The following surfaces were modelled:

- Topography;
- Limit of weathering;
- Seam roof and floor elevations;
- Seam thickness; and
- Raw air-dried qualities

The target coal seams and the parting bands, namely the S4U, S4L, S2U, and S2 were modelled. In addition, the interburden thicknesses, the dolerite roof and floor elevations and thickness were also modelled.

The resource boundaries are based on the seams' subcrops, seam thickness and quality cut-offs, the mining right boundary, and the servitude and environmental boundaries.

The grid model is continuously interrogated by creating data value posts, statistical reports, contour plots, various grid arithmetic plots and posts, and both two- and three-dimensional cross sections.

The model is an established model, which undergoes annual scrutiny during the annual Resource and Reserve reporting process, whereby the actual coal mined is reconciled against the model, and any necessary adjustments made. There has always been a good correlation between actual mining and the model.

The spacing and distribution of the current data set as included in the geological model is sufficient to establish the degree of geological and grade continuity for the estimation and classification applied. For the current SAMREC resource classification for multiple seam deposits, the resource has been classified as Measured based on the drill and sample density.

ES5.9 Resource Estimation

[JSE12.10(a)] [SR1.4(iii), SR4.1(iv), SR4.5(ii) (iv) (v) (vii), SR6.1(i), SR6.3(vi)] [SV1.9]

The Coal Resource estimates were conducted in accordance with the SAMREC Code, 2016 Edition, as well as SANS10320:2020.

The Coal Resource Estimate has been independently estimated and signed off by Ms. K. Black of KJB GeoServices, on behalf of Miptec, and is declared as at 31 March 2025.

The following cut-off parameters were applied when delineating the resource polygons and estimating the Coal Resources:

- Seam extent was constrained by:
 - The limit of weathering;
 - The mining right boundary and a 9 m pillar buffer; and
 - A 50 m Pipeline buffer.
- Quality cut-offs:
 - A raw VM cut-off of 18% was applied to the S4U, S4L and S2, and a raw VM cut-off of 17% was applied to the S2U; and
 - A raw ash content <45% was used on all seams.
- Physical seam parameters:
 - Coal seams less <0.5 m thick were excluded from the opencast Coal Resource Estimates.
- Mining parameters:
 - A maximum strip ratio of 1:6 BCM/ROM tonnes was applied.

All Coal Resources are inclusive of the Coal Reserves.

Provision has been made for a geological loss factor (discount). Losses occur mainly as a result of intersection by dolerite dykes, small-scale faulting and other unforeseen geological losses.

The geological discounts applied to the Measured Coal Resources are 10%.

Table ES 45 includes the summarised Khanyisa Coal Resource Estimate on a Mineable Tonnes In Situ (**MTIS**) air-dried (**adb**) basis.

Table ES 45 Khanyisa Triangle Coal Resource Estimate as at 31 March 2025

									Raw Coal Qualities (Air Dried, uncontaminated)					
Resource Area	Mining Method	Resource Classification	Seam	Area (Ha)	Thick (m)	ARD (g/cm3)	Geological Loss (%)	MTIS (Mt)	Ash (%)	CV (MJ/kg)	FC (%)	HM (%)	TS (%)	VM (%)
Triangle 2	Opencast	Measured	S4U	3.85	4.20	1.74	10.00	0.25	39.17	17.35	38.32	3.50	0.70	15.04
			S4L	3.85	3.80	1.54	10.00	0.20	23.96	23.20	47.71	4.75	1.29	23.59
			S2U	0.77	0.56	1.77	10.00	0.01	42.58	16.01	36.35	3.27	0.23	17.41
			S2	4.46	3.28	1.60	10.00	0.34	28.36	21.62	45.66	3.25	1.45	22.29
Sub Total				4.53	1.63		0.80	30.78	20.63	43.78	3.71	1.16	21.55	
Triangle 1	Opencast	Measured	S4U	7.99	3.82	1.71	10.00	0.47	37.40	17.56	40.66	3.04	0.66	18.31
			S4L	9.23	3.71	1.54	10.00	0.47	22.94	22.91	48.99	4.06	1.36	23.99
			S2	10.58	3.09	1.61	10.00	0.87	29.20	20.63	46.48	3.42	1.07	20.86
Sub Total				4.69	1.62		1.82	29.69	20.43	45.63	3.49	1.04	21.07	
TRIANGLE TOTAL				4.64	1.25		2.62	30.03	20.49	45.06	3.55	1.08	21.22	
Catwalk South	Opencast	Measured	MINED OUT											
Sub Total														
CATWALK TOTAL														
KHANYISA TOTAL				4.64	1.25		2.62	30.03	20.49	45.06	3.55	1.08	21.22	

Note:

1. Minimum seam thickness cut-off of 0.5 m.
2. Ash Content <45% cut-off applied
3. Raw Volatile Matter Content (VM) >18 % limit applied.
4. ARD – Apparent Relative Density.
5. Weighted average qualities estimated on MTIS. All seam thicknesses used are true thicknesses.
6. Coal Resources quoted on a MTIS adb basis in million tonnes.
7. Weighted average qualities estimated on MTIS.
8. CV - Calorific Value, VM – Volatile Matter content, FC - Fixed Carbon content, TS - Total Sulphur content, IM - Inherent Moisture content, DAFV – dry, ash-free Volatile Matter content, ARD – Apparent Relative Density.
9. Coal qualities reported on an air-dried basis (adb).

ES5.10 Reconciliation with Previous Coal Resource Estimate

[SR1.4(iii), SR4.5(vi)] [SV1.6]

Table ES 46 below details the Coal Resource Reconciliation between FY24 and FY25.

The change in the Triangle Resource of 0.05 Mt sue to a small change in the S4U resource polygon in order to remove all resources with a VM content less than 17 % and a raw ash content > 45%. All other estimates have remained unchanged as per the previous estimate. No work or mining has taken place at Khanyisa since 2023.

Table ES 46 Khanyisa Triangle Resource Reconciliation

Reconciliation Mar'24 to Mar'25 Estimates						
Coal Resource Estimate (ADB)				FY25 Actual Mining		
	Mar' 24 Mt	Mar' 25 Mt	Variance Mt	ROM (AR) Mt	Change in Polygons	Loss/gain (Mt)
Khanyisa Colliery Total	2.67	2.62	-0.05	0.00		-0.05
Triangle Opencast	2.67	2.62	-0.05			-0.05
Triangle 2	0.80	0.80	0.00	-		0.00
4U Seam	0.25	0.25	0.00	-		0.00
4L Seam	0.20	0.20	0.00	-		0.00
2 Seam	0.35	0.35	0.00	-		0.00
Triangle 1	1.87	1.82	-0.05			0.05
4U Seam	0.52	0.47	-0.05	-	-0.05	-0.05
4L Seam	0.47	0.47	0.00	-		0.00
2 Seam	0.87	0.87	0.00	-		0.00

ES5.11 Risks

SR 4.3(viii); SR 5.5(iii); SR 5.7(i); JSE 12.10(h)(viii); JSE 12.10(h)(x)

TYPE OF RISK	RISK	MITIGATION	LEVEL OF RISK
MR Extension Approval	MR renewal not granted	Ensure compliance with the approved EMPr, SLP etc.	Low/Medium
Permission to mine within 50m of the pipeline	Sterilisation of coal resources	Follow up on discussions and authorisations	High

ES5.12 Recommended Work

- Firm up permission to mine within 50 m of the pipeline.
- Contact the DMRE to get an update on the MR extension.

ES5.13 Mining

SR4.1(iii); SR4.3(i-ii); SR4.5(iii,v); SR5.1(i); SR5.2(i-ix)

Khanyisa is currently in the closure phase. Historical mining was conducted with typical opencast equipment, and the methodology employed a typical roll over with blast gain and pushover before the remainder of the material was trucked to backfill areas.

Currently, there are no reserves remaining at Khanyisa, however based on previous mining at Triangle, as well as the surrounding operations, any Coal Resources successfully converted to Coal Reserves will be exploited using opencast methodology.

ES5.14 Rock Engineering

JSE 12.10 (h)(vii); SR 3.1(i), SR4.1(ii), SR4.3(ii), SR5.2(ii)

Salungano has appointed Tsebo as their independent rock engineering consultants as per all the other operations. Tsebo provide for a legal appointee responsible for the rock engineering function, inclusive of regular audits and update to the code of practice which endeavours to combat rockfalls. Tsebo are still active at Khanyisa performing inspections of voids and underground pillars.

ES5.15 Historical Coal Reserve estimates

SR1.4(iii)

Table ES 47 summarises the historical Coal Reserve Estimates as reported for Khanyisa Colliery from 2019 through to March 2022. With reference to the historical production, the last ROM was extracted during September 2022.

Table ES 47 Khanyisa Historical Coal Reserve Estimates

		31-Mar-19	31-Mar-20	31-Mar-21	31-Mar-22	31-Mar-23	31-Mar-24	31-Mar-24	31-Mar-25
		ROM (AR) Mt	ROM (AR) Mt	ROM (AR) Mt	ROM (AR) Mt	ROM (AR) Mt	ROM (AR) Mt	ROM (AR) Mt	ROM (AR) Mt
Triangle	Total	3,01	2,27	1,42	0,34	-	-	-	-
	S4U	0,43	0,41	0,20	0,08				
	S4L	0,78	0,62	0,26	0,07				
	S2	1,81	1,24	0,95	0,20				
Catwalk	Total	0,47	0,17	0,03		-	-	-	-
	S4U								
	S4L								
	S2	0,47	0,17	0,03					
KHANYISA	Total	3,48	2,44	1,45	0,34	-	-	-	-
	S4U	0,43	0,41	0,20	0,08				
	S4L	0,78	0,62	0,26	0,07				
	S2	2,28	1,41	0,99	0,20				

ES5.16 Environmental, Social and Governance (ESG)

The environmental officer for Khanyisa indicated that no surface water is utilised; the concern is that the 2024 WSP audit did indicate findings relating to water quality. They indicated that the average concentrations of the new PCD do not fully comply with the General Authorisation Limit, which may adversely impact on the natural environment. The August 2024 findings show the parameters which have deteriorated, include the PH value, turbidity, Aluminium and Manganese. It was suggested that such concentrations be investigated, and certain surface runoffs or discharges should be identified.

The risks at Khanyisa Colliery are significantly influenced by its current status: the operation is on Care and Maintenance and under Business Rescue. This status has limited Salungano's ability to implement corrective measures and environmental management protocols specified in approved authorizations and monitoring plans.

WSP identified several major issues across regulatory compliance, water management, occupational health and safety, and mine closure as of August 2024.

Water Management Risks

Water management issues are prevalent, with several open actions remaining:

- **PCD Water Quality Deterioration:** The average concentrations in the New Pollution Control Dam (PCD) do not fully comply with the General Authorisation Limit..
- **Monitoring Gaps:** Water quality monitoring was not undertaken from September 2023 to May 2024 due to the business rescue status.
- **Water Balance and Infrastructure Deficiencies:** The 2024 Water Balance has not been updated due to the business rescue.
- **Water Quality Exceedances:** Several water quality exceedances were recorded between May 2023 and June 2024, but WSP was not provided with evidence of mitigation measures or action plans implemented to address these exceedances.
- **Post-Closure Decant Assessment:** The information regarding decanting in the Environmental Management Programme (EMPr) is contradictory, and an updated geo-hydrological assessment is recommended to confirm the potential decant scenario.
- **Minimal Rehabilitation Progress:** There is concern about the mine's ability to successfully complete rehabilitation due to the potential for a material deficit. Implementation of the rehabilitation plan has been paused due to the mine being under business rescue.
- **Alien Vegetation: Significant alien invasive plant species**, notably black wattle trees, are present on site and require eradication through a management procedure implemented by a qualified specialist.

Occupational Health and Safety Risks

Safety issues are heightened by operational inactivity and infrastructure deterioration (two new Amber risks identified):

- **Catwalk Pit Water Accumulation:** Water is building up in the Catwalk pit since operations ceased. Access to the pit must be strictly limited, and the perimeter protected/fenced with signage to prevent potential safety incidents, such as drowning.

- **PCD Infrastructure Failure:** The silt traps are heavily clogged, affecting their functionality. Moreover, the fencing around the PCD has been damaged, and the floaters are damaged and ineffective, increasing the risk of safety incidents.

ES5.17 Mine Closure and Liabilities

Liability

SR1.7(i); SR5.6(ix);

Khanyisa is in the closure phase, no sufficient provision was made during the operational life for final closure activities, and therefore the closure liability is a significant concern. Zyntha consulting completed the closure assessment for Khanyisa. As per the normal guidelines, an estimation was completed based on the DMRE guidelines, amounting to R76.8 Million. In addition, a volume-based assessment was done, based on filling the voids with the surface dumps material. The volume-based assessment amounted to R206.9 Million, and includes moving material from dumps to voids, rehabilitation of the affected stripped and backfilled areas with seeding accounting for R136 Million, cost for Vat, P&G, contingency, and a closure plan, amounting to R60 Million. The variance is based on the demolition of structures, rehabilitation of roads, water management and aftercare. The basis of the volume-based assessment is the Rehabilitation plan provided by the appointed survey company, namely African Soil Technical Services. The rehabilitation plan drafted by African Soil, indicates the dumps above OGL calculated to be 3.2 Million cubic meters, and the volume for the voids calculated at a total of 4.3 Million Cubes. The survey highlights a deficit of 0.9 Million Cubic meters of back fill material. No optimised closure plan was available.

The volume-based assessment assumes that moving all of the dump material into the voids will result in a new topography that will be free draining.

Sufficiency of funding provisions

Khanyisa has an immediate closure assessment, as completed by Zyntha consulting, amounting to R76 756 619 as at the effective date. A guarantee in favour of the DMRE to the amount of R60 070 455.02 was declared in the information provided by Salungano; indicating a shortfall of over R16 Million.

With respect to final mine closure, the mine is currently in the closure phase; a very optimistic application was submitted for the MR extension to mine closer to the Transnet pipelines. The closure quantum as calculated by Zyntha amounts to R206.9 Million. A combined Wescoal fund with Old Mutual amounts to R64.76 Million.

ES5.18 Material contracts

SR1.5(ii)

Khanyisa is in care and maintenance and under the Business Rescue management. Apart from an agreement for Siko Mining to clear the remnant coal stockpiles and extracting a small amount of coal pillars, currently under water, no other activities are being conducted. No material contracts that Miptec are made aware of.

ES5.19 Asset Valuation

SR5.8(i-iv); SV1.12; SV1.13; JSE12.10(f); JSE12.10(h)(xii)

No valuation was conducted for Khanyisa as it ended its economic life with the depletion of reserves during 2022. Apart from maintaining the rehabilitation guarantee in favour of the DMRE estimate, provisions for final closure were insufficient, resulting in a rehabilitation liability of R206.9 million and a negative mine value, as there is no potential for income generation. In addition, R10.5 million remains committed to the expired SLP, with no estimate available for obligations under the latest SLP. This negative-value liability could either be absorbed by the Salungano/Wescoal group or potentially transferred to a new owner if Khanyisa is sold. However, disposal has several complications: the mine rents surface from farmers, the volume-based liability remains at R206.9 million, the Mining Right—though the renewal submitted around three years ago—has not yet been confirmed by the DMRE, and the SLP commitments further increase the financial burden.

ES5.20 Project Risks Summary

SR4.3(viii); SR5.7(i); JSE12.10(h)(x)

Khanyisa has no bankable income potential. The current business rescue derives limited income from sales of low-quality coal dumps and the potential of mining exposed coal pillars that are currently covered with water.

Khanyisa has a high liability risk, with closure being the largest, followed by their SLP commitments and the surface rental agreements and cost.

Table ES 48 summarises the project risks identified at Khanyisa.

Table ES 48. A summary of the Khanyisa Project Risks

TYPE OF RISK	RISK	MITIGATION	LEVEL OF RISK
Business rescue success	Achieving closure objectives	Income generating options very limited	High

Closure Rehabilitation	Current high closure assessment	There is a possibility to look at scope for closure Optimisation strategies	High

ES5.21 Conclusions

Khanyisa Colliery is currently inactive, under care and maintenance, and undergoing business rescue proceedings. The Mining Right has expired, with no feedback from the DMRE over the past three years, and the regulatory framework for operational licensing and environmental permitting is compromised due to the mine's distressed status. Remaining coal resources are limited, primarily within the Triangle area. The operation faces significant risks, including ongoing operational costs, environmental compliance challenges, and substantial closure liabilities that far exceed available provisions. The project currently has no economic viability and, without meaningful intervention, its prospects for future production or value recovery are very limited.

Glossary of Terms, Abbreviations and Units

Term	Description
Beaufort Group	the uppermost division of the Karoo Supergroup consisting predominantly of mudstones
bituminous coal	a dense, black, and common type of coal used primarily for electricity generation
bord and pillar	a mining method to extract the coal by excavating roadways (bords) in a checkerboard fashion through a block of coal and leaving pillars of coal behind to support the overlying strata
calorific value	calorific value is the amount of chemical energy stored in a coal that is released as thermal energy upon combustion
carbonaceous	containing carbon
clastic	rock or sediment composed of clasts which have been transported from their place of origin, e.g. sandstone and shale
conglomerate	a clastic rock with >30% clasts larger than 2 mm, usually rounded, with or without a matrix of sand and/or mud
decline	the main tunnel from surface down into the mine, which normally supports the coal clearance conveyor, men and material access and ventilation
diamictite	type of lithified sedimentary rock that consists of non-sorted to poorly sorted terrigenous sediment containing particles that range in size from clay to boulders, suspended in a matrix of mudstone or sandstone
dip	the inclination of a planar surface, measured in the vertical plane perpendicular to its strike
discard	the coal remaining after beneficiation that cannot be sold
dolerite	igneous rock formed below the Earth's surface, a form of basalt, containing relatively little silica (mafic in composition)
Dwyka Group	glacial Permian deposit that is widespread in South Africa
dyke	thin, tabular, vertical or near vertical body of igneous rock formed by the injection of magma into planar zones of weakness
Ecca Group	the Ecca Group a major geological subdivision of the Karoo Supergroup. It is divided into three groups: the Lower Ecca (containing almost 300 m of shales), the Middle Ecca (some 500 m of sandstone, seams of coal, and fossilized plants), and the Upper Ecca (about 200 m of shales)

Term	Description
fluviodeltaic	sediment transported and deposited by rivers, coupled to a subaqueous delta, where transport and deposition occur via slope failure (avalanching), settling of fine-grained sediments from suspension in the water column and deposition of sediment by wind and tide generated currents
fluvio-glacial	an environment where sediments are eroded, transported, and deposited by glacial meltwater
geophysical	quantitative observation of the physical properties of the deposit
geotechnical	geotechnical engineering is the branch of civil engineering concerned with the engineering behaviour of earth materials
granulestone	a type of siliclastic rock composed of granules, which are clasts larger than sand but smaller than pebbles
Highveld Coalfield	a coalfield in the southwest of Mpumalanga
Karoo Supergroup	a sequence of mostly nonmarine units deposited between the Late Carboniferous and Early Jurassic periods
lithological	the gross physical character of a rock or rock formation
matrix	the fine-grained material separating the clasts in a sedimentary rock
Mining Charter	a Charter to facilitate the sustainable transformation and development of the South African mining industry
mudstone	a clastic sedimentary rock with particles of mud size
pre-Karoo	igneous, sedimentary or metamorphic rocks predating Dwyka glaciation and forming the basement underlying the Karoo Supergroup
quartzite	metamorphic rock formed by the alteration of sandstone by heat, pressure and chemical activity
rank	the degree of coalification of a coal
roof	the strata immediately above a coal seam
sandstone	a clastic sedimentary rock with >25% of clasts of sand by volume
seam	defined layers of coal

Term	Description
sedimentary	pertaining to rocks formed by the accumulation of sediments, formed by the erosion of other rocks
shale	fine-grained sedimentary rock whose original constituents were clay minerals or muds
sill	a thin, tabular, horizontal to sub-horizontal body of igneous rock
silt	a sediment whose particles have a size range of 4 – 625 microns
siltstone	a clastic sedimentary rock with particles of silt size
softs	the waste material excavated without prior use of explosives; refers to the topsoil and weathered waste material
stakeholder/s	a person or group of people who may be exposed to positive or negative impact of financial, safety, environmental and social aspects of company operation as well as those who show interest in the company or influence it
stakeholder engagement	Communication / exchange of information with interested parties (using various means) to identify priorities in social and environmental issues in order to improve the decision-making process and implementation of these decisions in the company
strata	a layer of material, naturally or artificially formed, often one of a number of parallel layers one upon another
stratigraphy	study of stratified rocks in terms of time and space
strip ratio	the measure of waste material moved in bank cubic metres in order to expose one tonne of coal in an open pit
tectonic	relating to a major Earth structure and its formation, usually by deformation
tillite	coarsely graded and extremely heterogeneous sediments of glacial origin
true thickness	the thickness of a layer measured perpendicular to the strike of the layer
vitrite	a coal maceral group, formed mainly from leaves, roots and woody material from land plants
volatile matter	the components of coal (except for moisture) which are liberated at high temperature in the absence of air, consisting predominantly of hydrocarbons and some sulphur
Vryheid Formation	the main coal-bearing unit of the Karoo Supergroup, consisting mostly of interbedded sandstones, shales, mudstones and coal seams

Term	Description
wireline geophysics	the recording of the electrical, radioactive, temperature, acoustic, density, induction and self-potential properties of the rock formations traversed by measuring apparatus in a drill hole
Witbank Coalfield	a coalfield in Mpumalanga east of Pretoria

Abbreviation	Description
2015 Provisioning Regulations	Section 24P of NEMA and the Financial Provisioning Regulations, 2015
2019 Provisioning Regulations	Section 24P of NEMA and the Financial Provisioning Regulations, 2019
adb	air-dried basis
adc	air-dried contaminated basis
ADT	articulated dump truck
AQMP	Air Quality Management Plan
ar	As received
BAP	Biodiversity Action Plan
B-BBEE	Broad-Based Black Economic Empowerment
BEE	Black Economic Empowerment
BRP	Business Rescue Practitioner
BV	Bureau Veritas (Pty) Ltd
Capex	capital expenditure estimates
CM	Continuous Miner
CoP	Code of Practice
CP	Competent Person
CPR	Competent Person's Report
CSA	Coal Supply Agreement
CTA	Carbon Tax Act (2019)

CV	calorific value
DAFV	dry ash-free volatiles
DCF	Discounted Cash Flow
DEA	Department of Environmental Affairs
DEFF	Department of Environment, Forestry and Fisheries (as of 29/05/2019)
DHSWS	Department of Human Settlements, Water and Sanitation (as of 29/05/2019)
DMC	Dense Medium Cyclone
DMR	Department of Mineral Resources (now called DMRE)
DMRE	Department of Mineral Resources and Energy (as of 29/05/2019)
DTM	Data Terrain Model
DWA	Department of Water Affairs (now called DHSWS)
DWS	Department of Water and Sanitation (now called DHSWS)
EA	Environmental Authorisation
EAP	Environmental Assessment Practitioner
ECO	Environmental Control Officer
ECSA	Engineering Council of South Africa
EIA	Environmental Impact Assessment
EMP	Environmental Management Plan
EMPr	Environmental Management Programme Report (after 8/12/2014, under NEMA)
EMPR	Environmental Management Programme Report (before 8/12/2014, under the MPRDA; now called EMPr)

EMS	Environmental Management System
Environmental Minister	The Minister for Environment, Forestry and Fisheries
ESG	Environmental and Social Governance
Eskom	Eskom Holdings SOC Limited
FC	fixed carbon
FoG	Fall of Ground
FY	Financial Year
GSSA	Geological Society of South Africa
HR	Human Resources
HSE	Health, Safety and Environment
IM	inherent moisture
ISO	International Organization for Standardization (ISO/IEC 17025:2017)
IWUL	Integrated Water Use Licence
IWWMP	Integrated Waste and Water Management Plan
JSE	JSE Ltd
Keaton	Keaton Mining (Pty) Ltd a subsidiary of Salungano
LoM	Life-of-Mine
mamsl	metres above mean sea level
MHSA	Mine Health and Safety Act, (Act 29 of 1996) and amendments
MIPTEC	Miptec (Pty) Ltd

MOU	Memorandum of Understanding
MPRDA	Mineral and Petroleum Resources Development Act (Act 28 of 2002)
MQA	Mining Qualifications Authority
MR	Mining Right
MRA	Mining Right Application
MS	Microsoft
MTIS	Mineable Tonnes In Situ
MWP	Mine Works Programme
NAR	Nett as Received
NCVAR	Net As Received Calorific Value
NEM:AQA	National Environmental Management: Air Quality Act (Act 39 of 2004)
NEM:BA	National Environmental Management: Biodiversity Act (Act 10 of 2004)
NEM:PAA	National Environmental Management: Protected Areas Act (Act 57 of 2003)
NEM:WA	National Environmental Management: Waste Act (Act 59 of 2008)
NEM:WAA	National Environmental Management: Waste Amendment Act (Act 26 of 2014)
NEMA	National Environmental Management Act (Act 107 of 1998)
NEMLAA4	National Environmental Management Laws Amendment (Act 4) Bill
NFA	National Forests Act (Act 84 of 1998)
NGER	National Greenhouse Gas Emission Reporting Regulations
NHRA	National Heritage Resources Act (Act 25 of 1999)

No 1 Seam	Number 1 Seam
No 2 Seam	Number 2 Seam
No 3 Seam	Number 3 Seam
No 4 Seam	Number 4 Seam
No 5 Seam	Number 5 Seam
NOMR	New Order Mining Right
NPV	Net Present Value
NUM	National Union of Mineworkers
NWA	National Water Act (Act 36 of 1998)
OC	opencast
Opex	operating expenditure estimates
pa	per annum
PCD	Pollution Control Dam
PCPP	Phola Coal Processing Plant
plc	Public Limited Company
PoO	Point of Observation
PPE	Personal Protective Equipment
Ptn	Portion
QA/QC	Quality Assurance/Quality Control
R&R	Coal Resources and Coal Reserves

RD	relative density
Resources Minister	The Minister of Mineral and Petroleum Resources Development
RoM	Run-of-Mine
Royalty Act	Mineral and Petroleum Resources Royalty Act (Act 28 of 2008)
Royalty Bill	Mineral and Petroleum Resources Royalty Bill (2008)
RPEEE	Reasonable Prospects for Eventual Economic Extraction
S1	Number 1 Seam
S2	Number 2 Seam (full seam)
S2L	Number 2 Seam Lower
S2U	Number 2 Seam Upper
S2M	Number 2 Seam Select Mining Horizon
S4	Number 4 Seam (full seam)
S4L	Number 4 Seam Lower
S4U	Number 4 Seam Upper
4UP	Number 4 Seam Parting (inter-seam parting)
S4UU	Number 4 Seam Upper Upper (topmost)
S4M	Number 4 Seam Select Mining Horizon
S5	Number 5 Seam
Salungano	Salungano Group Limited
SABS	South African Bureau of Standards

SACNASP	South African Council for Natural Scientific Professions
SAIMM	Southern African Institute for Mining and Metallurgy
SAMESG Guideline	South African Guideline for the Reporting of Environmental, Social and Governance Parameters within the Mining and Oil and Gas Industries (2017 Edition)
SAMREC	South African Mineral Resource Committee
SAMREC Code	The South African Code for the Reporting of Exploration Results, Mineral Resources and Mineral Reserves (The SAMREC Code), 2016 Edition
SAMVAL	South African Mineral Asset Valuation Committee
SAMVAL Code	The South African Code for the Reporting of Mineral Asset Valuation (The SAMVAL Code), 2016 Edition
SANAS	South African National Accreditation System
SANS 10320:2004	South African National Standard 10320: "The South African guide to the systematic evaluation of coal resources and coal reserves" 1st Edition
SANS 10320:2020	South African National Standard 10320: "The South African guide to the systematic evaluation of coal exploration results, coal resources and coal reserves" 2nd Edition
SEP	Stakeholder Engagement Plan
SLA	Service Level Agreement
SLP	Social and Labour Plan
SWMP	Stormwater Management Plan
T1	Triangle 1 Area at Khanyisa
T2	Triangle 2 Area at Khanyisa
TS	total sulphur
UG	underground

Vanggatfontein or VGF	Vanggatfontein Colliery
VAT	Value Added Tax
VM	volatile matter
WACC	Weighted Average Cost of Capital
WHO	World Health Organisation
WUL	Water Use Licence

Unit	Description
°	a degree
'	a minute
"	a second
%	percentage
cm	a centimetre
ha	a hectare (10 000 m ²)
kcal/kg	a thousand calories per kilogram
km	a kilometre (one thousand metres)
km ²	a square kilometre
kV	a thousand volts
kVA	a thousand volt amperes
m	a metre

Unit	Description
m ³	a cubic metre
Ma	a million years ago
mamsl	metres above mean sea level
MJ/kg	megajoules per kilogram
MI/d	megalitres per day
mm	a millimetre
MPa	a megapascal (one million pascals)
Mt	a million metric tonnes
Mtpa	a million metric tonnes per annum
MVA	a million volt amperes
t	a metric tonne
TCM	Total Cubic Metres
TCM/hr	Total Cubic Metres per hour
tph	metric tonnes per hour
tpm	metric tonnes per month
ZAR	South African Rand
ZARm	a million South African Rand
ZAR/t	South African Rand per tonne

Table of Contents

1	Introduction.....	1
1.1	Background	1
1.2	Ownership	3
1.3	Resource and Reserve Summary	5
1.4	Terms of reference, reporting compliance and sources of data	6
1.4.1	Purpose of the report.....	6
1.4.2	Scope of the report	6
1.4.3	Reporting Compliance	6
1.4.4	Sources of Data	7
1.5	Reporting standard and reliance	7
1.5.1	Reporting Standard.....	7
1.5.2	Reliance on Miptec	7
1.6	Effective Date and Valuation Date.....	7
1.6.1	Material Change	8
1.6.2	Units and Currency	8
1.6.3	Sufficiency of rehabilitation funding	8
1.7	Verification and Validation	9
1.8	Limitations, Reliance on information, Declaration, Consent and cautionary Statements.....	9
1.8.1	Limitations.....	9
1.8.2	Reliance on information	10
1.9	Copyright.....	10
1.9.1	Declaration (Independence)	10
1.9.2	Consent	11
1.9.3	Cautionary Statements	11
1.10	Qualifications of consultants.....	12

1.11	Personal Inspection of Property	12
2	Reporting definitions.....	13
3	Valuation	16
3.1	General Mineral Asset Valuation Approach.....	16
4	Legal aspects	18
5	Regulatory Environment and Tenure.....	18
5.1	South African Regulatory Environment	18
6	Regional geological setting	21
6.1	Stratigraphy	22
7	Moabsvelden Colliery	24
7.1	Project Description	24
7.2	Recent Work.....	24
7.3	Property Location	25
7.4	Coordinate System.....	26
7.5	Adjacent properties.....	26
7.6	Title and Rights.....	28
7.6.1	Mining and Prospecting Rights	28
7.6.2	Surface rights.....	28
7.6.3	Sufficiency of Rights	28
7.7	Legal Aspects and Permitting.....	28
7.7.1	Environmental Authorizations and Licenses	28
7.7.2	Environmental and Social approvals.....	28
7.7.3	Legal Claims and Proceedings	31
7.8	Access, Infrastructure, Climate, Physiography and Vegetation	32
7.8.1	Climate.....	32
7.8.2	Topography.....	33
7.8.3	Vegetation.....	34

7.8.4	Local Resources	34
7.9	Infrastructure	34
7.9.1	Current Infrastructure.....	35
7.9.2	Planned Infrastructure and Associated Capital.....	35
7.10	Project History	36
7.10.1	Previous Ownership and Associated Activities	36
7.11	Local Geology	36
7.11.1	Surface Geology	36
7.11.2	Weathering	37
7.11.3	Sub-surface Geology	37
7.11.4	Faults and Igneous Intrusions.....	41
7.12	Exploration and Drilling, Sampling Techniques and Data.....	43
7.12.1	Exploration.....	43
7.12.2	Future Planned Exploration	45
7.13	Surface Drilling Techniques.....	46
7.13.1	Cored Diamond Drilling.....	46
7.13.2	Drill Hole Survey	46
7.13.3	Geological Logging	47
7.13.4	Core Recovery	50
7.13.5	Geophysical Logging	50
7.14	Coal Sampling and Analysis.....	51
7.14.1	Coal Sampling Methodology	51
7.14.2	Coal Sampling Preparation and Laboratory Analysis	52
7.14.3	Laboratory Quality Assurance/Quality Control.....	54
7.15	Data Management and Validation	54
7.15.1	Drill Hole Data Validation	54
7.16	Coal Resources	56
7.16.1	Target Seams	56

7.16.2	Geological Modelling	57
7.17	Reasonable Prospects for Eventual Economic Extraction.....	116
7.18	Data Spacing and Resource Category Classification	117
7.19	Reporting Definitions	122
7.20	Coal Resource Cut-off Parameters	123
7.21	Coal Resource Estimation	124
7.22	Reconciliation with Previous Coal Resource Estimate	125
7.23	Risks.....	126
7.24	Recommendations.....	127
7.25	Mining.....	127
7.25.1	Personnel.....	127
7.25.2	Mining Method	127
7.25.3	Rock Engineering	128
7.25.4	Mine design	131
7.25.5	Production History	133
7.25.6	Future production.....	134
7.25.7	Colliery Organization	135
7.25.8	Mining Fleet and Machinery.....	135
7.25.9	Mine scheduling.....	135
7.25.10	Risks.....	137
7.25.11	Costs.....	138
7.26	Coal Processing	139
7.26.1	Processing Method	140
7.26.2	Tailings / Discard areas	141
7.26.3	Condition of the plants	141
	7.26.4 Risk	141
7.26.5	Costs.....	141
7.26.6	Capital Costs	142

7.27	Coal Market	143
7.27.1	Costs.....	143
7.28	Historical Coal Reserve estimates.....	144
7.29	Previous Coal Reserve Estimate (31 March 2024).....	144
7.30	Current Coal Reserve Estimate (31 March 2025).....	144
7.30.1	Coal Reserve Classification	144
7.30.2	Coal Reserve Estimate	145
7.30.3	Risks.....	145
7.31	Reconciliation of Coal Reserve Estimates.....	146
7.32	Environmental, Social and Governance (ESG)	146
7.32.1	Sensitive receptors	146
7.32.2	Costs.....	147
7.32.3	Environmental parameters.....	147
7.32.4	Conformance and compliance audits.....	147
7.32.5	Liability.....	148
7.32.6	Risk analysis.....	151
7.33	Mineral Asset Valuation.....	151
7.33.1	Previous Valuations	151
7.33.2	Current Valuation Income Approach.....	151
7.34	Audits and reviews	155
7.35	Project Risks	155
7.36	Conclusions	156
8	Vanggatfontein Colliery	157
8.1	Property Description	157
8.2	Recent Work.....	158
8.3	Location	158
8.4	Coordinate System.....	159
8.5	Title and Rights.....	160

8.5.1	Mining and Prospecting Rights	160
8.5.2	Surface rights.....	160
8.5.3	Sufficiency of Rights	161
8.6	Legal Aspects and Permitting.....	161
8.6.1	Environmental Authorizations and Licenses	161
8.6.2	Environmental and Social approvals.....	161
8.6.3	Material contracts	164
8.7	Access, Infrastructure, Climate, Physiography and Vegetation	165
8.7.1	Accessibility	165
8.7.2	Climate.....	165
8.7.3	Topography.....	166
8.7.4	Vegetation.....	167
8.8	Local Resources	167
8.9	Infrastructure	167
8.10	Adjacent properties.....	169
8.11	Historical ownership	170
8.12	Local Geology	172
8.12.1	Surface Geology	173
8.12.2	Weathering	173
8.12.3	Sub-surface Geology	173
8.12.4	Faults and Igneous Intrusions.....	175
8.13	Exploration and Drilling, Sampling Techniques and Data.....	176
8.13.1	Exploration.....	176
8.13.2	Surface Drilling Techniques	178
8.13.3	Coal Sampling and Analysis	181
8.13.4	Data Management and Validation.....	184
8.14	Coal Resources	186
8.14.1	Target Coal Seams.....	186

8.14.2	Geological Modelling	186
8.14.3	Reasonable Prospects for Eventual Economic Extraction	229
8.14.4	Data Spacing and Resource Classification	230
8.14.5	Reporting Definitions	234
8.14.6	Coal Resource Cut-off Parameters.....	235
8.14.7	Coal Resource Estimation	235
8.14.8	Reconciliation with the Previous Coal Resource Estimate.....	237
8.15	Risks.....	239
8.16	Recommendations.....	239
8.17	Mining.....	240
8.17.1	Opencast	240
8.17.2	Underground.....	240
8.17.3	Personnel.....	241
8.17.4	Mining Method	241
8.18	Rock Engineering	244
8.19	Geotechnical Designs.....	245
8.19.1	Opencast Geotechnical Designs.....	245
8.19.2	Underground Geotechnical Designs	249
8.20	Mine Design	253
8.20.1	Opencast Mine design	253
8.20.2	Underground Mine design	255
8.21	Production History	257
8.22	Future production	257
8.23	Colliery Organization	258
8.24	Mine scheduling.....	258
8.25	Mining Risks	262
8.26	Costs	264
8.26.2	Coal Processing.....	265

8.27	Coal Market	271
8.27.1	Vanggatfontein Product Distribution Costs	271
8.28	Historical Coal Reserve Estimates	272
8.29	Previous Coal Reserve Estimate (31 March 2024).....	272
8.30	Current Coal Reserve Estimate (31 March 2025).....	273
8.30.2	Reconciliation of Coal Reserve Estimates	274
8.30.3	Coal Reserve Estimation Risks.....	275
8.31	Environmental, Social and Governance (ESG)	275
8.31.1	Sensitive receptors	275
8.31.2	Surface water resources.....	276
8.31.3	Environmental parameters.....	278
8.32	Mine Closure and Financial Risks	278
8.32.1	Closure Liabilities.....	279
8.33	Asset Valuation.....	283
8.33.1	Previous valuations.....	283
8.33.2	Current valuation income approach	283
8.34	Audits and reviews	286
8.35	Project Risks	286
ES5.22	Conclusions	287
9	Elandspruit Colliery	288
9.1	Property Description	288
9.2	Recent Work.....	289
9.3	Location	290
9.4	Co-ordinate System.....	291
9.5	Adjacent properties.....	291
9.6	Title and Rights.....	292
9.6.1	Mining and Prospecting Rights	292
9.6.2	Surface rights.....	293

9.6.3	Sufficiency of Rights	294
9.7	Legal Aspects and Permitting	295
9.7.1	Environmental Authorizations and Licenses	295
9.7.2	Environmental and Social Approvals	295
9.7.3	Material contracts	297
9.7.4	Legal Claims and Proceedings	298
9.8	Access, Climate, Physiography and Vegetation	298
9.8.1	Accessibility	298
9.8.2	Climate.....	299
9.8.3	Topography.....	299
9.8.4	Vegetation.....	301
9.9	Local Resources	301
9.10	Infrastructure	302
9.11	Project History	303
9.11.1	Previous Ownership and Associated Activities	303
9.12	Local Geology	303
9.12.1	Surface Geology	304
9.12.2	Weathering	304
9.12.3	Sub-surface Geology	304
9.12.4	Faults and Igneous Intrusions.....	307
9.13	Exploration and Drilling, Sampling Techniques and Data.....	307
9.13.1	Historical Exploration	307
9.13.2	Recent Exploration	308
9.13.3	Future Planned Exploration	310
9.14	Surface Drilling Techniques.....	310
9.14.1	Cored Diamond Drilling.....	310
9.14.2	Drill Hole Survey	311
9.14.3	Geological Logging	311

9.14.4	Core Recovery	312
9.14.5	Geophysical Logging	313
9.15	Coal Sampling and Analysis	313
9.15.1	Coal Sampling Methodology	313
9.15.2	Coal Sampling Preparation and Laboratory Analysis	314
9.15.3	Laboratory QA/QC	315
9.16	Data Management and Validation	315
9.16.1	Drill Hole Data Validation	316
9.17	Coal Resources	317
9.17.1	Target Seams	317
9.17.2	Geological Modelling	317
9.17.3	Quality Results	333
9.18	Reasonable Prospects for Eventual Economic Extraction	355
9.19	Data Spacing and Resource Category Classification	356
9.20	Reporting Definitions	359
9.21	Coal Resource Cut-off Parameters	361
9.22	Coal Resource Estimation	361
9.23	Reconciliation with Previous Coal Resource Estimate	365
9.24	Geological Risks	366
9.25	Mining	366
9.25.1	Personnel	367
9.25.2	Mining Method	367
9.25.3	Rock Engineering	367
9.25.4	Mine design	370
9.25.5	Production History	372
9.25.6	Future Production	374
9.25.7	Risks to Mining and Future Production	380
9.25.8	Costs	381

9.26	Coal Processing	381
9.26.1	Costs.....	382
9.26.2	Operating Cost.....	382
9.26.3	Capital Cost	382
9.27	Historical Coal Reserve estimates.....	383
9.28	Previous Coal Reserve Estimate (31 March 2024).....	383
9.29	Current Coal Reserve Estimate (31 March 2025).....	384
9.29.1	Coal Reserve Classification	384
9.29.2	Coal Reserve Estimate	385
9.30	Reconciliation of Coal Reserve Estimates.....	387
9.31	Coal Reserve Estimation Risks	387
9.32	Environmental, Social and Governance (ESG)	388
9.32.1	Sensitive receptors	388
9.32.2	Legal aspects.....	390
9.32.3	Costs.....	390
9.32.4	Environmental parameters.....	390
9.32.5	Conformance and compliance audits.....	393
9.32.6	Liability.....	395
9.32.7	Risk analysis.....	397
9.33	Asset Valuation.....	397
9.33.1	Previous valuations.....	397
9.33.2	Current valuation income approach	397
9.34	Audits and reviews	402
9.35	Project Risk Summary.....	403
9.36	Conclusions	404
10	Khanyisa Colliery.....	406
10.1	Property Description	406
10.2	Location	407

10.3	Co-ordinate System.....	408
10.4	Title and Rights.....	408
10.4.1	Mining and Prospecting Rights	408
10.4.2	Surface rights.....	409
10.4.3	Sufficiency of Rights	409
10.5	Legal Aspects and Permitting.....	409
10.5.1	Environmental Authorizations and Licenses	409
10.5.2	Material contracts	412
10.6	Topography, Climate and Land Usage	412
10.7	Local Resources.....	414
10.8	Infrastructure	414
10.9	Adjacent properties.....	414
10.10	Historical ownership	415
10.11	Local Geological Setting.....	415
10.11.1	Surface Geology	415
10.11.2	Weathering	416
10.11.3	Sub-surface Geology	416
10.12	Exploration and Drilling, Sampling Techniques and Data.....	419
10.12.1	Historical Exploration and Mining.....	419
10.12.2	Recent Exploration and Mining	419
10.12.3	Drilling and Logging	419
10.12.4	Future Planned Exploration	420
10.12.5	Surface Drilling Techniques	420
10.12.6	Coal Sampling and Analysis	422
10.13	Data Management and Validation	425
10.13.1	Drill Hole Data Validation	426
10.14	Coal Resources.....	427
10.14.1	Target Seams	427

10.15	Geological Modelling	427
10.15.1	Modelling Process and Validation.....	427
10.15.2	Physical Results	429
10.15.3	Raw Quality Results	440
10.16	Reasonable Prospects for Eventual Economic Extraction.....	448
10.17	Data Spacing and Resource Category Classification.....	449
10.18	Reporting Definitions	452
10.19	Coal Resource Cut-off Parameters	454
10.20	Resource Estimation	454
10.21	Reconciliation with Previous Coal Resource Estimate	455
10.22	Risks.....	456
10.23	Recommended Work.....	456
10.24	Audit and Reviews.....	456
10.25	Mining.....	457
10.25.1	Personnel.....	457
10.25.2	Mining Method	457
10.25.3	Rock Engineering	457
10.25.4	Mandatory Codes of Practice.....	457
10.26	Coal Processing	459
10.27	Coal Market	459
10.28	Historical Coal Reserve estimates.....	460
10.29	Environmental, Social and Governance (ESG)	460
10.29.1	Sensitive receptors	460
10.30	Legal aspects	461
10.31	Risk analysis	464
10.32	Asset Valuation.....	465
10.33	Project Risks	465
10.34	Conclusions.....	466

11	References/List of Data.....	468
12	Appendix: Compliance Checklist - SAMREC	471
13	Appendix : Compliance Checklist - JSE	489
14	Appendix: Compliance Checklist - SAMVAL	493
15	Appendix : Certificates of Competent Persons.....	499
15.1	Certificate of competent person Leonardt Raaths	499
15.2	Certificate of Competent person Katherine Black.....	499
15.3	Certificate of Competent person Zaheer Saloojee.....	500

List of Figures

Figure 1-1. A plan indicating the location of the 100% owned collieries (red).....	3
Figure 1-2. Salungano Company structure	4
Figure 2-1. Coal Resource and Reserve Classification.....	15
Figure 6-1. Location of the Coalfields of South Africa.....	21
Figure 6-2. Typical Stratigraphic Columns in the Witbank Coalfield.....	23
Figure 7-1. A Plan illustrating the Location of Moabsvelden.....	25
Figure 7-2. A Topocadastral Plan illustration the Location of Moabsvelden and Vanggatfontein.....	26
Figure 7-3. Moabsvelden adjacent properties.....	27
Figure 7-4. Moabsvelden Topographical plan.....	33
Figure 7-5. Moabsvelden Physiography and Land Use	34
Figure 7-6. Moabsvelden Local Surface Geological Map.....	37
Figure 7-7. Moabsvelden Generalised Stratigraphic Columns.....	38
Figure 7-8. Results of the Aeromagnetic Study (Xcalibur, 2011)	41
Figure 7-9. Structural Interpretation used in the Geological Model	42
Figure 7-10. Structural Interpretation	43
Figure 7-11. Moabsvelden Drilling Status (June 2025).....	45
Figure 7-12. Comparison of the Seam Nomenclature used by the Different Consultants.....	48
Figure 7-13. Scatter Plot illustrating the Linear relationship between Raw CV (MJ/kg) and Ash Content (%)	56
Figure 7-14. Scatter Plot illustrating the Linear Relationship between Raw RD (g/cm ³) and Ash Content (%).....	56
Figure 7-15. Target Area Constraints.....	57
Figure 7-16. No. 1 Seam Thickness (m)	61

Figure 7-17. No. 1 Seam Depth to Roof (m)	61
Figure 7-18. No. 1 Seam Floor Elevation (mamsl)	62
Figure 7-19. No. 2L Seam Thickness (m)	64
Figure 7-20. No. 2L Seam Depth to Roof (m)	64
Figure 7-21. No. 2L Seam Floor Elevation (mamsl)	65
Figure 7-22. No. 2U Seam Thickness (m).....	67
Figure 7-23. No. 2U Seam Depth to Roof (m).....	67
Figure 7-24. No. 2U Seam Floor Elevation (mamsl)	68
Figure 7-25. 2P Parting Thickness (m)	68
Figure 7-26. No. 4L Seam Thickness (m)	70
Figure 7-27. No. 4L Seam Depth to Roof (m)	70
Figure 7-28. No. 4L Seam Floor Elevation (mamsl)	71
Figure 7-29. 4P Parting Thickness (m)	71
Figure 7-30. No. 4U Seam Thickness (m).....	73
Figure 7-31. No. 4U Seam Depth to Roof (m).....	73
Figure 7-32. No. 4U Seam Floor Elevation (mamsl)	74
Figure 7-33. No. 4UU Seam Thickness (m)	75
Figure 7-34. No. 5 Seam Thickness (m)	76
Figure 7-35. No. 5 Seam Depth to Roof (m)	77
Figure 7-36. No. 5 Seam Floor Elevation (mamsl)	77
Figure 7-37. Cross Section Location Plan.....	79
Figure 7-38. West – East Cross Sections across the Length of the Moabsvelden Mining Area	79
Figure 7-39. North - South Cross Sections through the Moabsvelden Mining Area	80

Figure 7-40. No. 5 Seam Raw Ash Content (%) Distribution	81
Figure 7-41. No. 5 Seam F1.8 Ash Content (%) Distribution	82
Figure 7-42. No. 5 Seam Raw Calorific Value (MJ/kg) Distribution.....	82
Figure 7-43. No. 5 Seam F1.8 Calorific Value (MJ/kg) Distribution.....	83
Figure 7-44. No. 5 Seam Raw Total Sulphur Content (%) Distribution	83
Figure 7-45. No. 5 Seam F1.8 Total Sulphur Content (%) Distribution	84
Figure 7-46. No. 5 Seam Raw Volatile Matter Content (%) Distribution.....	84
Figure 7-47. No. 5 Seam F1.8 Volatile Matter Content (%) Distribution.....	85
Figure 7-48. No. 5 Seam Dry, Ash-free Volatile Matter Content (%) Distribution.....	85
Figure 7-49. No. 5 Seam F1.8 Yield (%) Distribution	86
Figure 7-50. No. 4U Seam Raw Ash Content (%) Distribution	88
Figure 7-51. No. 4U Seam F1.8 Ash Content (%) Distribution	88
Figure 7-52. No. 4U Seam Raw Calorific Value Content (MJ/kg) Distribution.....	89
Figure 7-53. No. 4U Seam F1.8 Calorific Value (MJ/kg) Distribution	89
Figure 7-54. No. 4U Seam Raw Total Sulphur Content (%) Distribution.....	90
Figure 7-55. No. 4U Seam F1.8 Total Sulphur Content (%) Distribution.....	90
Figure 7-56. No. 4U Seam Raw Volatile Matter Content (%) Distribution	91
Figure 7-57. No. 4U Seam Dry, Ash-Free Volatile Matter Content (%) Distribution	91
Figure 7-58. No. 4U Seam F1.8 Volatile Matter Content (%) Distribution	92
Figure 7-59. No. 4U Seam F1.8 Theoretical Yield (%) Distribution	92
Figure 7-60. No. 4L Seam Raw Ash Content (%) Distribution	94
Figure 7-61. No. 4L Seam F1.8 Ash Content (%) Distribution	94
Figure 7-62. No. 4L Seam Raw Calorific Value Content (MJ/kg) Distribution	95

Figure 7-63. No. 4L Seam F1.8 Calorific Value Content (MJ/kg) Distribution	95
Figure 7-64. No. 4L Seam Raw Total Sulphur Content (%) Distribution	96
Figure 7-65. No. 4L Seam F1.8 Total Sulphur Content (%) Distribution	96
Figure 7-66. No. 4L Seam Raw Volatile Matter Content (%) Distribution.....	97
Figure 7-67. No. 4L Seam F1.8 Volatile Matter Content (%) Distribution.....	97
Figure 7-68. No. 4L Seam Dry, Ash-Free Volatile Matter Content (%) Distribution.....	98
Figure 7-69. No. 4L Seam F1.8 Theoretical Yield (%) Distribution	98
Figure 7-70. No. 2U Seam Raw Ash Content (%) Distribution	100
Figure 7-71. No. 2U Seam F1.8 Ash Content (%) Distribution	100
Figure 7-72. No. 2U Seam Raw Calorific Value Content (MJ/kg) Distribution.....	101
Figure 7-73. No. 2U Seam F1.8 Calorific Value Content (MJ/kg) Distribution.....	101
Figure 7-74. No. 2U Seam Raw Total Sulphur Content (%) Distribution.....	102
Figure 7-75. No. 2U Seam F1.8 Total Sulphur Content (%) Distribution.....	102
Figure 7-76. No. 2U Seam Raw Volatile Matter Content (%) Distribution	103
Figure 7-77. No. 2U Seam Dry, Ash-Free Volatile Matter Content (%) Distribution	103
Figure 7-78. No. 2U Seam F1.8 Volatile Matter Content (%) Distribution	104
Figure 7-79. No. 2U Seam F1.8 Yield (%) Distribution.....	104
Figure 7-80. No. 2L Seam Raw Ash Content (%) Distribution	105
Figure 7-81. No. 2L Seam F1.8 Ash Content (%) Distribution	106
Figure 7-82. No. 2L Seam Raw Calorific Value Content (MJ/kg) Distribution	106
Figure 7-83. No. 2L Seam F1.8 Calorific Value Content (MJ/kg) Distribution	107
Figure 7-84. No. 2L Seam Raw Total Sulphur Content (%) Distribution	107
Figure 7-85. No. 2L Seam F1.8 Total Sulphur Content (%) Distribution	108

Figure 7-86. No. 2L Seam Raw Volatile Matter Content (%) Distribution.....	108
Figure 7-87. No. 2L Seam F1.8 Volatile Matter Content (%) Distribution.....	109
Figure 7-88. No. 2L Seam Dry, Ash-Free Volatile Matter Content (%) Distribution.....	109
Figure 7-89. No. 2L Seam F1.8 Theoretical Yield (%) Distribution	110
Figure 7-90. No. 1 Seam Raw Ash Content (%) Distribution.	111
Figure 7-91. No. 1 Seam F1.8 Ash Content (%) Distribution	112
Figure 7-92. No. 1 Seam Raw Calorific Value Content (MJ/kg) Distribution	112
Figure 7-93. No. 1 Seam F1.8 Calorific Value Content (MJ/kg) Distribution	113
Figure 7-94. No. 1 Seam Raw Total Sulphur Content (%) Distribution	113
Figure 7-95. No. 1 Seam F1.8 Total Sulphur Content (%) Distribution	114
Figure 7-96. No. 1 Seam Raw Volatile Matter Content (%) Distribution.....	114
Figure 7-97. No. 1 Seam F1.8 Volatile Matter Content (%) Distribution.....	115
Figure 7-98. No. 1 Seam Dry, Ash-Free Volatile Matter Content (%) Distribution.....	115
Figure 7-99. No. 1 Seam F1.8 Theoretical Yield (%) Distribution	116
Figure 7-100. No. 5 Seam Resource Classification	119
Figure 7-101. No. 4UU Seam Resource Classification	119
Figure 7-102. No. 4U Seam Resource Classification.....	120
Figure 7-103. No. 4L Seam Resource Classification	120
Figure 7-104. No. 2U Seam Resource Classification.....	121
Figure 7-105. No. 2L Seam Resource Classification	121
Figure 7-106. No. 1 Seam Resource Classification	122
Figure 7-107. Pit configuration for roll over mining.....	128
Figure 7-108. EW/HW design of the Tsebo mining solutions report ("GSA001") dated 8 May 2023	130

Figure 7-109. Moabsvelden Waste History	133
Figure 7-110. Moabsvelden ROM History	134
Figure 7-111. RoM Breakdown	135
Figure 7-112. ROM split between raw and wash feed	136
Figure 7-113. LOM total Eskom Yield	136
Figure 7-114. LOM 2 Seam Progress Plan	137
Figure 7-115. No.5 Seam CHPP process flow diagram	141
Figure 7-116. Wetland Systems associated with Moabsvelden	147
Figure 7-117. Moabsvelden rehabilitation plan (African Soil)	149
Figure 8-1. A plan illustrating the Location of the Opencast Pits and the Planned Underground Areas.	158
Figure 8-2. Vanggatfontein Locality Plan.	159
Figure 8-3. Vanggatfontein Surface Rights.	160
Figure 8-4. Vanggatfontein Topography Plan	166
Figure 8-5. Moabsvelden Physiography and Land Use	167
Figure 8-6. Vanggatfontein infrastructure plan	168
Figure 8-7. Vanggatfontein adjacent properties	170
Figure 8-8. Vanggatfontein Local Geology	172
Figure 8-9. Generalised Stratigraphic Column and Underground Seam Delineations.	175
Figure 8-10 Vanggatfontein Drilling Status	177
Figure 8-11. No. 2 and No. 2M Seam Thickness (m)	190
Figure 8-12 No. 2 and No. 2M Seam Depth to Roof (m)	190
Figure 8-13. No. 2 and No. 2M Seam Floor Elevation (mamsl).	191
Figure 8-14. No. 4L and No. 4M Seam Thickness (m)	193

Figure 8-15. No. 4L and No. 4M Seam Depth to Roof (m).....	193
Figure 8-16. No. 4L and No. 4M Seam Floor Elevation (mamsl).	194
Figure 8-17. No. 4U Seam Thickness (m).....	195
Figure 8-18. no. 4U Seam Depth to Roof (m).	196
Figure 8-19. No. 4U Seam Floor Elevation (mamsl).	196
Figure 8-20. No. 5 Seam Thickness (m).	198
Figure 8-21. No. 5 Seam Depth to Roof (m).	198
Figure 8-22. No. 5 Seam Floor Elevation (mamsl).	199
Figure 8-23. Cross Section Location Plan.....	200
Figure 8-24. West-East Cross Sections	201
Figure 8-25. North-South Cross Sections	202
Figure 8-26. Aeromagnetic Geophysical Interpretation.....	204
Figure 8-27. Structural Interpretation included in the Geological Model.	204
Figure 8-28. No. 2 Seam Raw Ash Content (%) Distribution.	206
Figure 8-29. No. 2 Seam F1.8 Ash Content (%) Distribution.	207
Figure 8-30. No. 2 Seam Raw Calorific Value Content (MJ/kg) Distribution.	207
Figure 8-31. No. 2 Seam F1.8 Calorific Value Content (MJ/kg) Distribution.	208
Figure 8-32. No. 2 Seam Raw Total Sulphur Content (%) Distribution.	208
Figure 8-33. No. 2 Seam F1.8 Total Sulphur Content (%) Distribution.	209
Figure 8-34. No. 2 Seam Raw Volatile Matter Content (%) Distribution.....	209
Figure 8-35. No. 2 Seam F1.8 Volatile Matter Content (%) Distribution.....	210
Figure 8-36. No. 2 Seam Dry Ash Free Volatile Content (%) Distribution.	210
Figure 8-37. No. 2 Seam F1.8 Theoretical Yield (%) Distribution.	211

Figure 8-38. No. 4L Seam Raw Ash Content (%) Distribution.	213
Figure 8-39. No. 4L Seam F1.8 Ash Content (%) Distribution.	213
Figure 8-40. No. 4L Seam Raw Calorific Value Content (MJ/kg) Distribution.	214
Figure 8-41. No. 4L Seam F1.8 Calorific Value Content (MJ/kg) Distribution.	214
Figure 8-42. No. 4L Seam Raw Total Sulphur Content (%) Distribution.	215
Figure 8-43. No. 4L Seam F1.8 Total Sulphur Content (%) Distribution.	215
Figure 8-44. No. 4L Seam Raw Volatile Matter Content (%) Distribution.....	216
Figure 8-45. No. 4L Seam F1.8 Volatile Matter Content (%) Distribution.....	216
Figure 8-46. No. 4L Seam Dry Ash Free Volatile Content (%) Distribution.	217
Figure 8-47. No. 4L Seam F1.8 Theoretical Yield (%) Distribution.	217
Figure 8-48. No. 4U Seam Raw Ash Content (%) Distribution.	219
Figure 8-49. No. 4U Seam F1.8 Ash Content (%) Distribution.	219
Figure 8-50. No. 4U Seam Raw Calorific Value Content (MJ/kg) Distribution.....	220
Figure 8-51. No. 4U Seam F1.8 Calorific Value Content (MJ/kg) Distribution.....	220
Figure 8-52. No. 4U Seam Raw Total Sulphur Content (%) Distribution.....	221
Figure 8-53. No. 4U Seam F1.8 Total Sulphur Content (%) Distribution.....	221
Figure 8-54. No. 4U Seam Raw Volatile Matter Content (%) Distribution.	222
Figure 8-55. No. 4U Seam F1.8 Volatile Matter Content (%) Distribution.	222
Figure 8-56. No. 4U Seam Dry Ash Free Volatile Content (%) Distribution.	223
Figure 8-57. No. 4U Seam F1.8 Theoretical Yield (%) Distribution.....	223
Figure 8-58. No. 5 Seam Raw Ash Content (%) Distribution.	224
Figure 8-59. No. 5 Seam F1.8 Ash Content (%) Distribution.	225
Figure 8-60. No. 5 Seam Raw Calorific Value Content (MJ/kg) Distribution.	225

Figure 8-61. No. 5 Seam F1.8 Calorific Value Content (MJ/kg) Distribution.	226
Figure 8-62. No. 5 Seam Raw Total Sulphur (%) Distribution.	226
Figure 8-63. 5 Seam F1.8 Total Sulphur (%) Distribution.	227
Figure 8-64. No. 5 Seam Raw Volatile Matter Content (%) Distribution.	227
Figure 8-65. No. 5 Seam F1.8 Volatile Matter Content (%) Distribution.	228
Figure 8-66. No. 5 Seam DAFV Content (%) Distribution.	228
Figure 8-67. No. 5 Seam F1.8 Theoretical Yield (%) Distribution.	229
Figure 8-68. No. 2 Seam Resource Classification.	232
Figure 8-69. No. 4L Seam Resource Classification.	232
Figure 8-70. No. 4U Seam Resource Classification.	233
Figure 8-71. No. 5 Seam Resource Classification.	233
Figure 8-72. Pit configuration for roll over mining.	243
Figure 8-73. VG4 indicated EW/HW design (Tsebo, 2023).	246
Figure 8-74. VG5 indicated EW/HW design (Tsebo, 2023).	248
Figure 8-75. Geotechnically assessed boreholes 2018.	249
Figure 8-76. Total Depth to No. 4 seam floor (Courtesy of ARMS)	252
Figure 8-77. No. 4-seam thickness (Courtesy of ARMS)	252
Figure 8-78. OC RoM Breakdown.	259
Figure 8-79. LOM Total Eskom Yield.	260
Figure 8-80. LOM S2 Progress Plan.	260
Figure 8-81. VG6 Underground Rom profile.	261
Figure 8-82. VG6 Underground Progress Plot.	262
Figure 8-83. No.5 Seam CHPP process flow diagram.	267

Figure 8-84. Main S4 and S2 Seam CHPP Process Flow Diagram	269
Figure 8-85 Vanggatfontein wetland systems (Aquatic study (Ecology International)).....	277
Figure 8-86. Vanggatfontein Rehabilitation plan (African Soil).....	281
Figure 9-1. A Plan illustrating the Location of the Opencast Pits as well as the Underground Section at Elandspruit.	288
Figure 9-2. Elandspruit Locality Plan	291
Figure 9-3 Elandspruit adjacent properties.	292
Figure 9-4. Elandspruit Mining Right Area	293
Figure 9-5. Landowners and Adjacent Landowners.....	294
Figure 9-6. Quarternary Catchment	300
Figure 9-7. Wetlands and Floodlines	300
Figure 9-8. Identified Wetlands and the zones of sensitive receptors.....	301
Figure 9-9. Elandspruit Infrastructure plan	303
Figure 9-10 Local Geological Map	304
Figure 9-11 Generalised Stratigraphic Column	305
Figure 9-12. Exploration Drill Hole Positions.....	310
Figure 9-13. No. 1 Coal Seam Thickness (m).....	321
Figure 9-14. No. 1 Coal Seam Depth to Roof (m).....	321
Figure 9-15. No. 1 Coal Seam Floor Elevation (mamsl).....	321
Figure 9-16. No. 2 Lower Coal Seam Thickness (m)	323
Figure 9-17. No. 2 Lower Coal Seam to No. 1 Coal Seam Parting Thickness (m).....	323
Figure 9-18. No. 2 Lower Coal Seam Depth to Roof (m)	324
Figure 9-19. No. 2 Lower Coal Seam Floor Elevation (mamsl)	324

Figure 9-20. No. 2 Upper Coal Seam Thickness (m)	326
Figure 9-21. No. 2 Upper to No. 2 Lower Coal Seam Parting Thickness (m).....	326
Figure 9-22. No. 2 Upper Coal Seam Depth to Roof (m)	327
Figure 9-23. No. 2 Upper Coal Seam Floor Elevation (mamsl)	327
Figure 9-24. No. 4 Lower Coal Seam to No. 2U Coal Seam Parting Thickness (m)	329
Figure 9-25. No. 4 Lower Coal Seam Thickness (m)	329
Figure 9-26. No. 4 Lower Coal Seam Depth to Roof (m)	330
Figure 9-27. No. 4 Lower Coal Seam Floor Elevation (mamsl)	330
Figure 9-28. Location of the cross sections	332
Figure 9-29. West - East Cross Sections	332
Figure 9-30. North-South Cross Sections	333
Figure 9-31. No. 1 Seam Raw Ash Content Distribution	335
Figure 9-32. No. 1 Seam F1.8 Ash Content Distribution	335
Figure 9-33. No. 1 Seam Raw Calorific Value Content Distribution	336
Figure 9-34. No. 1 Seam F1.8 Calorific Value Content Distribution	336
Figure 9-35. No. 1 Seam Raw Total Sulphur Content Distribution	337
Figure 9-36. No. 1 Seam F1.8 Total Sulphur Content Distribution	337
Figure 9-37. No. 1 Seam Raw Volatile Matter Content Distribution	338
Figure 9-38. No. 1 Seam Raw Dry Ash Free Volatile Matter Distribution.....	338
Figure 9-39. No. 1 Seam F1.8 Volatile Matter Content Distribution	339
Figure 9-40. No. 1 Seam F1.8 Yield Distribution.....	339
Figure 9-41. No. 2 Lower Seam Raw Ash Content Distribution	341
Figure 9-42. No. 2 Lower Seam F1.8 Ash Content Distribution	341

Figure 9-43. No. 2 Lower Seam Raw Calorific Value Content Distribution	342
Figure 9-44. No. 2 Lower Seam F1.8 Calorific Value Content Distribution	342
Figure 9-45. No. 2 Lower Seam Raw Total Sulphur Content Distribution	343
Figure 9-46. No. 2 Lower Seam F1.8 Total Sulphur Content Distribution	343
Figure 9-47. No. 2 Lower Seam Raw Volatile Matter Content Distribution.....	344
Figure 9-48. No. 2 Lower Seam Raw Dry Ash Free Volatile Matter Distribution	344
Figure 9-49. No. 2 Lower Seam F1.8 Volatile Matter Content Distribution.....	345
Figure 9-50. No. 2 Lower Seam F1.8 Yield.....	345
Figure 9-51. No. 2 Upper Seam Raw Ash Content Distribution	347
Figure 9-52. No. 2 Upper Seam F1.8 Ash Content Distribution	347
Figure 9-53. No. 2 Upper Seam Raw Calorific Value Content Distribution	348
Figure 9-54. No. 2 Upper Seam F1.8 Calorific Value Content Distribution	348
Figure 9-55. No. 2 Upper Seam Raw Total Sulphur Content Distribution	349
Figure 9-56. No. 2 Upper Seam F1.8 Total Sulphur Content Distribution	349
Figure 9-57. No. 2 Upper Seam Raw Volatile Matter Content Distribution.....	350
Figure 9-58. No. 2 Upper Seam Raw Dry Ash Free Volatile Matter Distribution	350
Figure 9-59. No. 2 Upper Seam F1.8 Volatile Matter Content Distribution.....	351
Figure 9-60. No. 2 Upper Seam F1.8 Yield.....	351
Figure 9-61. No. 4 Lower Coal Seam Raw Ash Content Distribution	352
Figure 9-62. No. 4 Lower Coal Seam Raw Calorific Value Content Distribution	353
Figure 9-63. No. 4 Lower Coal Seam Raw Total Sulphur Content Distribution.....	353
Figure 9-64. No. 4 Lower Coal Seam Raw Volatile Matter Content Distribution	354
Figure 9-65. No. 4 Lower Coal Seam Raw Dry Ash Free Volatile Matter Distribution.....	354

Figure 9-66. No. 4L Seam Resource Classification.	357
Figure 9-67. No. 2U Seam Resource Classification.....	358
Figure 9-68. No. 2L Seam Resource Classification.	358
Figure 9-69. No. 1 Seam Resource Classification.	359
Figure 9-70. Elandspruit Opencast ROM History	373
Figure 9-71. Elandspruit Underground ROM History	373
Figure 9-72. Elandspruit mining contractor organogram	376
Figure 9-73. Elandspruit LOM RoM Breakdown.....	377
Figure 9-74. Elandspruit ROM split between raw and wash feed – Duvha supply option	378
Figure 9-75. Elandspruit ROM split between Raw and Wash feed - Kusile option.....	378
Figure 9-76. Option1 Product CV - Duvha supply	379
Figure 9-77. Option2 Product CV - Kusile supply.....	379
Figure 9-78. Elandspruit LOM 1 Seam Progress Plan	380
Figure 9-79. Elandspruit Wetland systems (Courtesy of ECI).....	389
Figure 9-80. Elandspruit rehabilitation plan (African Soil)	396
Figure 10-1. Project Description.....	406
Figure 10-2. Khanyisa Locality Plan.....	407
Figure 10-3. Triangle Topography (original pre-mining surface).	413
Figure 10-4. Physiography and Land Use.....	413
Figure 10-5. Other coal operations in the vicinity of Khanyisa Colliery	415
Figure 10-6. Khanyisa Colliery Local Geology	416
Figure 10-7 Generalised Stratigraphic Column	418
Figure 10-8. Khanyisa Complex Drilling Status.....	420

Figure 10-9. No. 2 Seam Thickness (m)	431
Figure 10-10. No. 2 Seam Depth to Roof (m)	431
Figure 10-11. No. 2 Seam Floor Elevation (mamsl)	432
Figure 10-12. No. 4 Lower Coal Seam Thickness (m)	434
Figure 10-13. No. 4 Lower Coal Seam Depth to Roof (m)	434
Figure 10-14. No. 4 Lower Coal Seam Floor Elevation (mamsl)	435
Figure 10-15. Parting thickness between the No. 4 Lower and No. 2 Coal Seams	435
Figure 10-16. No. 4 Upper Coal Seam Thickness (m)	437
Figure 10-17. No. 4 Upper Coal Seam Depth to Roof (m)	437
Figure 10-18. No. 4 Upper Coal Seam Floor Elevation (mamsl)	438
Figure 10-19. Cross Section Location Plan	439
Figure 10-20. Triangle Area Cross-Sections	440
Figure 10-21. No. 2 Coal Seam Raw Ash Content	441
Figure 10-22. No. 2 Coal Seam Raw Calorific Value Content	442
Figure 10-23. No. 2 Coal Seam Raw Total Sulphur Content	442
Figure 10-24. No. 2 Coal Seam Raw Volatile Matter Content	443
Figure 10-25. No. 4 Lower Coal Seam Raw Ash Content	444
Figure 10-26. No. 4 Lower Coal Seam Raw Calorific Value Content	444
Figure 10-27. No. 4 Lower Coal Seam Raw Total Sulphur Content	445
Figure 10-28. No. 4 Lower Coal Seam Raw Volatile Matter Content	445
Figure 10-29. No. 4 Upper Coal Seam Raw Ash Content	446
Figure 10-30. No. 4 Upper Coal Seam Raw Calorific Value Content	447
Figure 10-31. No. 4 Upper Coal Seam Raw Total Sulphur Content	447

Figure 10-32. No. 4 Upper Coal Seam Raw Volatile Matter Content	448
Figure 10-33 No. 2 Seam Resource Classification.	451
Figure 10-34 No. 4L Seam Resource Classification.	451
Figure 10-35 4U Seam Resource Classification.	452
Figure 10-37. Khanyisa Opencast ROM History	459
Figure 10-38. Khanyisa Rehabilitation plan (African Soil Survey)	464

List of Tables

Table 1-1 Summary of Salungano operating assets	2
Table 1-2 Summarised Coal Resource and Coal Reserve Estimation for the Salungano Group as at 31 March 2025	5
Table 7-1 Approved Environmental Authorisations	29
Table 7-2 Approved Water Uses	29
Table 7-3. Moabsvelden Infrastructure Capital	35
Table 7-4. Summary of Historical Ownership and Associated Activities	36
Table 7-5. Moabsvelden Stratigraphic Summary	40
Table 7-6 Planned Drilling Budget	45
Table 7-7. No. 1 Seam Drill Hole Statistics	60
Table 7-8. No. 1 Seam Model Statistics	60
Table 7-9. No. 2L Seam Drill Hole Statistics	63
Table 7-10. No. 2L Seam Model Statistics	63
Table 7-11. No. 2U Seam Drill Hole Statistics	66
Table 7-12. No. 2U Seam Model Statistics	66
Table 7-13. No. 4L Seam Drill Hole Statistics	69

Table 7-14. No. 4L Seam Model Statistics	69
Table 7-15. No. 4U Seam Drill Hole Statistics.....	72
Table 7-16. No. 4U Seam Model Statistics	72
Table 7-17. No. 4UU Seam Drill Hole Statistics	74
Table 7-18. No. 4UU Seam Model Statistics.....	75
Table 7-19. No. 5 Seam Drill Hole Statistics	76
Table 7-20. No. 5 Seam Model Statistics	76
Table 7-21 Factors for the Determination of Reasonable Prospects for Eventual Economic Extraction.....	117
Table 7-22. Drill Hole Density at Moabsvelden	118
Table 7-23: Summary of Reporting Definitions (SANS10320:2020)	123
Table 7-24. Moabsvelden Coal Resource Estimate at as 31 March 2025	125
Table 7-25. Moabsvelden Raw and F1.8 Qualities at as 31 March 2025.....	125
Table 7-26. Reconciliation between the 2024 and 2025 Coal Resource Estimates.....	126
Table 7-27 Moabsvelden Geological Risks.....	126
Table 7-28. Cut-off parameters applied in the mining model.	132
Table 7-29. Identified Risks at Moabsvelden	137
Table 7-30. Moabsvelden Mining Costs.....	138
Table 7-31. Moabsvelden Operational Capital.....	139
Table 7-32. Moabsvelden Beneficiation Operating costs	142
Table 7-33. Moabsvelden Processing Capital.....	142
Table 7-34. Moabsvelden Product Distribution Cost.....	143
Table 7-35. Historical Coal Reserve Estimates.....	144
Table 7-36. Previous Coal Reserve Estimate - 31 March 2024	144

Table 7-37. Current Coal Reserve Estimate For Moabsvelden Colliery - 31 March 2025.....	145
Table 7-38. Reserve Estimation Reconciliation FY24 to FY25	146
Table 7-39. Moabsvelden Closure Provision at an NPV level.....	150
Table 7-40. Salungano Explanation of Logic used in the Financial Model.	150
Table 7-41. Moabsvelden Other Operational Cost.....	152
Table 7-42. Moabsvelden General And Unallocated Capital	153
Table 7-43. Moabsvelden Valuation Basis	154
Table 7-44. Moabsvelden Capital Summary	155
Table 7-45. Moabsvelden Project Risks.....	155
Table 8-1. Vanggatfontein Approved Water Use Licences	161
Table 8-2. Vanggatfontein Environmental Authorisations	162
Table 8-3. Vanggatfontein Approved Water Uses for the Opencast Areas	162
Table 8-4. Vanggatfontein Approved Water Uses for VG6 Underground Infrastructure	163
Table 8-5 A summary of the Historical Ownership of Vanggatfontein.....	170
Table 8-6. Summary of the Exploration at Vanggatfontein.....	177
Table 8-7. No. 2 Seam Drill Hole Statistics	189
Table 8-8. No. 2 Seam Model Statistics	189
Table 8-9. No. 4 Seam Drill Hole Statistics	192
Table 8-10. No.4 Seam Model Statistics	192
Table 8-11. No. 4U Seam Drill Hole Statistics.....	194
Table 8-12. No.4U Seam Model Statistics	194
Table 8-13. No. 5 Seam Drill Hole Statistics	197
Table 8-14. No. 5 Seam Model Statistics	197

Table 8-15: Factors for the Determination of Reasonable Prospects for Eventual Economic Extraction	230
Table 8-16. Drill Hole Density at Vanggatfontein	231
Table 8-17. Summary of Reporting Definitions (SANS10320:2020)	235
Table 8-18. Vanggatfontein Coal Resource Estimate at as 31 March 2025.....	236
Table 8-19. Vanggatfontein Raw Coal Qualities at as 31 March 2025.....	236
Table 8-20. Vanggatfontein F1.8 Coal Qualities as at 31 March 2025.....	237
Table 8-21. Vanggatfontein Resource Reconciliation	239
Table 8-22: Geological Risks Identified at Vanggatfontein.....	239
Table 8-23. Design parameters (ARMS, 2019).....	251
Table 8-24 Modifying Factors Applied at Vanggatfontein.....	254
Table 8-25. Vanggatfontein Production Statistics	257
Table 8-26 Identified Mining Risks at Vanggatfontein.....	262
Table 8-27 Identified Mining Risks at Vanggatfontein.....	263
Table 8-28. Vanggatfontein Opencast Operating Costs.....	264
Table 8-29. Vanggatfontein Underground Operating Costs	265
Table 8-30. Vanggatfontein Underground Capital Cost	265
Table 8-31. Vanggatfontein toll wash beneficiating costs	270
Table 8-32. Vanggatfontein process plant capital	270
Table 8-33. Vanggatfontein product distribution costs	271
Table 8-34. Historical Coal Reserve Estimates.....	272
Table 8-35. Previous Coal Reserve Estimate - 31 March 2024	272
Table 8-36. Coal Reserve Estimate For Vanggatfontein Colliery as at 31 March 2025	274
Table 8-37. Reserve estimation reconciliation FY24 to FY25	275

Table 8-38 Coal Reserve Estimation Risks.....	275
Table 8-39 Closure Cost Estimates (Zynthia Consulting)	280
Table 8-40. Vanggatfontein closure provision at NPV level	282
Table 8-41. Vanggatfontein Fixed Mining costs	284
Table 8-42. Vanggatfontein Total Capital.....	285
Table 8-43. Vanggatfontein Valuation Summary.....	285
Table 8-44 Vanggatfontein Consolidated Risk Summary.....	286
Table 9-1. Elandspruit Water Use licenses	295
Table 9-2. Elandspruit Environmental Authorisations	295
Table 9-3. Standard Tests for Thermal Coal Analysis.....	315
Table 9-4. No. 1 Seam Drill Hole Statistics	319
Table 9-5. No. 1 Seam Model Statistics.....	320
Table 9-6. No. 2L Seam Drill Hole Statistics	322
Table 9-7. No. 2L Seam Model Statistics.....	322
Table 9-8. No. 2U Seam Drill Hole Statistics.....	325
Table 9-9. No. 2U Seam Model Statistics	325
Table 9-10. No. 4L Seam Drill Hole Statistics	328
Table 9-11. No. 4L Seam Model Statistics	328
Table 9-12: Factors for the Determination of Reasonable Prospects for Eventual Economic Extraction.....	355
Table 9-13. Drill Hole Density at Elandspruit	357
Table 9-14: Summary of Reporting Definitions (SANS10320:2020)	360
Table 9-15. Elandspruit Coal Resource Estimate as at 31 March 2025.....	362
Table 9-16. Elandspruit Raw Coal Qualities as at 31 March 2025.....	363

Table 9-17. Elandspruit F1.8 Coal Qualities as at 31 March 2025.....	365
Table 9-18. Elandspruit comparison of Resource Estimates 2023 and 2025.....	366
Table 9-19 Geological Risks Identified at Elandspruit.....	366
Table 9-20. Elandspruit model cut off parameters	370
Table 9-21. Elandspruit Modifying Factors Applied.....	371
Table 9-22 Elandspruit Opencast Risks.....	381
Table 9-23. Elandspruit Historical Reserve Estimates	383
Table 9-24. Elandspruit Previous Coal Reserve Estimate - 31 March 2024	384
Table 9-25. Elandspruit Current Coal Reserve Estimate - 31 March 2025	386
Table 9-26.Elandspruit Reserve Estimation Reconciliation FY24 to FY25.....	387
Table 9-27. Reserve Estimation Risks	388
Table 9-28. BRP royalty high level valuation model.....	401
Table 9-29. Elandspruit High Level Valuation option to provide Duvha PowerStation	401
Table 9-30. Elandspruit high Level valuation option to supply Kusile PowerStation	402
Table 9-31 Elandspruit Consolidated Risk Summary.....	403
Table 10-1 Summary of the Company's Environmental Authorisations.	410
Table 10-2. Standard tests for coal samples.....	425
Table 10-3. No. 2 Seam Drill Hole Statistics	430
Table 10-4. No. 2 Seam Model Statistics	430
Table 10-5. No. 4L Seam Drill Hole Statistics	432
Table 10-6. No. 4L Seam Model Statistics	433
Table 10-7. No. 4U Seam Drill Hole Statistics.....	436
Table 10-8. No. 4U Seam Model Statistics	436

Table 10-9: Factors for the Determination of Reasonable Prospects for Eventual Economic Extraction	449
Table 10-10. Drill Hole Density at Triangle.....	450
Table 10-11: Summary of Reporting Definitions (SANS10320:2020)	453
Table 10-12. Khanyisa Triangle Coal Resource Estimate as at 31 March 2025	455
Table 10-13. Khanyisa Triangle Resource Reconciliation.....	456
Table 10-14. Khanyisa Historical Coal Reserve Estimates	460
Table 10-15 A Summary of the Risks Identified at Khanyisa	466

1 INTRODUCTION

1.1 Background

JSE12.10(h)(i); SR1.1(i); SR7.1(i); SV1.3; SV1.4; SV15

Miptec (Pty) Ltd (**Miptec**) was commissioned by the Directors of Salungano Group Limited (**Salungano, or the Company, or the Client**), a coal mining and exploration company with thermal coal assets located in the Mpumalanga Province of South Africa, to compile a Competent Person's Report (**CPR or the Report**) on the 100% owned coal operating assets of the company, as part of a delisting process from the Johannesburg Stock Exchange (**JSE**).

The operating assets included in this report are the Moabsvelden Colliery (**Moabsvelden**), Vanggatfontein Colliery (**Vanggatfontein or VGF**), Elandspruit Colliery (**Elandspruit**) and Khanyisa Colliery (**Khanyisa**), of which the Triangle area refers.

Over the last two years, multiple subsidiaries of Salungano have undergone business rescue proceedings. On the 25th of August 2023, Salungano began voluntary business rescue proceedings for its subsidiary Wescoal Mining (Pty) Ltd (**Wescoal**), which holds both Khanyisa and Elandspruit Collieries. This Business Rescue Plan was developed to save the assets from liquidation, which was being sought by a contractor.

At the time, the underground at Elandspruit was operational with one mining section, producing in the order of 25 000 tonnes monthly. This continued with no financial benefit to Elandspruit, due to quality constraints and lack of a suitable market. The underground operations at the time of this report were stopped. The life of mine (**LOM**) plan was updated with various coal marketing options, to provide a range of values, considering the current strategic uncertainty facing the colliery. The Mining Right (**MR**) expires on the 27th of October 2027; there is the assumption an extension will be applied for timeously.

Khanyisa, has remained under care and maintenance since mid-2024. The coal reserves have been depleted, and the mine is in the closure phase. Some options exist to extract coal within the 100 m buffer of the Transnet pipeline, however no permissions in this regard were obtained. In addition, some old underground areas, now filled with water, could be opened up for pillar extraction, however previous pillar extraction was stopped due to economic reasons. The Mining Right for Khanyisa expired on the 26th of October 2021; an extension was applied for timeously, however, there has been no update from the Department of Mineral Resources and Energy (**DMRE**). Currently, there are no coal reserves declared for Khanyisa.

Keaton Mining (Pty) Ltd (**Keaton**), another subsidiary of Salungano, also entered business rescue in early 2024. The initial business rescue application for Keaton, which operates the Vanggatfontein Colliery was initially dismissed in April 2024, however, after an appeal was lodged, a provisional liquidation order was formally discharged in October 2024. By January 2025, agreements with suppliers and a management agreement had

been finalized as part of a Section 155 Compromise Settlement proposal. As such, production at Vanggatfontein has since recommenced under these restructured conditions, operating below capacity. Currently, Vanggatfontein has an updated Life of Mine Plan (**LOMP**) which was finalised in July 2025, post the effective date of this report. The MR expires on the 22nd of February 2030.

Neosho Trading 86 Proprietary Limited (**Neosho**), which owns Moabsvelden, the main income generating asset for the Company, is not reported to be in Business Rescue. Moabsvelden is operating at full capacity, with plans underway to increase production for the Financial Year (**FY**) 2026. The current LOMP was updated during July 2025; the MR expires on the 15th of October 2031.

summarises the four 100% owned operating assets detailed in this CPR.

Table 1-1 Summary of Salungano operating assets

ITEM	VANGGATFONTEIN	MOABSVELDEN	ELANDSPRUIT	KHANYISA
Holding Company	Keaton Mining (Pty) Ltd	Neosho Trading 86 Proprietary Limited	Wescoal Mining (Pty) Ltd	Wescoal Mining (Pty) Ltd
Current Legal Status	Section 155 compromise (JSE)	Full Production	Section 33 of JSE Business rescue, LOMP	Section 33 of JSE, Business rescue
Current Mining Status	Limited Production	Full Production	Limited Production	Care and Maintenance
Right	Mining	Mining	Mining	Mining
Area	2072 Ha	250 Ha	538 Ha	
Scope	LOM plan	LOM plan	Indicative LOM plan	Care and maintenance / closure
Right and Tenure	MR 23 Feb 2010 (MP/30/5/1/1/2/2/309MR) Valid for 20 years; expires 22 Feb 2030 – 4.9 years remaining	MR 16 Oct 2013 10025 MR Valid for 18 Years; expires 15 Oct 2031 – 6.5 years remaining	MR 28 Oct 2010 351 MR Valid for 16 Years; expires 27 Oct 2026 – 1.6 years remaining	MR 27 Oct 2006 107 MR Valid for 15 Years; expired 26 Oct 2021 – application to extend submitted, awaiting response.

Wescoal own a processing facility located 18 km south of Elandspruit, on the farm Goedehoop, previously owned by Muhanga Mines. The facility has a monthly processing capacity of approximately 210 000 tonnes (t) of run-of-mine (**ROM**) coal. It includes a drum plant and a cyclone plant for producing thermal coal. The coal processed at the plant was supplied to Eskom, as well as to the export and local markets. Currently the plant is used on a toll wash basis by external clients.

The Vanggatfontein processing plant, owned by Keaton, is located at the Vanggatfontein Colliery. It is a modular coal processing plant with a capacity of 600 tonnes per hour (**tph**). The plant was built to wash coal for both Eskom and the export market. It also processes coal from the nearby Moabsvelden mine, saving the need for a separate facility.



Figure 1-1. A plan indicating the location of the 100% owned collieries (red).

1.2 Ownership

JSE12.10(h)(iii); SR1.5(i)(ii); SV1.2; ESG4.1

Salungano is a coal mining company, that holds various operating assets on a 100% ownership basis, as indicated in Figure 1-2 and asset location plan, below. Salungano hold 100% interest in Moabsvelden, Vanggatfontein, Khanyisa and Elandspruit.

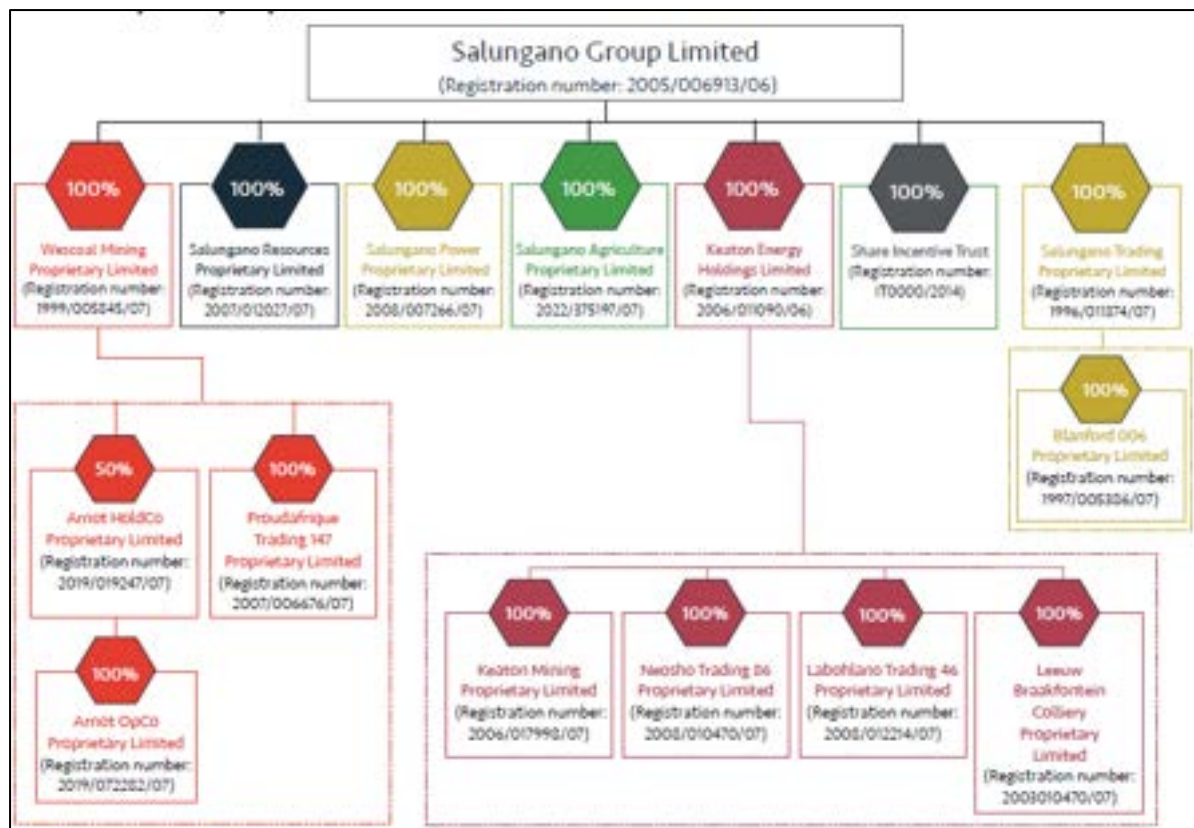


Figure 1-2. Salungano Company structure

1.3 Resource and Reserve Summary

Table 1-2 Summarised Coal Resource and Coal Reserve Estimation for the Salungano Group as at 31 March 2025

At 31 March 2025								
	Coal Resource (MTIS) (AD)				ROM Coal Reserve (AR)			
	Inferred Mt	Indicated Mt	Measured Mt	Total Coal Resource Mt	Probable Mt	Proved Mt	Total ROM Coal Reserve Mt	
Elandspruit Colliery	-	-	6.46	6.46	1.00	4.13		5.13
Elandspruit Opencast	-	-	5.99	5.99	1.00	4.13		5.13
4 Seam			0.41	0.41	0.02	0.33		0.35
3 Seam				-				-
2U Seam			1.37	1.37	0.23	0.96		1.19
2L Seam			1.86	1.86	0.37	1.15		1.52
1 Seam			2.35	2.35	0.39	1.69		2.07
Elandspruit Underground	-	-	0.47	0.47	-	-		-
1 Seam			0.47	0.47	-	-		-
Khanyisa Colliery	-	-	2.61	2.61	-	-		-
Triangle Opencats	-	-	2.61	2.61	-	-		-
Triangle Opencast				-				-
4U Seam			0.72	0.72		-		-
4L Seam			0.67	0.67		-		-
2 Seam			1.22	1.22		-		-
Vanggatfontein Colliery	-	-	23.03	23.03	5.66	10.29		15.95
Vanggatfontein opencast	-	-	14.09	14.09	2.05	10.29		12.34
5 Seam			0.33	0.33		0.24		0.24
4U Seam			3.04	3.04	2.05			2.05
4 Seam			3.20	3.20		3.90		3.90
2 Seam			7.52	7.52		6.15		6.15
Vanggatfontein underground	-	-	8.94	8.94	3.61	-		3.61
4 Seam			6.47	6.47	3.61			3.61
2 Seam			2.47	2.47				-
Moabsvelden Colliery	-	-	27.08	27.08	-	17.85		17.85
Moabsvelden Opencast	-	-	27.08	27.08	-	17.85		17.85
5 Seam			1.91	1.91		1.49		1.49
4 Seam			12.55	12.55		8.18		8.18
2 Seam			11.39	11.39		7.65		7.65
1 Seam			1.23	1.23		0.53		0.53
TOTAL (100% basis)	-	-	59.18	59.18	6.67	32.26		38.93

Table 1-2 summarises the Coal Resource and Coal Reserve Estimates for the Salungano Group's 100% owned assets. Salungano holds a 100% owned Coal Resource base of 59.18 Million Tonnes (**Mt**) on a Mineable Tonnes in site (**MTIS**) basis, all of which are in the Measured Coal Resource Category. In terms of the Company's Coal Reserve Estimate, Salungano holds a total Coal Reserve base of 38.93 Mt ROM, of which 6.67 Mt (17%) are classified as Probable Reserves. Of the 100% owned assets, Moabsvelden holds just less than 50% of the total Coal Reserves, with the potential to further increase its reserve base.

1.4 Terms of reference, reporting compliance and sources of data

JSE 12.10 (h)(i); SV1.2, SV1.3

1.4.1 Purpose of the report

JSE 12.10 (h)(i); SV1.2, SV1.3

To compile an updated CPR for the 100% owned and operating assets of Salungano required by the JSE as part of the delisting process on the stock exchange. In addition to update a consolidated Integrated summary report for the inclusion in the Integrated Annual Report for Salungano.

1.4.2 Scope of the report

SR3.1(iii); SR7.1(i-ii); JSE12.9(e); JSE12.10(h)(ii)

Miptec has undertaken an independent technical review of the coal assets of the Salungano, in order to identify and show all aspects of a technical nature pertaining to each asset which could impact the future and viability of these projects. All available information was considered on an open and transparent basis.

Miptec, together with its associates and co-authors undertook to update geological models, LOM plans and Coal Resource and Reserve Estimates on the 100% owned operating assets.

The Competent Persons responsible for and involved in the preparation of this CPR are members in good standing with their respective professional institutions.

The work is based on technical information and parameters supplied by Salungano management and technical consultants, all of which were independently verified where possible.

1.4.3 Reporting Compliance

JSE 12.10 (e); SV1.1, SV1.4

Miptec confirms that this CPR complies with the disclosure and reporting requirements of the JSE the SAMREC Code and the South African Code for the Reporting of Mineral Asset Valuation (2016 Edition) (**the SAMVAL Code**).

In accordance with the SAMREC Code, this report has been prepared under the direct supervision of a Lead Competent Person (**CP**), Mr. Leon Raaths, who assumes overall responsibility for this report. Mr. Raaths (BTech. Mining Engineering, BSc. Operations Research and MBL), PrEng. Mr. Raaths has more than 35 years of relevant coal experience in the mining industry as a mining engineer. He is registered with the South African Institute of Mining and Metallurgy (SAIMM) Reg. No. 702015)

The CP responsible for the resource estimates in this report is Ms. Katherine Black (BSc. (Hons.), Pr. Sci. Nat. Ms Black has 17 years' experience in the mining industry as a coal geologist. She is registered with the South African Council for Natural Scientific Professions (**SACNASP**), Reg. No. 400295/12.

1.4.4 Sources of Data

SV1.19

Miptec has based this report on information provided by Salungano and its contractors, as well as discussions with relevant company staff members, both at the operation and at head office.

- Miptec – Geological models, Mining models, LOM schedules and plans
- Salungano – valuation models
- Electronic information provided by Salungano
- Discussions with relevant Salungano staff members
- Information readily available on the internet

1.5 Reporting standard and reliance

1.5.1 Reporting Standard

JSE12.9(a)(i); JSE12.10

The reporting standard adopted for the reporting of the Coal Resource and Coal Reserve Estimations for Moabsvelden is the SAMREC Code as prepared by the South African Mineral Resource Committee Working Group under the auspices of the SAIMM and the Geological Society of South Africa (**GSSA**). The definitions of the relevant terms, methodologies and estimation processes employed in this report are according to those set out in SANS 10320:2020 published by Standards South Africa, a division of the South African Bureau of Standards.

1.5.2 Reliance on Miptec

SR9.1(i); SV1.0

Miptec is responsible for the CPR and for all the technical information contained herein. Miptec declares that it has taken all reasonable care to ensure that this CPR and the technical information contained herein is, to the best of its knowledge, in accordance with the facts and makes no omission likely to have any effect on the final outcome of the report.

The authors of this report are not qualified to provide extensive commentary on the legal issues associated with Salungano and/or its subsidiaries' right to the mineral properties. Miptec has obtained copies of the relevant mining and prospecting rights/licences/authorisations, and these have been reviewed to the satisfaction of Miptec. No warranty or guarantee, be it expressed or implied, is made by the authors with respect to the completeness or accuracy of the legal aspects of this document.

1.6 Effective Date and Valuation Date

JSE12.10(a); SR9.1(iii); SV1.2; SV1.3

The Effective Date of this CPR is 31 March 2025 (The **Effective Date**)

All Coal resources and Coal Reserves included in this CPR were estimated at the Effective Date.

The LOM process followed post the effective date, with the valuation models updated by Salungano at the time of this report.

1.6.1 Material Change

JSE12.10(b); SR4.1(iv); SR4.3(viii); SR5.5(iii) SV1.13

No material changes are expected in Coal Resources And Reserves Estimates, apart from normal risks associated with mining recovery, unexpected adverse impact by geological structures and economic related pressure in terms of onerous coal sales agreements or the lack thereof.

Some upside potential will be noted in the various sections, regarding environmentally protected areas impacted by neighbours, that could present Salungano with additional resources. Provided that permissions are obtained to allow mining of currently defined wetlands.

Salungano faces some difficulties that could affect the production schedules and LOM plans. This stems from the fact that Vanggatfontein is under a JSE section 155 compromise agreement and Wescoal assets that are under business rescue, all of which could impact production schedules and the value of operations.

Capex and Opex could be affected due to start up delays on the VG6 underground project.

1.6.2 Units and Currency

All waste volumes and related contract unit rates are based on bank cubic meters unless otherwise stated.

All coal tonnages are expressed in metric tonnes with the basis declared; either on an air-dried basis (**adb**) or on an as- received basis (**ar**). It is assumed that the air-dried moisture of coal as determined on drill hole samples approximates the in-situ moisture content of the coal seam, and therefore no correction was made to convert apparent relative density to in situ relative density (**RD**) for the purpose of resource and reserve estimation.

1.6.3 Sufficiency of rehabilitation funding

SR1.7(i)

The sections below, individually detailing the assets under review, indicate that Salungano as a Group have not sufficiently provided for mine closure for any of the assets. At the time of this report, the total closure liability for the operating assets is in the region of R3.9 billion. Moabsvelden Colliery, provided that the optimisation potential with respect to the final closure plan is proven, has the capacity to still provide to ensure sufficiency.

Salungano requires a change in the way in which they provide for the closure of their operations, as their current process has resulted in this gross insufficiency.

The remainder of the assets, Vanggatfontein, Khanyisa, Elandspruit and Wescoal Processing, even with confirmed coal market agreements, do not have the remaining life to provide sufficiently for closure.

1.7 Verification and Validation

SR3.1(ii); SV1.0

Miptec have performed all necessary verification and validation of the information provided by Salungano and its contractors, to place an appropriate level of reliance on the information. To the best of Miptec's knowledge, all facts presented in this report are valid.

Drafts of this report were provided to Salungano, but only for the purpose of confirming the accuracy of factual material and the reasonableness of assumptions relied upon in the report.

1.8 Limitations, Reliance on information, Declaration, Consent and cautionary Statements

1.8.1 Limitations

SR1.7(i); SV1.0

The Coal Resource and Coal Reserve Estimations contained in this report are based on a range of assumptions, including geological data from drilling and sampling, future mining methods, operating and capital costs, product prices, and exchange rates. These estimates are not guarantees and may change over time.

Operations can be affected if any of the key assumptions—such as production costs, commodity prices, or exchange rates—change negatively, parts of the coal resource may no longer be economically viable. This could lead to a reduction in the reported Coal Reserves.

As for the remainder of the operations, Wescoal under business rescue is seen as highly exposed in terms of possible outcomes, as compared to Vanggatfontein under the Section 155 compromise, for Vanggatfontein, the options with the awarding of an Eskom contract will result in a more focused operation.

This report also includes forward-looking statements, such as production forecasts, LOMPs, and financial projections. These are uncertain by nature and depend on factors that may be outside the control of the company (Salungano) or the independent consultants (Miptec). As such, there is no assurance that actual outcomes will match the projections.

Future cash flows and profits may be higher or lower than expected, and the overall value of the project may need to be revised if conditions change.

1.8.2 Reliance on information

JSE12.9(d)(e); JSE12.10(h)(iv); SR3.1(iii); SR4.5(viii)

The accuracy and completeness of the information provided to Miptec by Salungano and its contractors has been relied upon throughout each section of the CPR. Salungano has confirmed that, to its knowledge, the information provided by it to Miptec was complete and not incorrect or misleading in any material aspect.

Miptec has not conducted a valuation of the coal assets, the valuation was done in-house by the client. Miptec have reviewed the valuations, with comments and reflection in the relevant sections below.

The information and conclusions within this report are based on information made available to the authors by Salungano and its contractors at the time of the preparation of this report. Salungano have reviewed draft copies of this report for factual errors.

Miptec have relied upon general information contained within the reports, articles and databases detailed under the references section.

The authors of this report are not qualified to provide extensive commentary on the legal issues associated with Salungano and/or its subsidiaries' right to the mineral properties. Miptec has not obtained copies of the relevant mining and prospecting rights/licences/authorisations for all the operations under review; however, those received have been reviewed to the satisfaction of Miptec. No warranty or guarantee, be it expressed or implied, is made by the authors with respect to the completeness or accuracy of the legal aspects of this document.

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1.9.1 Declaration (Independence)

JSE12.9(b); JSE12.10(c); JSE12.12(a); SR7.1(i); SV1.0

Miptec are independent advisors to Salungano and will receive a fee for the preparation of this report in accordance with normal professional consulting practice. Neither will consultants receive any other benefit for the preparation of this report.

Miptec nor any of its employees and associates employed in the preparation of this report have any financial or beneficial interest in Salungano or the outcome of this report, which could reasonably be regarded as capable of

affecting their ability to provide an unbiased opinion in relation to Coal Resources and Coal Reserves. This report was compiled independent of Salungano, its directors, senior management and advisors.

1.9.2 Consent

JSE12.12(a); SV1.0

Miptec consents to the issuing of the report in the form and context on which it is to be submitted to the JSE as part of the JSE delisting requirements.

1.9.3 Cautionary Statements

SV1.15

This CPR relates to coal assets held by Salungano Group Limited, which is currently under business rescue proceedings pursuant to Chapter 6 of the South African Companies Act, 71 of 2008. Shareholders and other stakeholders are referred to the SENS announcements issued by Salungano and its subsidiaries, including Wescoal Mining, for further detail on the business rescue status.

Given the ongoing business rescue process, a high level of risk and uncertainty attaches to the assumptions, findings, and conclusions set out in this report. The outcome of the business rescue proceedings remains indeterminate, and may materially impact Salungano's financial position, operations, or ownership of the underlying assets. The process may result in either rehabilitation of the affected assets, selling it or their liquidation.

Under the business rescue order, the Business Rescue Practitioner (BRP) has assumed management and control of the company's affairs, property, and business. The BRP holds broad statutory powers, including the ability to suspend or cancel pre-existing contracts or agreements, which may affect arrangements associated with the coal assets described herein.

During the business rescue period, a statutory moratorium is in place, restricting the initiation or continuation of legal enforcement against the company or its property, except under certain limited circumstances. This moratorium provides breathing room for the rescue process but also constrains the rights of claimants. (See, for example, section 133 of the Companies Act regarding the moratorium and protection of property interests.

The valuation, status, and recoverability of the coal assets, as presented in this CPR, are contingent on the final form of the business rescue plan and the votes and agreements of affected parties (creditors, shareholders, etc.). Under that plan, claims and interests may be restructured, subordinated, settled, or impaired.

There is no assurance that Salungano will successfully emerge from business rescue as a going concern. Should the rescue process ultimately fail, and the company be placed into liquidation, asset realization values and recoveries to creditors or shareholders are commonly lower than those assumed under a successful restructuring.

Accordingly, readers, investors, and stakeholders are urged to treat the information in this CPR with caution, recognizing its dependence on many contingent factors, and to refrain from relying solely on its estimates or forecasts until further clarity emerges from the business rescue process.

1.10 Qualifications of consultants

JSE12.10(c) ; JSE12.10(h)(xi); SR9.1(i)(ii); SV1.0

This report was prepared by Ms. K. Black and Mr. L. Raaths, both of whom have the relevant experience to sign-off on resource and reserve estimates respectively. Both Ms. Black and Mr. Raaths are considered Competent Persons, as defined in the SAMREC Code, and both have more than 5 years' relevant industry experience.

The CP with overall responsibility for the report is Mr. Leonardt Raaths (SAIMM No.702015). Mr Raaths is a mining engineer with over 35 years' experience in the mining industry and takes responsibility for the reporting of the Coal Reserve Estimations.

The CP with the responsibility for the reporting of the Coal Resource Estimations is Ms. Katherine Black, Pr. Sci. Nat. (South African Council for Natural Scientific Professions, 400295/12). Ms. Black is a member of the GSSA and is a Senior Resource Geologist with KJB GeoServices. Katherine has 18 years' experience in the coal mining industry, specialising in geological modelling and Coal Resource Estimation.

Ms. Black has updated the geological models for Vanggatfontein (2023), Elandspruit (2024), Khanyisa (2022) and Moabsvelden (2025) over several years, with the Coal Resource Estimations updated as at the effective date.

Miptec has updated the LOM plans for Vanggatfontein (2025), Elandspruit (2025) and Moabsvelden (2025) as well as for previous reporting periods. Mr. Raaths has updated the Coal Reserve Estimations for the above-mentioned operations as at the effective date.

Miptec has contracted Mr. Jaco Kleynhans, an environmental practitioner with previous and current knowledge of the assets under review, to review and update the relevant ESG sections of this report.

1.11 Personal Inspection of Property

SR 1.1(iii)

All opencast operating sites were visited by Mr. L. Raaths, accompanied by various mine personnel and sub-contractors.

Khanyisa was visited with the Business Rescue representatives during April 2025; no activities were observed as it is under care and maintenance.

At Moabsvelden June 2025, the crushing and screening facility was operational as well as all relevant pit processes. The pit was inspected, after which meetings were held with mine personnel on site.

At Vanggatfontein June 2025, both opencast pits were operational as well as both processing facilities at the time of the visit; all of these were visited and inspected. Meetings were held on the mine with relevant personnel and subcontractors.

At Elandspruit May and June 2025, operations have commenced again in the opencast, with only mobile crushing and screening facilities on the mine. Rehabilitation areas were visited, the neighbouring mine highwalls to the north of the pan adjacent to Elandspruit were unprotected.

The mine historically utilised the Wescoal processing plant some 18km from Elandspruit mine, this is no longer utilised by the mine. The plant is still operating, providing toll wash services, and was visited at commencement of the business rescue operations and several times afterwards for the purpose of meeting with the business rescue representatives. Several meetings with the underground mining contractor at Elandspruit were held. The underground mining has stopped due to favourable reserves being depleted.

2 REPORTING DEFINITIONS

SR10.1(i-ii); SR10.4(i); SR10.5(ii); JSE12.9(e)

Reporting definitions as extracted from SANS0320:2020 are summarised below are adhered to in this report.

An **“Inferred Coal Resource”** is that part of a Coal Resource for which volume or tonnage and coal quality can be estimated only with a low level of confidence. It is inferred from geological evidence and sampling and assumed physical continuity with or without coal quality continuity. It is based on information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill-holes, information that is limited or of uncertain quality and reliability. An Inferred Coal Resource is defined by the coal in the full seam above the minimum thickness cutoff and relevant coal quality cutoffs, as defined by the CP, which meets Salungano the criteria for reasonable and realistic prospects of eventual economic extraction. An Inferred Coal Resource is quantified by a minimum of one (1) cored borehole with coal quality data per 100ha (approximately 1km spacing) for multiple seam deposit types which categorises all of Salungano coal deposit types.

An **“Indicated Coal Resource”** is that part of a Coal Resource for which tonnage, densities, shape, physical characteristics and coal quality can be estimated with a moderate level of confidence. It is based on information from exploration, sampling and testing of material gathered from locations such as outcrops, trenches, pits, workings and drill holes. The locations are appropriate to confirm physical continuity, while the locations are too widely or inappropriately spaced to confirm the continuity of the coal quality. However, such locations are spaced closely enough for such continuity to be assumed. An Indicated Coal Resource is defined by the coal in the full seam above the minimum thickness cutoff and relevant coal quality cutoffs, as defined by the CP, which meets the criteria for reasonable and realistic prospects of eventual economic extraction. An Indicated Coal Resource is

quantified by a minimum of four cored boreholes with coal quality data per 100ha (approximately 500m spacing) for multiple seam deposit types.

A **“Measured Coal Resource”** is that part of a Coal Resource for which tonnage, densities, shape, physical characteristics and coal quality can be estimated with a high level of confidence. It is based on detailed and reliable information from exploration, sampling and testing material gathered from locations such as outcrops, trenches, pits, workings and drill holes. The locations are spaced closely enough to confirm physical and coal quality continuity. A Measured Coal Resource is defined by coal in the full seam above the minimum thickness cutoff and relevant coal quality cutoffs, as defined by the CP, which meets the criteria for reasonable and realistic prospects of eventual economic extraction. A Measured Coal Resource is quantified by a minimum of eight cored boreholes with coal quality data per 100ha (approximately 350m spacing) for all deposit types. The classification of Coal Resources into Inferred, Indicated and Measured categories is therefore a function of increasing geological confidence in the estimate based on the density of points of observation, the physical continuity of the coal seams, the distribution and the reliability of the coal sampling data, the coal quality continuity, the reliability of the geological model, and the evaluation method. Factors that contribute to the uncertainty in Coal Resource estimation include the key constraints used to construct the geological model, seam thickness variations and coal quality distribution within the geological model.

A **“Probable Coal Reserve”** is the economically mineable material derived from a Measured or Indicated Coal Resource or both. It is estimated to have a lower level of confidence than a Proved Coal Reserve. It includes diluting and contaminating materials and allows for losses that are expected to occur when the material is mined. Appropriate assessments to a minimum of a pre-feasibility study for a project or a life-of-mine plan for an operation must have been carried out, including consideration of, and modification by, realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors. Such modifying factors must be disclosed.

A **“Proved Coal Reserve”** is the economically mineable material derived from a Measured Coal Resource. It is Increasing level of geoscientific knowledge and confidence estimated with a high level of confidence. It includes diluting and contaminating materials and allows for losses that are expected to occur when the material is mined. Appropriate assessments to a minimum of a pre-feasibility study for a project or a life-of-mine plan for an operation must have been carried out, including consideration of, and modification by, realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors. Such modifying factors must be disclosed.

A **“Mineable In Situ Coal Reserve”** is the tonnage and coal quality, at specified moisture content, contained in coal seams, or sections of seams, that are proposed for mining, adjusted by the application of the geological loss factors. Sufficient information must be available to enable Exploration results Exploration results Coal Resources conceptual or detailed mine planning, and such mine planning must have been undertaken.

A “**ROM**” is the tonnage and coal quality of Mineable In Situ Coal Reserves that are expected after all geological losses, mining losses, mining dilution, contamination and moisture-content factors have been applied.

A “**Saleable Coal Reserve**” is the tonnage and coal quality that will be available for sale, either in the raw ROM state at a specified moisture content or after beneficiation of the ROM Coal Reserves has produced materials at specified qualities, moisture contents and size ranges.

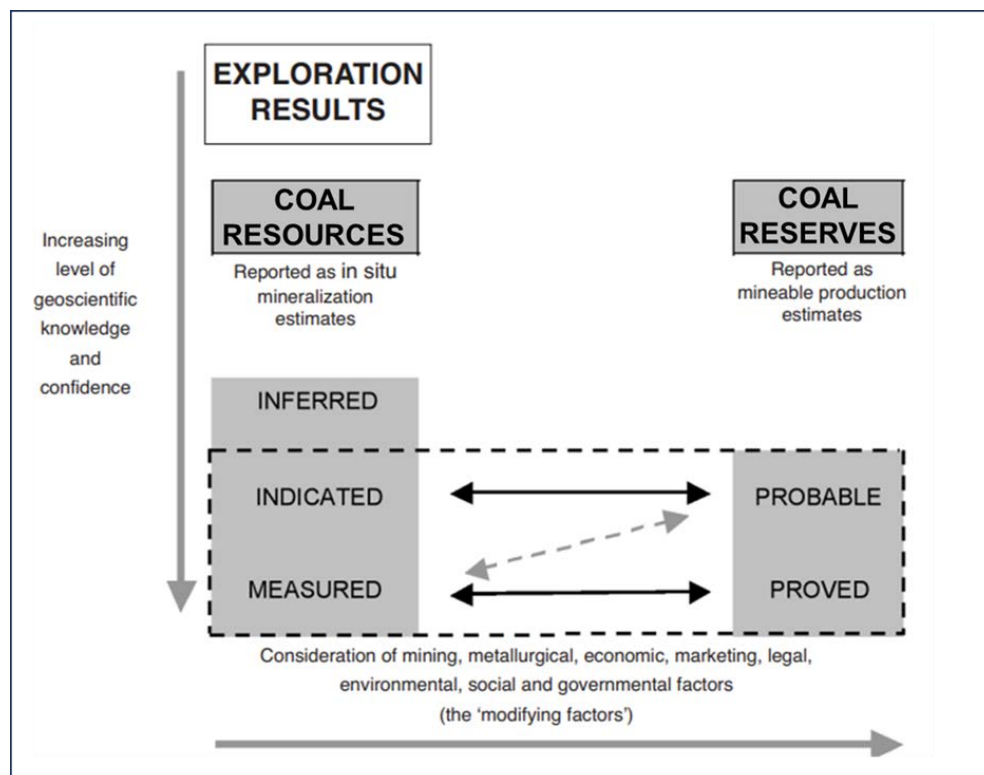


Figure 2-1. Coal Resource and Reserve Classification

3 VALUATION

The Competent Valuator (**CV**) responsible for the Moabsvelden and Vanggatfontein Valuations is Mr Zaheer Saloojee, who holds a B.Com. Degree in Accounting (2003), and a B.Com. Hons (2007). The valuation of Moabsvelden and Vanggatfontein have been undertaken in accordance with the SAMVAL Code, which prescribes internationally aligned standards for the valuation of mineral assets. Under this Code, three generally accepted valuation approaches are recognized.

- **Income Approach**

This method is based on the value-in-use principle, whereby the present value of expected future cash flows generated by the Mineral Asset is determined over its economic life. It reflects the financial performance expected from continued operation.

- **Market Approach**

The Market Approach applies the willing buyer, willing seller principle, estimating value based on prices that could be realized in an arm's-length market transaction. Importantly, simplistic applications—such as multiplying in-situ tonnages by commodity prices—are deemed unacceptable under the SAMVAL Code.

- **Cost Approach**

This approach is based on the replacement cost principle, assuming that a rational buyer would not pay more for an asset than the cost to recreate one of equivalent utility. It relies on historic or forecast capital expenditures to determine value.

The Income based Approach was determined as the most appropriate method in valuating the Salungano assets, as this method is widely accepted as the valuation method for projects and operating assets.

Miptec was engaged to review the models for accuracy and relevance. During this process, Miptec identified that the valuation models prepared by Salungano were limited to the Moabsvelden and Vanggatfontein operations. Consequently, Miptec provided assistance to the Business Rescue Practitioners by developing valuation options for Elandspruit, with the objective of establishing a range of potential values, based on three possible options, the results of which are included in this report.

3.1 General Mineral Asset Valuation Approach

SR5.8(i-iv); SV1.0; SV1.4; SV1.9; SV1.12; SV1.13; JSE12.9(e) JSE12.10(f)

Salungano Financial Consultant, Zaheer Saloojee was responsible for the in-house financial models, which were based on the LOMP plans compiled by Miptec, and which ultimately formed the base of the asset valuations. Salungano only provided valuations for Vanggatfontein and Moabsvelden, as Elandspruit and Khanyisa are currently under the business rescue control.

The Vanggatfontein valuation was exclusively based on the LOMP provided by Miptec, with input parameters (ROM production, price and product specification) provided by both Salungano and the creditors consortium under the JSE Section 155.

The Moabsvelden valuation is based on the LOMP as provided by Miptec, the saleable contractual tonnage and specifications as detailed in the CSA, will all other input parameters provided by Salungano exclusively.

The Vanggatfontein and Moabsvelden valuations were provided to Miptec, who conducted an in-depth detailed assessment and review, the findings and recommendations of which were communicated to Salungano for inclusion/amendment in their valuation models.

In terms of a valuation for Elandspruit, the BRPs for Wescoal provided the interim plan as well as alternative options currently under review. Miptec, in conjunction with the BRPs, completed the relevant sections under the various valuation options, the results of which three are included in this report.

Khanyisa has no Coal Reserves; the remaining Coal Resources are located in peripheral pillars and will require significant approvals and work to access. The current owners and closure liabilities, together with the mines limited potential to generate income, results in a very high negative value. As such, no formal valuation was completed for Khanyisa, with only the liabilities stated.

The Mineral Asset Valuation results are discussed on a per asset basis in the relevant sections of this report.

4 LEGAL ASPECTS

SR1.5(i-iv); SR4.1(iii); SR4.3(iv); JSE12.10(h)(iv)

No official statement from the directors were provided, to indicate that there are no legal proceedings that may have an effect on the continued operations of the operating assets

5 REGULATORY ENVIRONMENT AND TENURE

JSE12.10(h)(iv); SR1.5; SV1.5; ESG4.1

This section covers the applicable regulatory environment within which the Company operates.

5.1 South African Regulatory Environment

Constitution of the Republic of South Africa Act (Act No. 108 of 1996)

Mineral and Petroleum Resources Development Act (Act 28 of 2002)

Holders of a Mining Right must comply with the approved SLP, failure to do so could result in fines or ultimately the suspension or cancelation of the Mining Right. Mine Works Program (MWP) needs to be complied with, it relates to obligations in relation to mining methods, expected production and other technical aspects of mining operations. If the plan or expected production changes over the life, a provision exists to amend the MWP with consent from the Minister in terms of section 102 of the MPRDA.

Renewal of a Mining Right. Applicants for the renewal of a Mining Right must provide a report reflecting the extent of the compliance with the requirements of the approved Environmental Authorisation (EA) and include a detailed MWP for the renewal. In addition, the applicant in terms of Section 24(3) has to demonstrate that it, as the holder of the Mining Right, has complied with the requirements of the prescribed SLP. A maximum period of renewal for a Mining Right is 30 years.

The Mining Charter

Mineral and Petroleum Resources Royalty Act

This royalty act imposes a royalty on mining companies in favour of the National Revenue Fund on the transfer of Mineral Resources.

The Salungano mines fall under the refined Mineral Resource category and the associated formula for the calculation purposes of royalty is noted below. This act allows for the Mining Right Holder to enter into an agreement with the tax authorities to fix the percentage payable, the holder may withdraw from such an agreement at any time.

- Royalty Rate = $0.5 + [\text{EBIT} / (\text{Gross Sales} \times 12.5)] \times 100$ (**Salungano apply 0.5% of coal sales revenue**)
- EBIT = Earnings before Interest and Tax
- Gross Sales = Total revenue from sales

Taxes

- Corporate income tax: Is payable at a rate of 28%
- Carbon tax
- Transaction Value added Tax at a rate of 15%

South African Environmental Legislation

The following legislation (among others) is relevant in an environmental and heritage context to the obligations of a mining company in South Africa.

- The Constitution
- The MPRDA and the regulations promulgated thereunder
- The National Water Act No 36 of 1998 (**NWA**)
- The National Environmental Management Act No 107 of 1998 (**NEMA**)
- The National Environmental Management: Air Quality Act No 39 of 2004 (**NEM:AQA**)
- The National Environmental Management: Waste Act No 59 of 2008 (**NEM:WA**)
- The National Heritage Resources Act No 25 of 1999 (**NHRA**)
- The National Nuclear Regulator Act No 47 of 1999 (**NNRA**)

NEMA is the overarching legislation that give effect to the environmental right protected in Section 24 of the Constitution of South Africa and which provides the underlying framework and principles underpinning the coordinated and integrated management of environmental activities. In terms of NEMA, an EA is required in order to commence listed activities.

Water Use Licence (WUL) is required to undertake any water uses which are specified under Section 21 of the NWA

Waste management Licence (WML) is required in terms NEM:WA in order to undertake certain waste management activities that are listed in regulations Gazetted by the Environmental Minister.

Atmospheric Emissions Licence (AEL) NEM:AQA objectives among other, minimum emission standards. Local Government is entrusted with the competence to manage air pollution, with municipalities being the licensing authority for AEL.

Historical and Cultural Heritage NHRA control the removal or demolition of any articles of historical or cultural importance. A permit to do so is required from the South Africa Heritage Resource Agency or relevant provincial authority.

The National Nuclear Regulator NNRA requires Authorisation from the regulator for certain activities involving radioactive materials.

Financial Provisioning Companies undertaking mining activities must make financial provision for rehabilitation liabilities to the satisfaction of the DMRE. This means that the holder must set aside provisioning for rehabilitation of the mining activities for concurrent rehabilitation, rehabilitation upon closure and the costs of managing latent and residual post-closure impacts. Financial provisioning for the remediation of environmental damage is regulated in terms of Section 24P of NEMA and the Financial Provisioning Regulations, 2015 (2015 Provisioning Regulations).

National Environmental Management: Biodiversity Act (Act No 10 of 2004) (NEM:BA) Seeks to protect certain species and ecosystems

National Environmental Management: Protected Areas Act (Act No 57 of 2003) Seek to protect certain areas, it may require Minister consent or prohibited outright. It provides for example the continued existence of national Parks.

National Forests Act (Act No 84 of 1998) seek to support sustainable forest management and protection of indigenous trees.

Hazardous Substances Act (Act No 15 of 1973) it is regulated by the department of Health and control the declaration of hazardous substances and control the declared substances.

Mine Health and Safety Act (Act No 29 of 1996) (MHSA) regulated by the DMRE, deals with the protection of health and safety of persons in the mining industry.

6 REGIONAL GEOLOGICAL SETTING

SR2.1(i); SV1.7; JSE12.10(h)(v)

All of the operating assets (Elandspruit, Khanyisa, Moabsvelden and Vanggatfontein) are located within the Witbank Coalfield which extends approximately 90 km in an east- west direction from the town of Springs in the west, to Belfast in the east, and 60 km in a north-south direction, from Middelburg in the north, to Rietspruit in the south (Hobbs et al., 2008). The northern extent of the Coalfield is defined by the limit of coal-bearing sediments of the Vryheid Formation which abut against pre-Karoo basement rocks of the Transvaal Sequence, the Waterberg Group and Bushveld Complex. The southern limit of the central sector of the Coalfield is marked by a series of Bushveld Complex inliers known as the Smithfield Ridge (Le Blanc Smith, 1980), while in the east and west sectors, the boundary between the Witbank Coalfield and the Highveld Coalfield to the south is somewhat arbitrary.

The area is underlain by sedimentary rocks of the Karoo Supergroup, deposited 248 – 290 Ma during the Permian Period (Hancox & Götz, 2014). The thickness of the Karoo Supergroup varies from thin in the north to thickest in the palaeovalleys and towards the south, with the variation in thickness primarily due to the uneven nature of the Pre-Karoo topography. This uneven Pre-Karoo topography is also responsible for the controlling the presence and thickness of the Dwyka Group sequence.

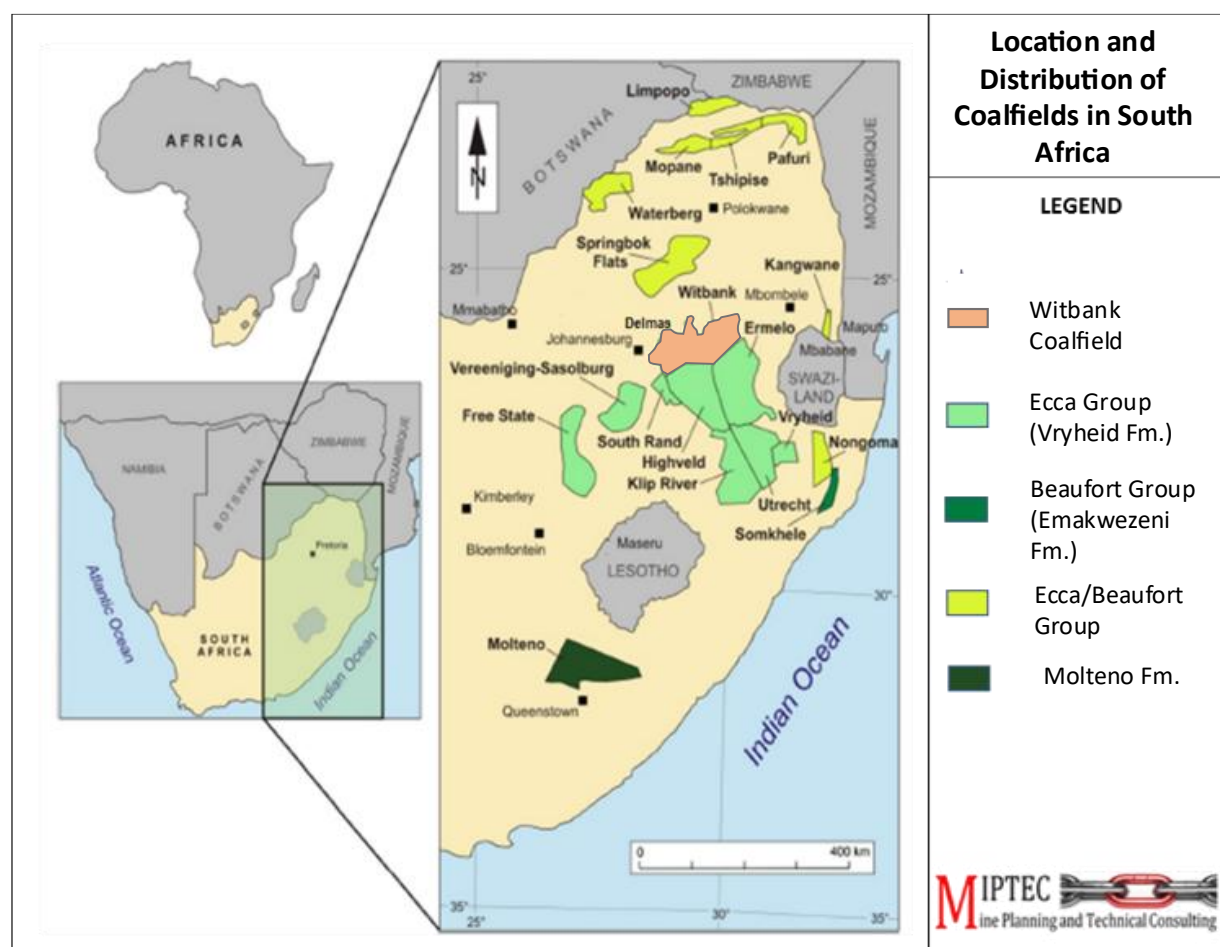


Figure 6-1. Location of the Coalfields of South Africa.

6.1 Stratigraphy

In the Witbank Coalfield, the Karoo Supergroup stratigraphic sequence comprises sediments of only the Dwyka Group and the overlying Vryheid Formation of the Ecca Group. The Dwyka Group is characterized by deposits of glaciogenic origin, including tillites, diamictites and rhythmites, while the Vryheid Formation comprises a predominantly arenaceous sequence of sandstones with sub-ordinate siltstones and mudstones arranged in a series of upward coarsening sequences. Each genetic sequence represents a major cycle of deltaic outbuilding and is usually capped by a bituminous coal seam. The only major disturbances to the strata are the dolerite dykes and sills, which have displaced the coal seams and burnt and devolatilised the coal seams in certain areas.

The five major coal seams of the coalfield are contained within a stratigraphic interval averaging approximately 70m in thickness. The seams are numbered, from the base upwards and include the No. 1 Coal Seam, the No. 2 Coal Seam (split into the No. 2 Lower Coal Seam and No. 2 Upper Coal Seam), the No. 3 Coal Seam, the No. 4 Coal Seam (split into the No. 4 Lower Coal Seam and No. 4 Upper Coal Seam) and the uppermost No. 5 Coal Seam.

The No. 1 Coal Seam averages 1.5 to 2 m thick generally occurring in the lower parts of the palaeovalleys, where its presence is described as patchy (Jeffrey, 2005). The quality of the No. 1 Coal Seam is generally described as dull, however there are some places where it can be beneficiated to produce an export product. The No. 2 Coal Seam averages 6.8 m in the central part of the field and contains some of the best quality coal (metallurgical in places). The seam thins to around 3 m in the east towards the Arnot Colliery. The No. 3 Coal Seam is poorly developed across the field, and where it is present, it is usually less than 0.5 m thick. Where present, the quality can be exceedingly good. The No. 4 Coal Seam varies in thickness between 2.5 and 6.5 m. The coal varies from dull to lustrous in nature. The seam is often divided into the No. 4 Upper and No. 4 Lower Coal Seams, where the parting can range from a sandstone to a siltstone.

The No. 5 Coal Seam is predominantly a bright coal, with an average thickness of approximately 1.8 m. The seam distribution is however sporadic due to fact that it has been extensively eroded.

In late Jurassic times, the Karoo strata were invaded by dolerite dykes and sills which resulted in seam displacement and devolatilisation of coal over extensive areas.

Seam distribution and thickness was controlled primarily by pre-Karoo palaeo-topography as well as syn-depositional and post-depositional events. Seam areal extents are also dictated by the present-day topography, with the stratigraphically higher seams usually preserved only in the deeper depositional basins or in areas of elevated relief. The distribution of economic coal has been further modified through burning or devolatilisation by igneous intrusions and the effects of oxidation resulting from surficial weathering processes.

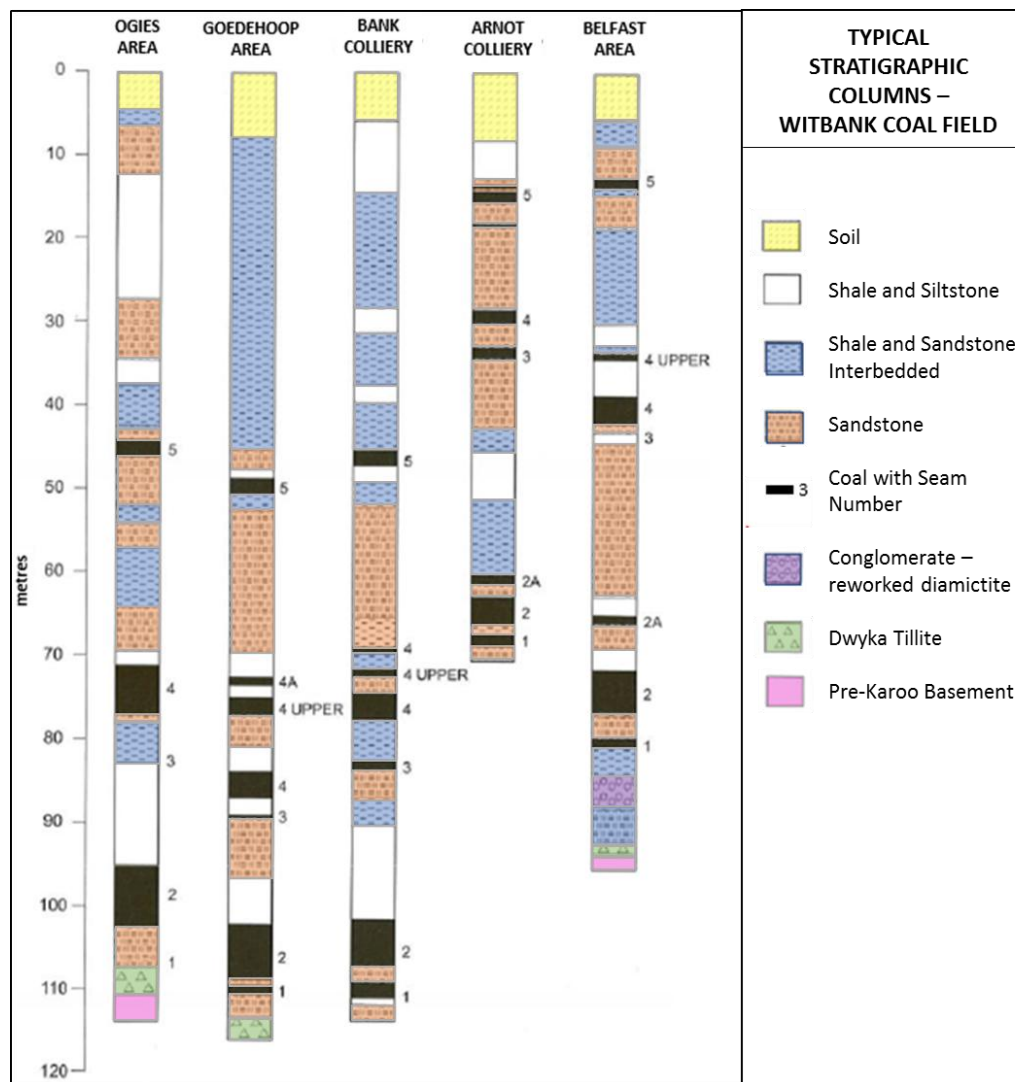


Figure 6-2. Typical Stratigraphic Columns in the Witbank Coalfield

7 MOABSVELDEN COLLIERY

7.1 Project Description

SR1.1(i); SR5.1(i); JSE12.10(h)(ii)

Moabsvelden is an operational open cast coal mining operation with a LOMP, (100% owned by Salungano), situated in the Witbank Coalfield of South Africa. Moabsvelden commenced operations in October of 2020, and as of the effective date, produced 11.3 Mt of ROM at a strip ratio of 2.4 BCM:ROMt.

The Colliery mines the S5, S4 and S2 Coal Seams using truck and shovel rollover mining methods to expose the coal, at a maximum rate of between 200,000tpm to 300 000tpm ROM. The mine has a crushing and screening plant on site, but no Dense Medium Separation (**DMS**) processing capability, as is required for the poorer quality coal plies. The S4 and S2 Seams are split into Upper and Lower plies, the former of which are of a lower quality. The S4L and S2L are high-quality coal seams and are supplied as final products based on a crush and screening process only. The remaining S5, S4U and S2U coal seams are of poorer quality and require full beneficiation. These seams are trucked with road haulers to the nearby Vanggatfontein processing facility for beneficiation, from where the product is dispatched to Eskom's Power Stations.

As at the effective date of this report, Moabsvelden had produced approximately 8 Mt saleable from ROM and 9.8 Mt. from rectification sources, of which Vanggatfontein and Elandspruit constitute the majority. The Mining Right was granted on 16 October 2013 for 18 years and expired on the 15th of October 2031. Moabsvelden is in the process of extending the current CSA with Eskom to ensure the LOM ROM is all secured under contract.

7.2 Recent Work

Recent work at Moabsvelden (2024/2025) included the drilling of 13 fully cored exploration drill holes across the southern half of the licence area. These drill holes were logged, sampled, geophysically (also known as wireline logging) logged; all samples were analysed on both a raw and washed coal basis. The results from the drilling programme allowed for the delineation of S1 as a separate seam from the overlying S2 due to the increase in the parting thickness. Towards the northern portion of the licence area, the parting between the S2 and S1 was thin to non-existent, and therefore the S1 was either incorporated with the S2 or not developed. The updated geological model has modeled the S1 as a discrete seam where both physical and analytical data are available. The S1 has an average thickness of 2.0 m, an average raw calorific value (**CV**) content of 17.9 MJ/kg, and a raw ash content of 36.5%. At a float density of 1.8, (**F1.8**) the CV increases to 21.8 MJ/kg, while the ash decreases to 26.6% and the total sulphur (**TS**) decreases to 0.42%.

Therefore, 1.2 Mt of S1 has been added to the Coal Resource Estimate, with no effect on the mine's overall average quality base.

7.3 Property Location

SR1.1 (ii); SR 1.2(i)

Moabsvelden is located approximately 16 km east southeast of the town of Delmas in the Mpumalanga Province of South Africa, approximately 65 km southwest of Emalahleni and approximately 94 km east of Johannesburg. A railway line passes 2 km to the west of the area with the Kendal power station is situated 19 km to the north-east.

Locally, Moabsvelden is located west of the tarred road that links the R555 provincial road with the town of Leandra (Figure 7-1). The Mine can be accessed from the tarred R50, located off the R555 road linking the towns of Delmas and Ogies. The R555 can be accessed from the N12 highway between Johannesburg and Witbank. Alternatively, a tarred road, which links the R555 provincial road with the town of Leandra, runs northwest-southeast through the center of the property.

There are numerous population centres in proximity to the Colliery. The area has a long history of coal mining, and therefore both skilled and unskilled labour, as well as contractors and other mining-related services are readily available from Ogies, Delmas, Emalahleni, Middelburg and larger centres like Johannesburg and Pretoria. Moabsvelden is situated on Portion 8 of the farm Moabsvelden 248IR and covers an area of 250 ha. The surface rights covering the Mining Right are owned by Salungano. The approximate location of the farm is 26.157°S latitude and 28.814°E longitude.

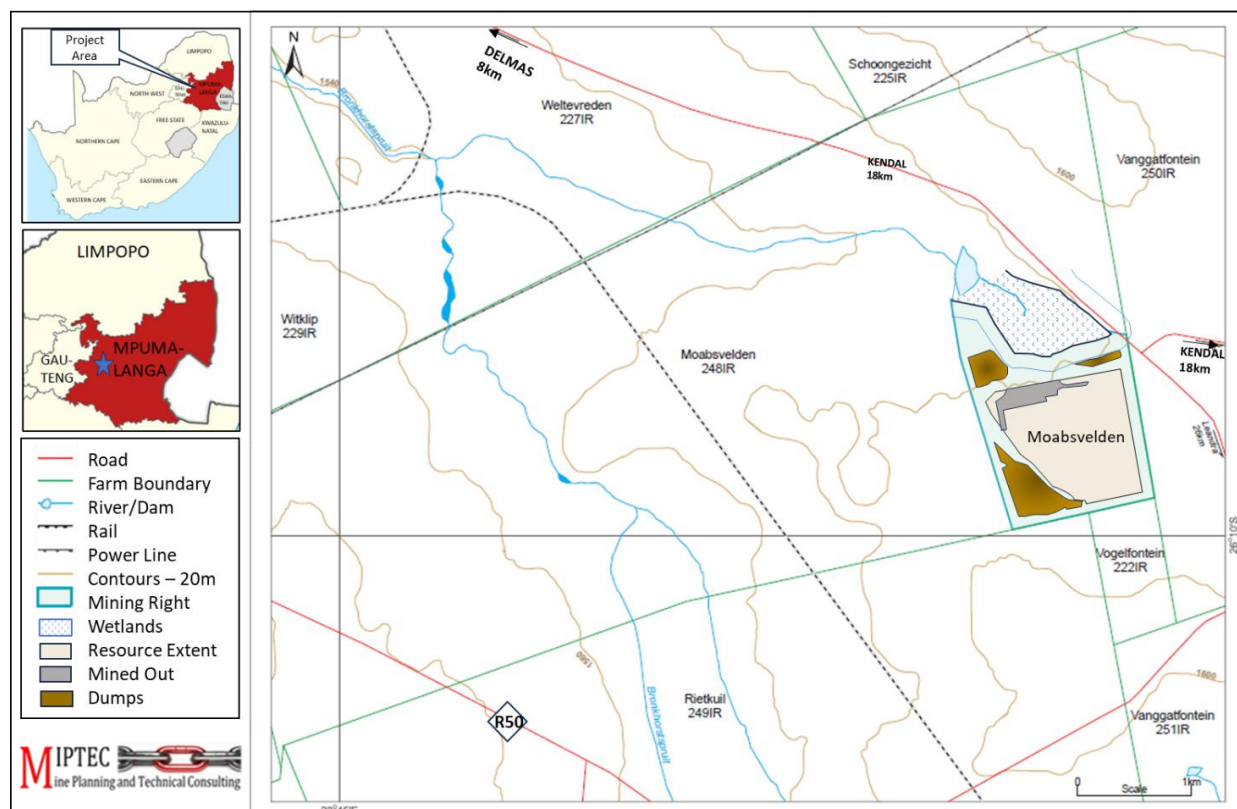


Figure 7-1. A Plan illustrating the Location of Moabsvelden.

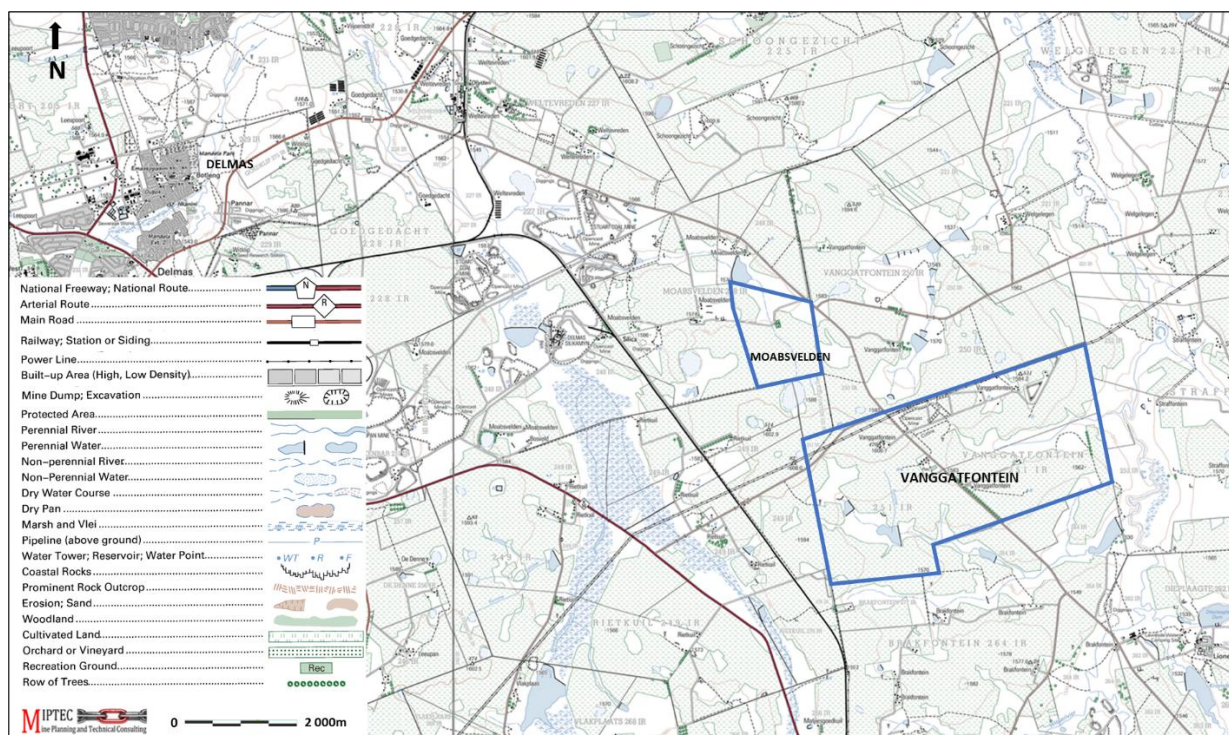


Figure 7-2. A Topocadastral Plan illustration the Location of Moabsvelden and Vanggatfontein.

7.4 Coordinate System

The coordinate system used is the World Geodetic System 1984 (WGS84) datum, which uses the Hartebeesthoek94 geographic 2D Coordinate Reference System as its base and the South African Survey Grid Zone 29 (Transverse Mercator (South Oriented)) as its projection.

7.5 Adjacent properties

SR1.3(i)

The Moabsvelden Colliery is bordered by a number of active collieries. Where available in the public domain, coal qualities are presented.

To the south, approximately 4k away lies the Vanggatfontein operation of Salungano. This operation is covered in this report.

Canyon Coal owns and operates the Phalanndwa Colliery located approximately 7km north northwest of Vanggatfontein. Mining commenced in October 2013 with a 300 tph DMS processing plant for beneficiation. Phalanndwa extracts 120 000 t/m of RoM coal of No: 2 upper, 2 Main and 2 Lower Seams with RoM top size of 500 mm.

Stuart Coal is a privately held coal company operating two pits located approximately 10km west of Vanggatfontein, producing both thermal and domestic boiler products from the No.2 and No 4 Seams. Little information is publicly available, and this mine is therefore not discussed in any further detail.

To the west of Vanggatfontein lies Anglo African Capitol's Rietkuil Property, which is an undeveloped coal project with a current SAMREC compliant GTIS Coal Resource of 199Mt, 157Mt in Measured Coal Resource and 42Mt in the Indicated Coal Resource categories. Sable Mining is similarly privately held and therefore full details on coal quality are not available.

Universal Coal Plc holds 50.29% of the Brakfontein thermal coal project, known as the Ubuntu project, located immediately south of Vanggatfontein colliery. The company has been awarded a Mining Right and Environmental Authorisation. The project hosts a 75.8Mt GTIS JORC compliant Coal Resource including a 9.6Mt Coal Reserve. Qualities for the Brakfontein Coal Resource are unfortunately not available publicly.

The Leeuwpans Colliery is located along the R50, west of Vanggatfontein. It produces thermal and metallurgical coal for both the domestic and export markets. The colliery has about 128 Mt of Coal Resources, inclusive of 52.9 Mt of coal Reserves. The mine produces 6 Mt RoM on an annual basis. Both the 4 Seam and 2 Seam are processed in a DMS plant.

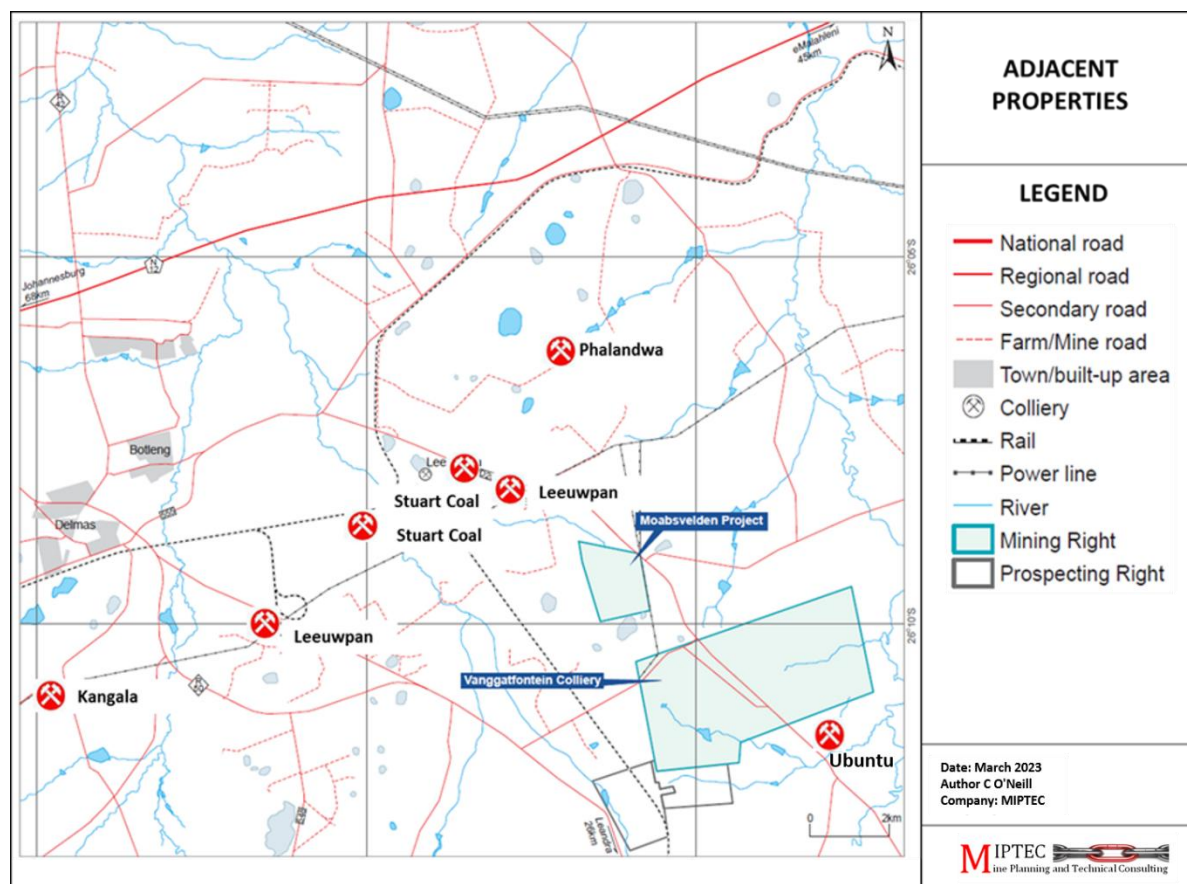


Figure 7-3. Moabsvelden adjacent properties

7.6 Title and Rights

7.6.1 Mining and Prospecting Rights

JSE12.10(h) (SR1.5(i); SV1.5; ESG4.1)

The Prospecting Right was successfully converted into an 18-year Mining Right (MP/30/5/1/1/2/2/10025MR), which is held by Keaton Mining.

The Mining Right was executed on 16 October 2013, and unless cancelled or suspended in terms of clause 13 of the Mining Right, or section 47 of the MPRDA (Act 28 of 2002), will continue to be in force for a period of 18 years, ending on 15 October 2031. A period of 6.5 years remains as at the effective date.

7.6.2 Surface rights

SR1.1(ii); SR1.5(i-ii)

Neosho owns the surface rights to Portion 8 of the farm Moabsvelden 248IR.

7.6.3 Sufficiency of Rights

JSE12.9(e); JSE12.10(h)(iv); SR1.1(ii)

Miptec did not have sight of the license, a licence summary from the mine was provided. The license details correspond to previous CPR's and technical reports reviewed.

The Mining Right covers the full area planned for the remaining LOM about the planned remaining opencast mining.

The surface rights are owned over the full Mining Right area.

7.7 Legal Aspects and Permitting

7.7.1 Environmental Authorizations and Licenses

SR1.5(ii)(v); SR5.5(i-ii); ESG4.3

Maabsvelden has an approved Environmental Authorisation (17/2/3N-163) for the LOM of the mine, issued to Neosho trading 86 (Pty) Ltd for the full MR area and surface right. An Environmental Management plan (MP 30/1/2/2/10025 MR) was approved by the DMRE for the LOM on 16 October 2013. A Water Use Licence (O3/B20A/ABCGU/4848), as required by the National water Act, 1998(Act No. 36 of 1998), was awarded by the Department of Water and Sanitation on 31 March 2023. The original documents were not made available, Miptec received the authorisation register for Moabsvelden Colliery, from where the above were extracted.

7.7.2 Environmental and Social approvals

SR1.2(ii); SR1.5(ii)(iv)(v); ESG4.3

Table 7-1 and Table 7-2 below detail the Environmental Authorisations and approved water uses for Moabsvelden as provided by the company's Environmental Officer.

Table 7-1 Approved Environmental Authorisations

Authorisation Type	Reference No.	Scope of Authorisation /Description of Activities	Date Issued	Valid Until	Issued To
Environmental Authorisation	17/2/3N-163	Environmental Authorisation for various EIA listed activities on portion 8 of the farm Moabsvelden Coal Mine in Delmas, Victor Khanye Local Municipality, Mpumalanga	9/3/2013	LOM	Neosho Trading 86 (Pty) Ltd
Environmental Management Plan	MP 30/1/2/2/10025 MR	Environmental Management Programme for Neosho Trading 86 (Pty) Ltd for Portions 8 of the farm Moabsvelden 248 IR	10/16/2013	LOM	Neosho Trading 86 (Pty) Ltd
Water Use License	03/B20A/ABCGII/4848	Sections 21 (a), (c), (g), (i) and (j) for Portion 8 of the farm Moabsvelden 248 IR	3/31/2023	2037	Neosho Trading 86 (Pty) Ltd

Table 7-2 Approved Water Uses

Section	Water Use Description	Properties
21(a)	Taking water from a water resource	Farm Moabsvelden 248IR
21(b)	Storing water	Farm Moabsvelden 248 IR
21©	Impeding or diverting the flow of water in a watercourse	Farm Moabsvelden 248 IR
21(g)	Disposing of waste in a manner that may detrimentally impact a water resource	Farm Moabsvelden 248 IR
21(i)	Altering the bed, banks, course or characteristics of a watercourse	Farm Moabsvelden 248 IR

Social and Labour Plan (SLP)

A SLP was prepared for Moabsvelden as part of the MR application as per the requirements of the MPRDA.

The following items relating to the SLP commitments are provided for in the Moabsvelden FY26 budget, with the total provision for the individual items amounting to R22.3 Million.

- Bursaries
- Projects
- Graduate interns
- Apprenticeships
- SLP Management
- Corporate Social Investment (CSI)
- COVID 19

From a Group perspective, the following internal stakeholder engagement and communication structures are in place:

- Employment Equity and skills development forum: This forum convenes on a quarterly basis and discuss issues pertaining to employment equity and skills development.
- Union / Management forum: This forum convenes monthly, providing an opportunity for management to deal with the Workers Union which has dominance; there is a current concern that the dominant union membership is falling below the required threshold.
- Future Forum: This forum convenes on a quarterly basis; the main focus of this forum is to communicate on the future of the mine and to discuss measures to avoid retrenchments.
- BBBEE tracking meetings: This is implemented on a monthly basis, with the focus to track all BBBEE initiatives.
- WIM Forum: Planned quarterly. This forum should be re-constituted after the restructuring of the company. Neosho Women In Mining Forum has already been reconstituted.

The Moabsvelden SLP for the period 2019 to 2023 has expired, with one outstanding LED project. The new SLP for the next period, 2024 to 2028, has made no progress.

In terms of the expired SLP, the mine has delivered on two of the three the LED projects:

- Construction of storm water drainage
- Drilling of boreholes.

Projects in progress from the expired SLP:

- Removal of asbestos infrastructure; this project is in the procurement stage.

The estimated SLP budget commitment for the planned LED projects amounted to R 7 000 000 current expenditure amounts to R 5 000 000, with an estimated R 2 500 000 to complete the expired SLP commitments.

The current approved SLP for the period 2024 to 2028 has not progressed, with the following LED projects committed to:

- Implementation of HRD programs – in progress

The following projects have not started:

- Construction of Victor Khanye Local Municipality fire station in consultation with other mining houses
- Youth development and Drug Rehabilitation Programme

The estimated SLP budget commitment for the new planned LED projects amounted to R 9 000 000. Current expenditure amounts to R0, with an estimated R 9 000 000 to complete the remainder of the SLP commitments.

External Stakeholder Engagement and Communication Structures

The Victor Khanye Community forum exists, this forum normally convenes on a quarterly basis or when required, with the purpose to discuss community issues.

Moabsvelden statutory and regulatory compliance:

- Employment Equity (EE) Return was submitted 15 January 2025, with an acknowledgement receipt.
- Mining Charter annual report submitted 31 May 2025
- Annual SLP progress report submitted 31 March 2025
- Letter of good standing for Wescoal submitted 30 April 2026
- Level 1 BBBEE certificate for Neosho Trading 86 PTY Ltd is still valid.
- WSP & ATR for Neosho Trading 86 PTY Ltd submitted and valid until April 2026.

7.7.3 Legal Claims and Proceedings

7.7.3.1 Material contracts

SR1.5(ii)

7.7.3.1.1 Coal Supply Agreements

Salungano secured an Eskom CSA for the Moabsvelden opencast and VG6 S4 underground project, for a total of 34 Mt ROM, equating to 28.3 Mt saleable, at the initial Kusile specification of 18.8 MJ/kg; this concluded contract related to 520 MGJ of energy.

The agreement provides for 67.7 MGJ energy for VG6 and 462.1 MGJ for Moabsvelden. As of July 2025, Moabsvelden supplied 419.2 MGJ of energy, resulting in 42.9 MGJ energy remaining. At an average CV quality of 20 MJ/kg, this relates to 2.2 Mt of reserves still contracted.

Moabsvelden colliery is in the process of acquiring additional coal supply contracts to Eskom Power Station's.

7.7.3.1.2 Mining

Moabsvelden has a mining contract with Trollope Mining Services (Pty) Ltd (**Trollope**). Trollope were appointed as the boxcut contractor when the mine commenced operations and have since continued as the contract miners.

7.7.3.1.3 Coal Processing

SR5.4(ii-iii)

No information regarding the rented mobile crushers at site was made available.

There is an agreement in place for the toll washing of the coal at the VGF Processing plant. Miptec has not had sight of this agreement.

7.7.3.1.4 Other Contractual Legal Issues

SR1.5(iii-iv); SR4.1(iii)

Miptec is not aware of any.

7.8 Access, Infrastructure, Climate, Physiography and Vegetation

[SR1.1(ii)] [SR5.4(i)(ii)]

7.8.1 Climate

SR1.1(ii); ESG4.4

Relatively high rainfall maintains the grasslands during the summer months, with the mean annual range between 400 to 900 mm. Frequent fires, frost, and heavy grazing - formerly by wild animals and now by cattle and sheep – suppress the presence of shrubs and trees. Mean maximum temperatures range from 21 to 24°C, and mean minimums range from 3 to 6° C, with temperatures sometimes reaching 38° C in the summer and –11C in the winter. Summer rainfall is not evenly distributed throughout the region, resulting in several different habitat types. Differences in habitat types are further accentuated by the variable soil characteristics of the region. Over most of the area sandstones and shales of the Karoo sequence are dominant. Deep red sand-loam soils dominate towards the cooler and wetter northeast, and transition to shallower lithosols in the extreme northeast (Low and Rebelo 1998).

7.8.2 Topography

SR1.1(ii); SR1.2(iii); ESG4.4

The mine is situated within the gently undulating hills of the Highveld at an average elevation of 1,569m above mean sea level (amsl). The elevation in the entire Delmas region ranges from 1,400mamsl to 1,700mamsl, with most of the region being in the range of 1,500mamsl to 1,600mamsl, with flat (0° to 3°) to moderately dipping (4° to 15°) slopes.

The surface topography is scattered with occasional dams, wetlands, pans and marshy areas, refer Figure 7-4. The primary drainages in the region are the Olifants, Wilge and Suikerbosrand rivers.

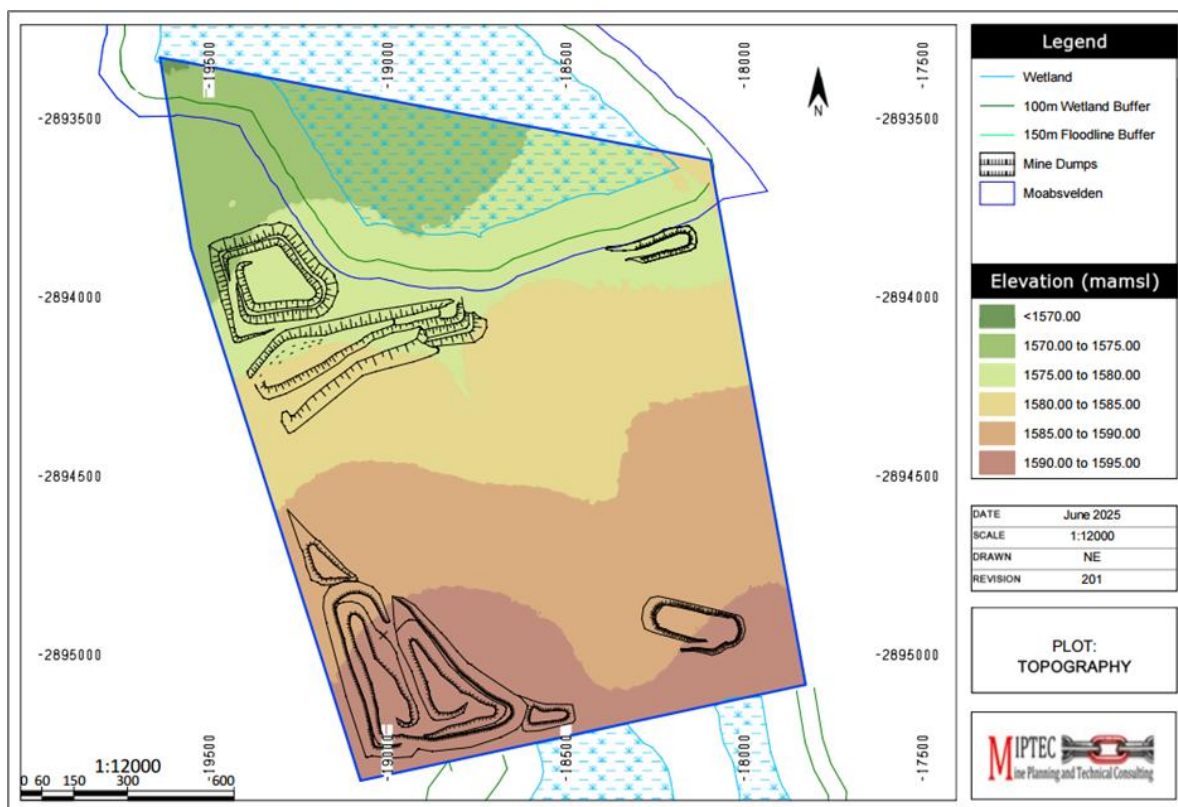


Figure 7-4. Moabsvelden Topographical plan

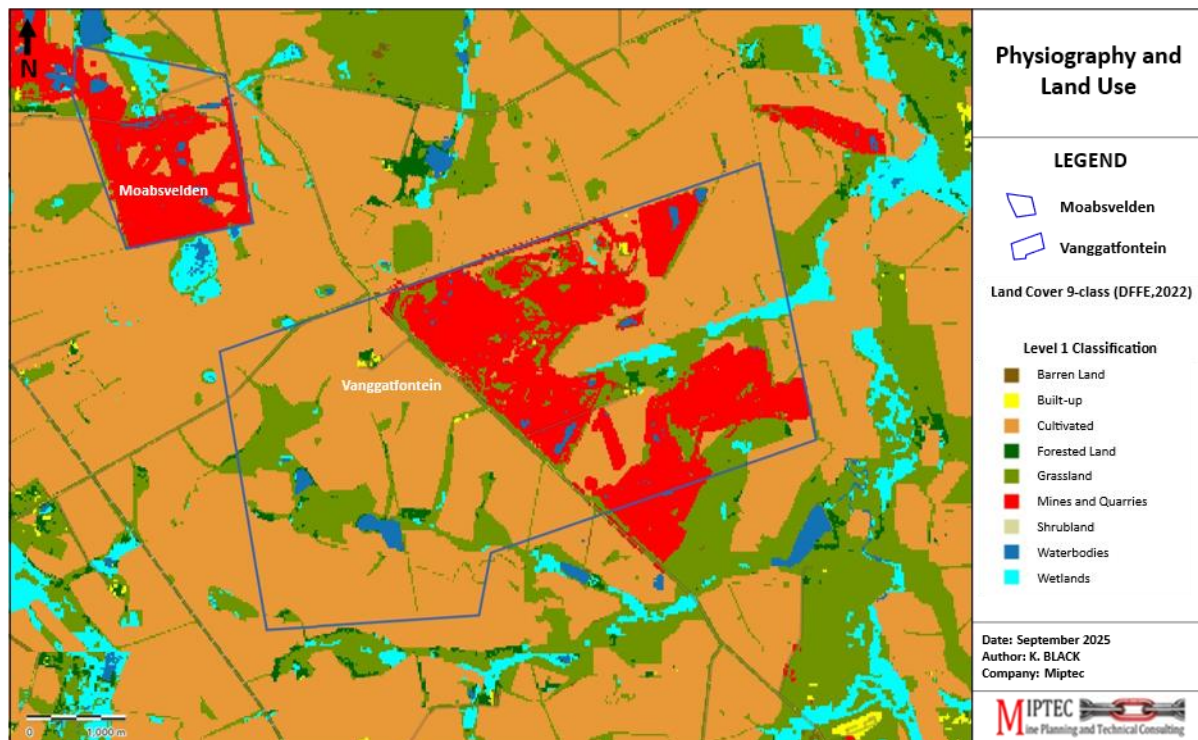


Figure 7-5. Moabsvelden Physiography and Land Use

7.8.3 Vegetation

SR1.1(ii)

From a vegetation aspect, the Moabsvelden Colliery area falls within the remaining extent of the Vulnerable Mesic Highveld Grassland Group 4 vegetation type (Mucina and Rutherford, 2006). Much of the project area had previously been cleared to make way for mixed farming, with cattle and sheep the major livestock, and maize as the major crop.

7.8.4 Local Resources

SR1.1(ii)

The mine is located central to various towns and cities. Labour is sourced from immediate surrounding townships, if skills are unavailable, labour is sourced from the greater area, including Witbank, Middelburg, and Bronkhorstspuit.

In terms of materials, equipment and maintenance parts, various suppliers are situated from Johannesburg to the town of Middelburg, where most of the sourcing is done.

7.9 Infrastructure

SR1.1(ii); SR4.1(iii); SR4.3(iii); SR4.5(iii); SR5.4(i-iii)

7.9.1 Current Infrastructure

Regional infrastructure includes roads R555, railway line, whereas the Mine-specific infrastructure includes offices, storerooms, changerooms, workshops, roads, crushing and screening plants, weigh bridge and entrance with security.

Site power is sourced from generators until the mine has access to the Eskom grid.

Water is sourced from the pollution control dam (**PCD**) for operational requirements, mostly dust allaying. Water for change house, workshops and ablution facilities are sourced from boreholes. Potable water is delivered to the mine in dispensing containers.

A railway siding is situated 14 km to the south-southwest of the property and approximately 21 km away by road.

7.9.2 Planned Infrastructure and Associated Capital

An Eskom Power line is located along the eastern extent of the MR boundary, currently sterilizing potential Coal Resources. In order to access these coal resources, Salungano have expressed interest in moving the power line. Miptec understands that this process will most likely be viewed as a joint venture with the neighbour, and that discussions regarding such, are underway. This process does require the approval of Eskom in terms of alternative routing, construction and reconnection before dismantling the current line.

Over and above the stated entrance and security changes, the mine is in discussion with neighbours to change the mine access to the south where the offices are located currently. If space permits, the offices will be relocated off the mining right area also to the south. This would allow mining to continue to the southern boundary, with relocating office and workshop infrastructure to the north over mined out / rehabilitated areas.

Table 7-3 details the identified infrastructure changes as well as the Capital provided.

Table 7-3. Moabsvelden Infrastructure Capital

Asset Class Code	Description	FY2026	FY2027	FY2028	FY2029	FY2030
Infrastructure	Moving of Electrical Powerlines	13,000,000				
Infrastructure	Security entrance (hard barriers)	5,000,000				
Infrastructure	Boom gates with electronic opening and closing	70,000				
Infrastructure	Water and Waste Management	1,279,996				
		19,349,996	0			

7.10 Project History

[SR1.4(i)(ii)]

7.10.1 Previous Ownership and Associated Activities

The historical ownership of Moabsvelden, as well as the associated activities, is summarised in Table 7-4.

Xceed Resources Limited (**Xceed**) were the initial owners of Moabsvelden and were responsible for the first exploration completed in the area in 2010, where 10 drill holes were drilled, followed by 11 drill holes in 2011. In 2012, a Feasibility Study was completed by Belton Projects and Exploration. In 2013, Gemecs (Pty) Ltd (**Gemecs**) constructed a geological model and reported the maiden Coal Resource estimate.

Table 7-4. Summary of Historical Ownership and Associated Activities

Date	Company	Activity
2010	Exceed Resources Limited	First exploration to be carried out at Moabsvelden; 10 drill holes were drilled by Focus Coal Investments (Pty) Ltd.
2011		31 drill holes drilled in order to increase the geological confidence of the area.
2012		In April 2012, Belton Projects and Exploration completed a Feasibility Study on Moabsvelden.
2013		Maiden Coal Resource Estimate and CPR by Gemecs.
2014	Keaton	Acquired Moabsvelden

In 2014, the Moabsvelden Project was acquired by Keaton. Keaton initially acquired 74% of the shares, with the remaining 26% belonging to the founding shareholders acquired later by Keaton, who now hold 100% of Neosho.

A maiden Coal Reserve Estimation was reported by Miptec in March 2015, with annual updates compiled by Miptec, of which this report reflects the 2025 financial year (**FY25**) reporting cycle.

7.11 Local Geology

SR 2.1(iii) (iii) (vi); SR 3.1(vii); SR 10.2(i)

7.11.1 Surface Geology

The surface geology over the Moabsvelden Project area is dominated by subcrops of sedimentary rocks of the Vryheid Formation of the Ecca Group. The Moabsvelden local surface geology is shown in Figure 7-6. The area generally comprises Ecca Group rocks of the Vryheid Formation.

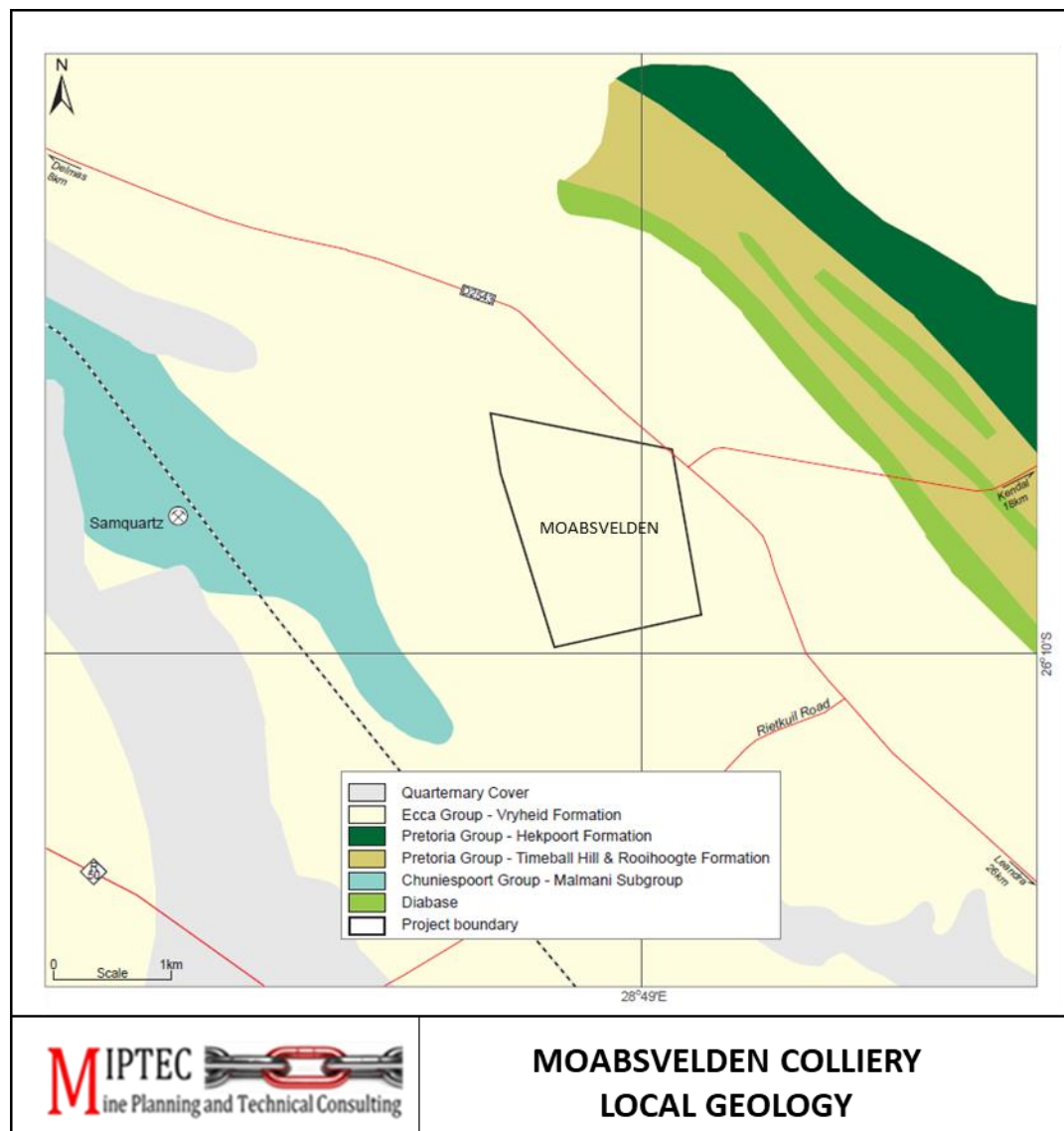


Figure 7-6. Moabsvelden Local Surface Geological Map

7.11.2 Weathering

The depth of weathering ranges between 15 and 40 m across the Moabsvelden Mining Right area, with notably deeper weathering in the southwestern corner in the vicinity of the palaeohigh, as well as along the eastern portion of the mining footprint. The geological model is set to exclude all coal above the limit of weathering (**LOW**).

7.11.3 Sub-surface Geology

Pre-Karoo Basement

The glacially-sculpted pre-Karoo basement comprises rocks of the Transvaal Supergroup. Drill holes that have penetrated through the Dwyka Group into the basement intersect mainly the Malmani Group. An unconformity approximately 1 800 Ma in age separates the Transvaal Supergroup rocks from the overlying Karoo Supergroup.

Dwyka Group

Over the majority of Moabsvelden, the rocks of the Transvaal Supergroup are unconformably overlain by sedimentary rocks of the Dwyka Group. These predominantly consist of diamictites of glacial origin (tillite), but also as better worked fluvio-glacial outwash deposits (including reworked dolomitic breccia) and glacio-lacustrine varves.

Ecce Group

Within the Ecce Group, the Vryheid Formation comprises zones of alternating conglomerates, sandstone and mudstones containing the coal seams. At Moabsvelden (Figure 7-7), the typical Witbank Coalfield sequences of the S1 to S5 are present, albeit in a somewhat compressed manner. Towards the north of the area, the parting(s) which usually separate the S4 and S2 coal seams are thin to absent, resulting in a thick, combined sequence of the S4 and S2 coal seams. Towards the south, this parting increases in thickness, over 10 m in places. The S1 is absent in the north, becoming more defined towards the south. The S5 is present as a discrete seam around 11 m above the other seams.

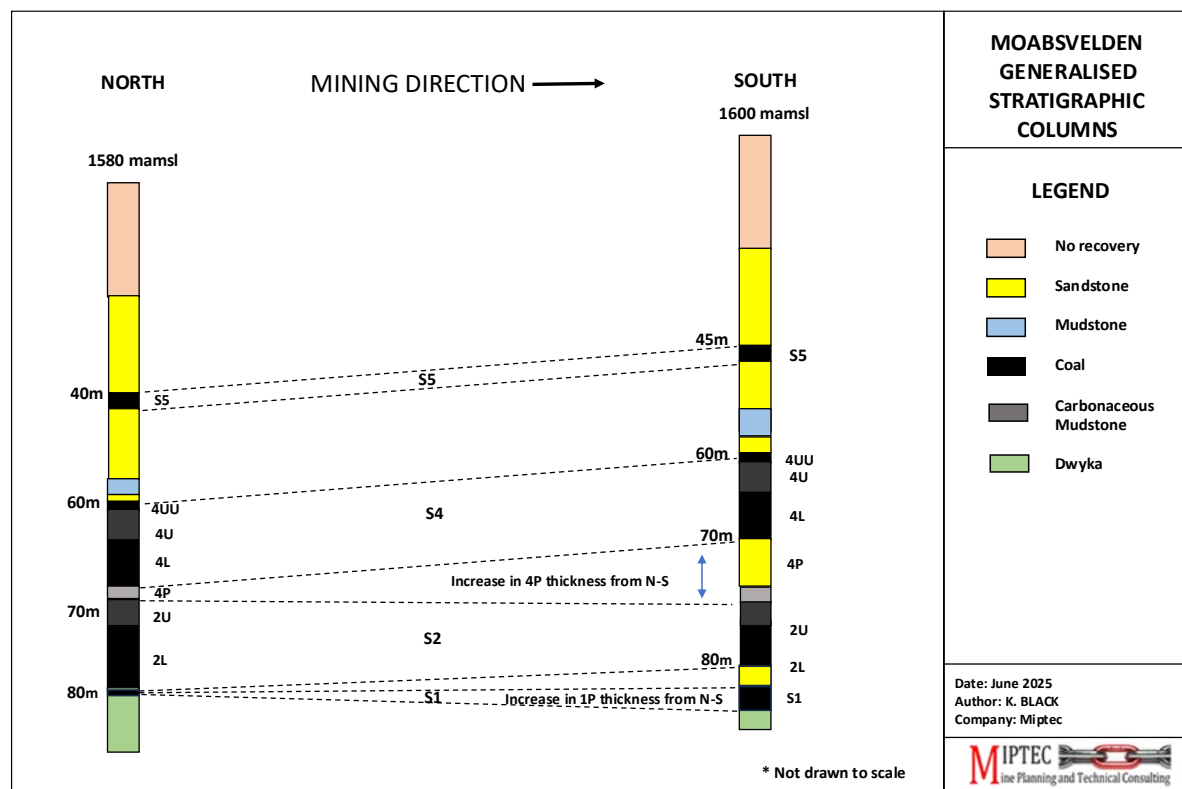


Figure 7-7. Moabsvelden Generalised Stratigraphic Columns

No. 1 Seam (S1)

The S1 is only present within the southern portion of the area. Towards the north, the parting between the S1 and the S2 above is thin to non-existent, such that the S1 is logged, sampled and mined together with the S2L. Additional information from the recent (2024) drilling programme revealed the 1P parting, which separates the S1 from the S2 above, thickens towards the south; this has allowed the S1 to be modelled as a discrete seam. The

S1, where separate from the S2, has an average thickness of 2.0 m, an average raw CV content of 17.9 MJ/kg, and a raw ash content of 36.5%. At F1.8, the CV increases to 21 MJ/kg, the ash decreases to 26.6% and the TS decreases to 0.42%.

The S1 accounts for approximately 5% of the total Coal Resource Estimate.

No. 2 Seam (S2)

The S2 is present across the entire resource area and is split into a S2U and S2L based on the coal lithology. The 2P parting separating the S2U from the S2L is on average 1.2 m thick. The S2U is the poorer top portion of the seam and requires washing in order to make an Eskom product. On average, the S2U is 2.0 m thick, has a raw CV content of 16.0 MJ/kg, and a raw ash content which averages 40.0%. At F1.8, the CV increases to 20.5 MJ/kg and the ash decreases to 28.7%; the average F1.8 theoretical yield is 59.0%.

The S2L is the higher quality, lower half of the seam and is suitable for crushing and screening to produce an Eskom product. The S2L is present across the entire mining footprint, with an average thickness of 4.7 m. The average raw CV is 20.0 MJ/kg and the raw ash content is 30.3% - indicating that the seam is suitable as a crush and screen product.

No. 4 Seam (S4)

The S4 is divided into the S4UU, S4U and S4L, based on the presence of a mudstone parting (4UP) separating the S4UU from the underlying S4U, and a very thin carbonaceous mudstone band separating the S4U from the S4L below. The S4U is the poorer portion of the seam and requires beneficiation to produce an Eskom product. The S4L is the better quality, lower portion of the seam and is suitable for crushing and screening to produce an Eskom product.

The S4UU is present across the majority of the mining footprint; however, it only attains thicknesses of over 0.5 m along the eastern half of the area. Where the seam is present, the qualities are good. The raw CV averages 20.0 MJ/kg and the raw ash content averages 34%. The S4UU accounts for less than 1% of the estimated coal resources and is therefore not discussed any further.

The S4U is present across most of the mining footprint, averaging 3.0 m in thickness. The seam has a raw CV of 12.2 MJ/kg, and a raw ash content averaging around 49%. When washed at F1.8, the CV increases to 19.5 MJ/kg and the ash decreases to 31.1%. The theoretical yield at F1.8 is approximately 35%.

The S4L is also present across almost all of the mining footprint. It ranges in thickness between 4 – 6 m, averaging 4.8 m. The seam thins in the vicinity of the basement high in the southwestern corner of the area. The S4L has a raw ash content of 27% and a raw CV content of 20.6%, indicating that it is suitable as a crush and screen product. At F1.8, the CV increases to 23 MJ/kg, and the ash decreases to 21.7%. The average F1.8 yield is 83.6%. The S4 is separated from the S2 below by a carbonaceous shale parting, which ranges from less than 0.3 m thick in the north, grading into a thick sandstone parting of up to 9 m in the south.

No. 5 Seam (S5)

The S5 is present across the majority of the mining footprint, with the exception of the western portion where the seams have been uplifted. The S5 has an average thickness of 1.5 m, varying between less than 0.5 m towards the subcrop to over 2 m in a few isolated patches. The average raw CV is approximately 17.8 MJ/kg and the raw ash content is around 38%. At F1.8, the CV increases to 23.3 MJ/kg and the ash decreases to 23.3% ; the average theoretical yield is 61.7%.

The S5 is separated from the underlying S4 by a sandstone parting between 15 m and 18 m thick.

The S5 accounts for approximately 7% of the total Coal Resource estimate.

Table 7-5 summaries the stratigraphy encountered at Moabsvelden.

Table 7-5. Moabsvelden Stratigraphic Summary

WITBANK COALFIELD SEAM NAME	PLIES AND PARTINGS LOGGED	DESCRIPTION
No. 5 Seam	S5	Uppermost coal seam - logged as three plies. The lower ~ 60 cm is the best quality. Only economic in places.
No. 4 Upper Seam	S4UU	Uppermost ply of the No. 4 Seam package. Generally good quality but thin. Economic in places.
	4UP	Shaly sandstone parting.
	S4U	Uppermost ply of the No. 4 Seam package. Generally good quality but thin. Not economic.
No. 4 Lower Coal Seam	S4L	Good quality lowermost ply of the No. 4 Seam package - suitable for a raw crush and screen product.
Parting	4P	Parting between the No. 2 and 4 Seams. Carbonaceous, shaly and thin in the north, increasing in thickness to the south.
No. 2 Upper Seam	S2U	Coal typically consists of mixed coal bands; requires beneficiation to produce an Eskom product.
Parting	2P	Parting between the S2U and S2L Seams.
No. 2 Lower Seam	S2L	Coal typically consists of mixed bands alternating between bright coal and mixed coal with bright to dull layers. Suitable for crush and screen to produce Eskom product.
Parting	1P	Parting between the No. 2 and 1 Seams. Carbonaceous, shaly and thin in the north, increasing in thickness to the south, where it becomes a massive sandstone.
No. 1 Seam	S1	Coal typically consists of mixed bands alternating between bright coal and mixed coal with bright to dull layers. In places requires beneficiation and in other areas is suitable to make a crush and screen product.

According to the definitions laid out in SANS 10320:2020, the coal deposit at Moabsvelden can be described as a multiple seam coal deposit-type, as it is characterised by a discrete number of coal seams, typically between 0.5 m and 7.0 m in thickness, separated by clastic interburden units of thickness generally significantly exceeding the thickness of the individual coal seams.

7.11.4 Faults and Igneous Intrusions

An aeromagnetic survey was flown over the property by Xcalibur Airborne Geophysics in 2011 (Figure 7-8). The survey was flown at a 50 m line spacings in both the north-south and east-west directions. The project block consisted of approximately 100 line-km. The data collected were magnetic, radiometric and digital terrain model (DTM) data. The aim of the survey was to identify dolerite intrusions within the boundary of the licence area.

The survey identified a major sill transgression on the western and northern parts of the property. The thickness of the sill is approximately 12 – 24 m. It is expected that the zone around the sill will contain indurations (hardening) of sediments and burnt coal zones. The location of the sill was further confirmed by 19 drill holes, which contain dolerite intersections, as well as the intersection of dolerite during mining.

Faulting has occurred in the west (Figure 7-9), resulting in the uplift noted in the coal intersections. The dolerite is assumed to have intruded vertically through the zone of weakness caused by the fault, before spreading horizontally, forming a sill. The sill is transgressive in nature; noted to occur both above and below the coal seams.

A palaeohigh has been identified in the southwest of the licence area (an interpreted upthrown horst block) and this has had a direct impact on the nature and quality of the coal seams. In proximity to this basement high, both the S4 and S2 display thinner seams, with higher ash contents. The coal in this area is not considered economic.

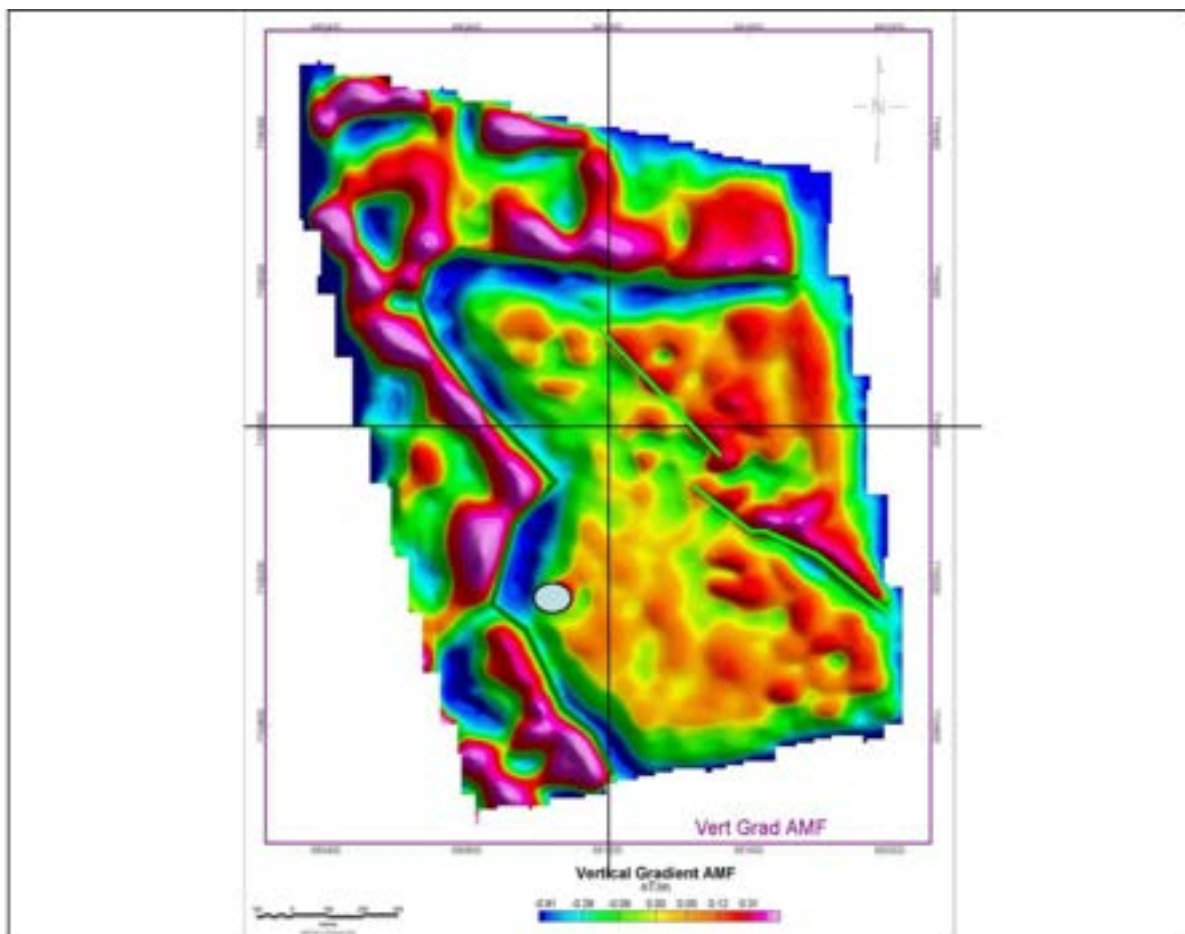


Figure 7-8. Results of the Aeromagnetic Study (Xcalibur, 2011)

Figure 7-9 indicates the structural interpretation used in the geological model. This interpretation is based on both the results from the aeromagnetic study, as well as from exploration drilling results. Requests were made to the contracted mine surveyor to provide the actual survey positions of the structures intersected; however, this data is not available. Evident in the diagram is the postulated location of the sill transgression as well as the sill to the west and the north (where it was intersected in drill holes).

The floor contours slope up towards both the west and the east, indicating a synform with an axis trending northwest-southeast. At this point, no additional faults have been intersected in the pit.

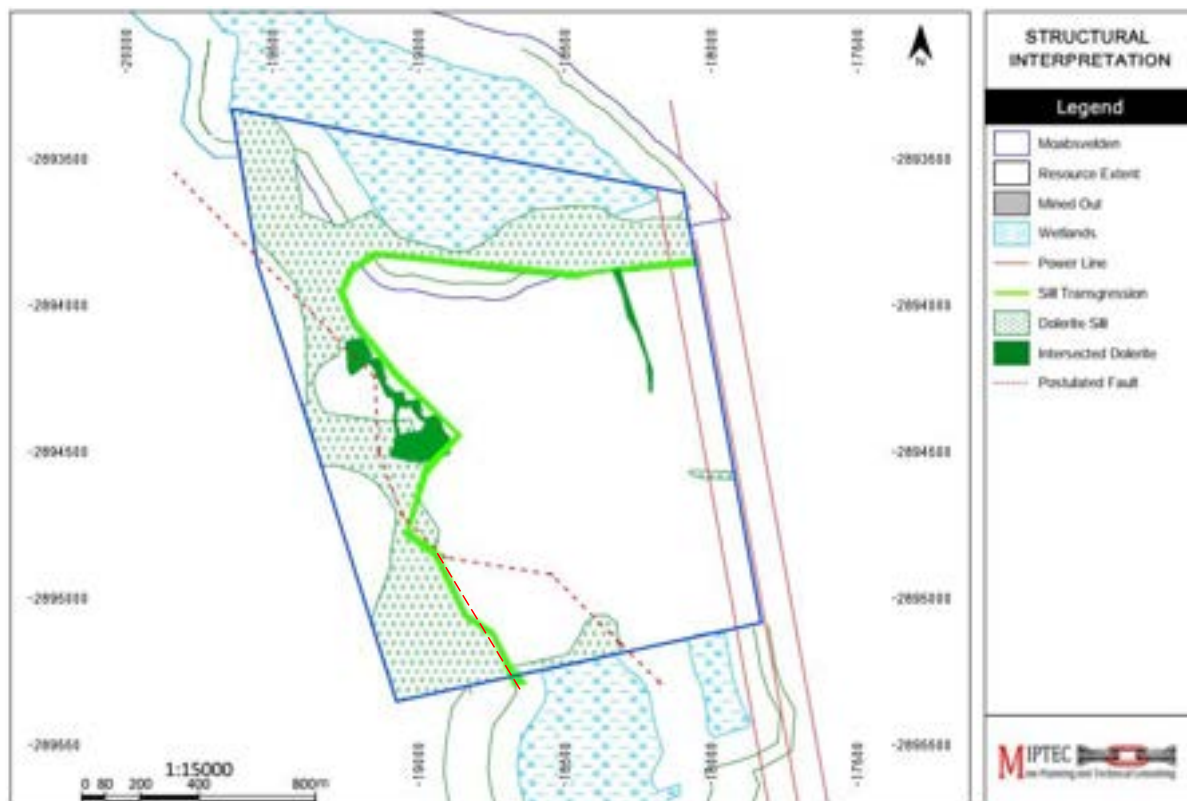


Figure 7-9. Structural Interpretation used in the Geological Model

Figure 7-10 illustrates the nature of the dolerite, illustrating how it is postulated to have intruded vertically through the fault before spreading horizontally into a sill. Dolerite stringers have been intersected during mining and are expected to be encountered near the transgressive sill throughout the mining area.

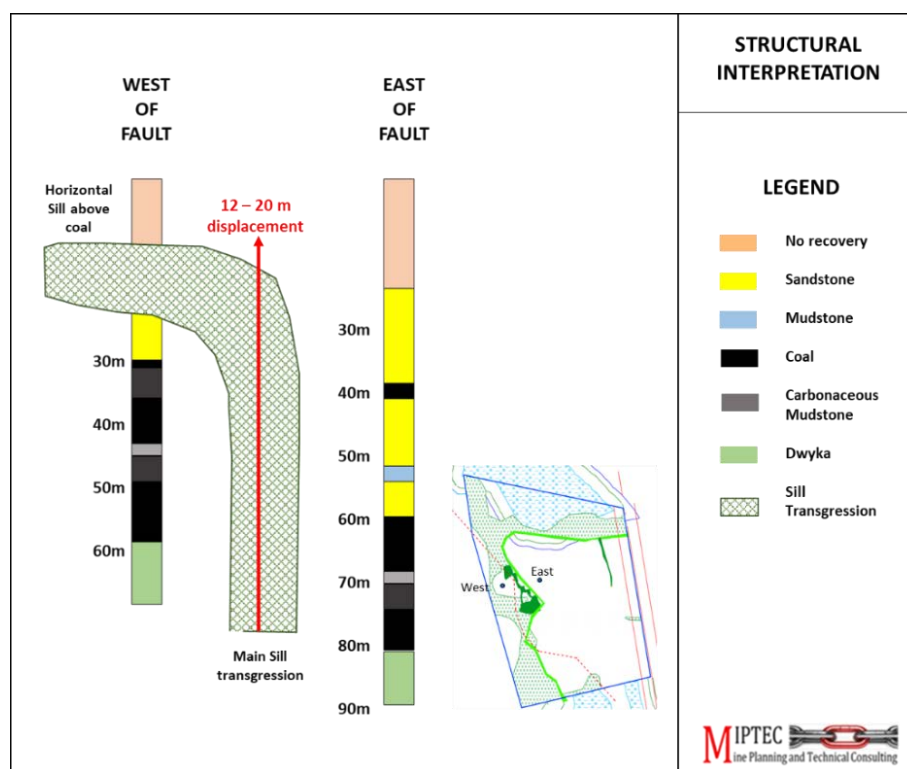


Figure 7-10. Structural Interpretation

7.12 Exploration and Drilling, Sampling Techniques and Data

[12.10(e)(iii), 12.10(h)(vi)] [SR2.1(iii), SR3.1, SR3.2]

7.12.1 Exploration

[SR2.1(iii), SR3.1]

7.12.1.1 Historical Exploration

SR2.1(iii), SR3.1

Prospecting for coal was first conducted in 2010 on portion 8 by Xceed, under the supervision of Gemecs. Gemecs were the first company to compile a resource statement on Moabsvelden in 2013 and were involved with Moabsvelden until 2014 when Caracle Creek International Consulting (**CCIC**) took over. In 2018, Miptec was appointed as the Resource and Reserve Specialist and has been involved since.

2010 and 2011

Prospecting for coal on Moabsvelden commenced in 2010 and was carried out on behalf of Focus Coal Investments (Pty) Ltd by Gemecs. Ten diamond holes were drilled, the results of which justified further exploration to be carried out in 2011 by Xceed. In 2011, an additional 31 diamond holes were drilled in an effort to increase the geological confidence over the property (also managed by Gemecs).

Most drill holes were geophysically logged to verify depths and thicknesses. During the 2010 drilling, geophysical logging was undertaken after the geological logging and sampling. In 2011, the geophysical logs informed the ply correlation during the logging and sampling procedures.

Sampling during the first drilling campaign was carried out at regular intervals across the width of coal seam. Waste partings were either not sampled or included in the coal sample.

Sampling during the second drilling campaign was based upon the geophysical logging results with samples being taken based upon coal geology. Thin partings were sampled separately and therefore could be included in the seam composites.

The results of the 2010 and 2011 exploration were used to declare a maiden Coal Resource Estimate for Moabsvelden in July 2013.

7.12.1.2 Recent Exploration

Recent exploration refers to all exploration conducted subsequent to Keaton acquiring Moabsvelden in 2014.

2014

In 2014, six diamond drill holes were drilled in the planned box cut area (eastern edge of the property) to better understand the coal structure and quality, as well as to generate a sample for submission to Eskom for combustion test work. The drilling was managed in-house by Neosho with the logging and sampling undertaken by CCIC using the Moabsvelden seam nomenclature. All of these drill holes were geophysically logged by Geoline Services (**Geoline**).

Following the completion of this drilling campaign, RSV ENCO Consulting (Pty) Ltd (**RSV ENCO**) completed a Project Execution Report on Moabsvelden in March 2016 for a 2.4 Mtpa opencast operation, the results of which superseded the April 2012 Feasibility Study.

2017/2018

Three diamond drill holes were drilled in 2017 followed by 12 additional drill holes in 2018. Both the 2017 and 2018 drill holes were drilled by Professional Drilling Services (**PDS**). The drill holes were planned and managed by Miptec. The three drill holes drilled in 2017 were drilled as part of an underground mine investigation; however, it was subsequently decided that Moabsvelden was better suited to opencast mining due to the thickness of the seams and the favourable strip ratios.

The 12 drill holes drilled in 2018 focused on the planned box cut position in the north. These drill holes aided in the determination of the western extent of the proposed mining pit due to the presence of a large dolerite sill, associated with substantial seam uplift. Additionally, these infill drill holes allowed for increased confidence across the area, in terms of both seam thickness and quality.

2024/2025

During the second half of 2024, 13 infill exploration drill holes were drilled to increase the geological confidence towards the south, as well as in the vicinity of the palaeohigh in the west. The drilling, logging, sampling and database management was managed by Gerhard Mulder of GM Geotechnical Consultants CC (**GM Geotech**).

Figure 7-11 illustrates the current drilling status at Moabsvelden (June 2025).

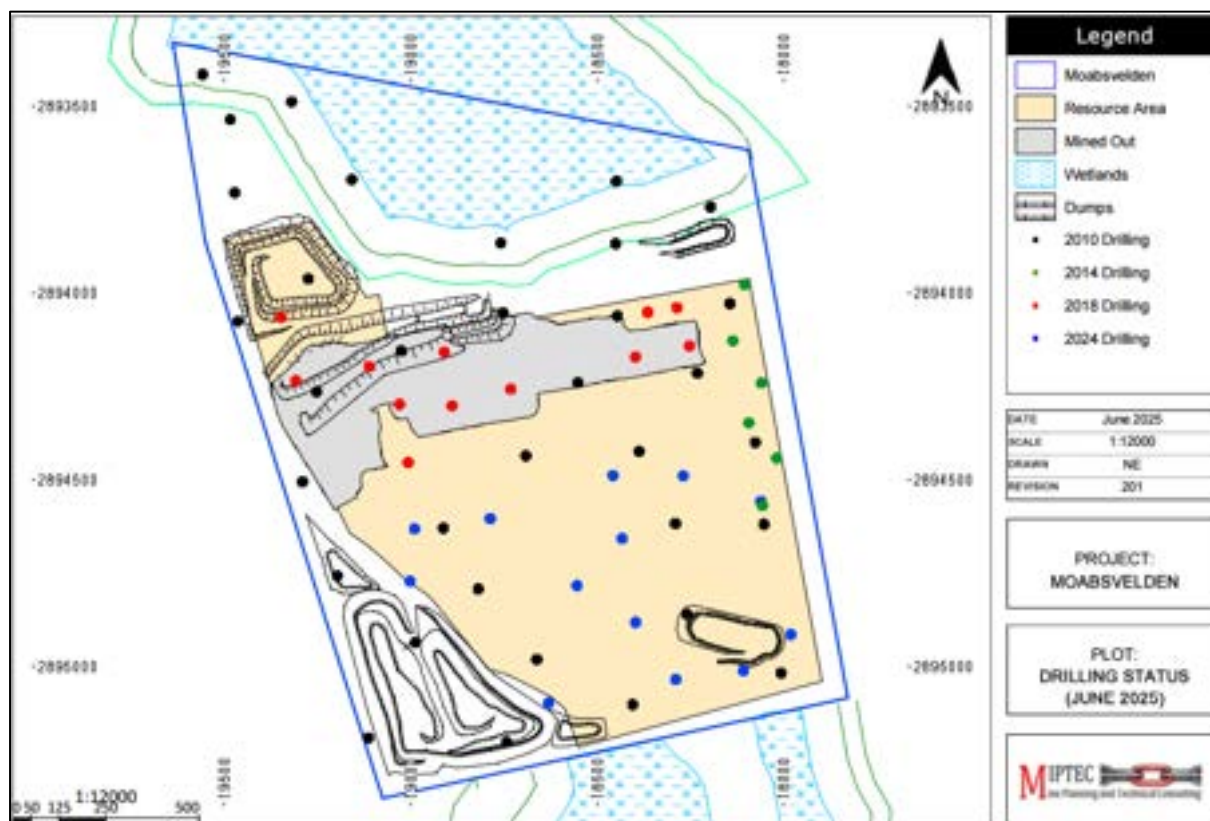


Figure 7-11. Moabsvelden Drilling Status (June 2025).

7.12.2 Future Planned Exploration

[JSE12.10(e)(iii)]

An exploration budget of R5 million has been approved for drilling in the north to cover the area under the pan. As Stuart Coal are currently mining the pan on the northern border, Moabsvelden have applied to mine through the pan on their side.

Table 7-6 Planned Drilling Budget

Item	Budget
Drilling	R 3 000 000.00
Geophysical logging	R 200 000.00
Analysis	R 1 400 000.00
Consultants	R 400 000.00
	R 5 000 000.00

7.13 Surface Drilling Techniques

[SR3.2(i), SR5.3(i)]

All geological drilling at Moabsvelden is conducted by outside contractors under the conditions specified in the relevant drilling contract.

7.13.1 Cored Diamond Drilling

All drilling at Moabsvelden has been conducted using conventional cored diamond drilling, with a minimum core diameter of 60.55 mm (TNW).

The recent drilling was conducted by Zaaiman Exploration and PDS, both of whom have extensive experience in drilling coal.

A truck-mounted drill machine was used to diamond core the drill holes, producing core with a diameter of 60.55 mm. Standard practice is to ensure a minimum 95% core recovery in the coal seams; where this is not achieved, a redrill is requested. All recent drill holes drilled at Moabsvelden exceed the 95% recovery and therefore no redrills were requested.

Due to the relatively flat nature of the coal seams, as well as the shallow nature of the drilling, all the drill holes are considered vertical, and the apparent thickness of the coal seams is considered representative of the true thickness.

No non-cored/percussion holes have been drilled.

7.13.2 Drill Hole Survey

[SR3.1(v)]

All drill hole collars at Moabsvelden have been surveyed by independent registered land surveyors. The 2010 and 2011 drill hole collars were surveyed by Dragonfly Mine Technical Services surveyors and TC Surveys respectively; the 2014, 2017, 2018 and 2024 drill hole collars were surveyed by Martin Jooste of Survey & Resource Management (**SRM**).

The accuracy of the drill hole collar surveys is considered to be of a sufficient standard. All available drill hole collars were checked against the current DTM supplied by SRM, and all fall within a few centimetres of this surface. No recent drill holes were omitted from the geological model based on collar coordinate discrepancies.

7.13.3 Geological Logging

[SR3.2(iii)(iv)]

2010 - 2011

During the 2010 and 2011 drilling campaign, Gemecs was appointed as the geological service provider, with all logging and sampling completed according the Gemecs Standard Operating Procedures for Coal Exploration Drilling (2011).

Geological logging data were captured directly into the Geological Drill Hole Information System database or onto a field-logger in MS Excel™ using standard logging codes. All geological logs included a separate detailed log of each of the coal seams present. These detailed coal seam logs were captured only once the core had been split longitudinally. Logging typically included capturing the following geological data:

- date of drilling;
- responsible geologist;
- drill hole number;
- collar co-ordinates;
- interval from and to depths; and
- lithology.

During the maiden 2010 drilling campaign the logging was undertaken using the typical Witbank Coalfield seam nomenclature; however, during 2017/2018, the seam nomenclature was changed to that described in Figure 7-12.

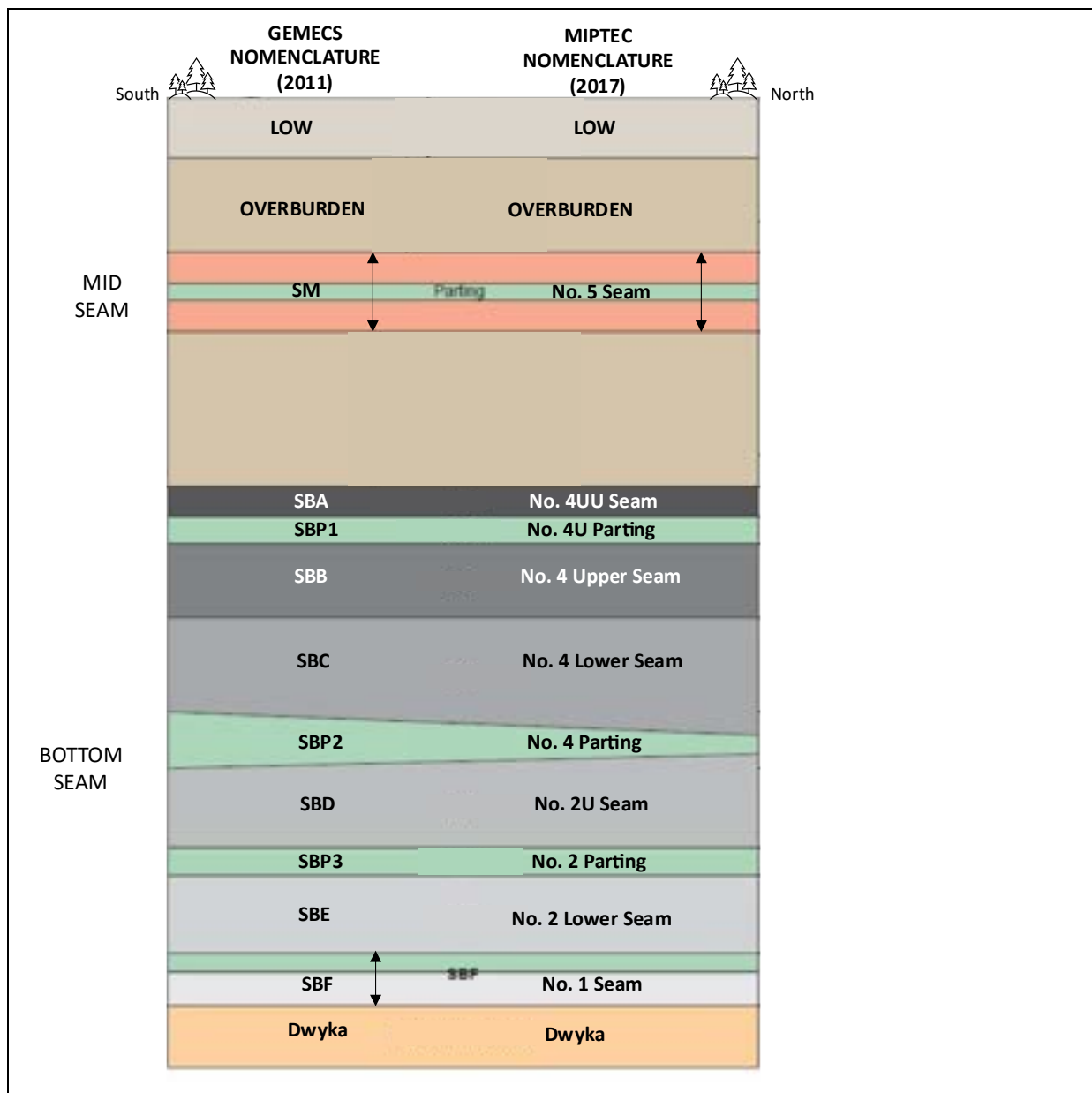


Figure 7-12. Comparison of the Seam Nomenclature used by the Different Consultants.

2014, 2017, 2018 and 2024

Digital photographs of the drill holes were taken prior to logging.

The core was placed in core trays and transported to the core shed located at the nearby Vanggatfontein Colliery. Core trays were stacked on a level concrete floor. Once at the core logging area, the drill hole cores were laid out for logging. The core was then metre-marked with the depths using reliable drilling breaks and correcting the depths through core runs with any over- or under-recovery of core. The geophysical logs were used to verify the depths in every drill hole. The different lithological types were identified and correlated to the downhole geophysical logs. The detailed sections of the geophysical logs were used to distinguish between coal and mudstone as well as other different lithological types.

All cores were logged onto handwritten, coded logging sheets, following the company's standard logging procedures, which are aligned with industry best practice. The handwritten logs are then captured into MS Excel™ spreadsheets and interrogated for errors.

The logging sheet typically included information on the following:

- date of drilling;
- geologist;
- drill hole number;
- collar coordinates;
- interval from and to depths;
- weathering;
- lithology;
- colour;
- grain size;
- contact; and
- comments.

For the coal zones, the core was closely examined noting zones of various coal lithotypes; e.g., bright coal, dull coal, carbonaceous mudstone and grey mudstone. The geophysical logs were used to distinguish between dull coal, coaly mudstone and carbonaceous mudstone. Where bright and dull coal occurred as thin alternating bands, these bands were logged as mixed coal. Core trays were placed in the sunlight to assist with distinguishing bright and dull coal.

The nature and detail of the geological drill hole logging undertaken at Moabsvelden was sufficient to support the classification of Coal Resources.

As part of Miptec's inhouse QA/QC procedures, there is continuous checking of the seam correlations between the newly drilled drill holes and the older drill holes. This process is used to flag any irregularities between the new and old data.

As the logging of the drill holes conducted by the various consultants for the different drilling campaigns was done in line with industry best practice, it was possible to delineate and correlate the coal seams and their respective qualities in all of the drill holes, in order to generate an accurately representative geological model.

7.13.4 Core Recovery

[SR3.2(i)(v)]

The logging geologist is responsible for calculating the core recoveries for all of the cored drill holes.

After each drill run, the driller calculates the depth of the hole by adding together the lengths of each of the drill strings, from the base of the drilling bit to the top of the quill rod and then subtracting the portion of the drill string protruding above surface. The measurement from ground level to the top of the quill rod is known as the “stick-up”. The driller records the calculated depths onto wooden or plastic blocks and places it at the base of the last piece of core extracted from the core barrel. As well as recording the depths on blocks within the sequence of core, the driller also captures the depth calculations on the driller’s daily report sheet.

The responsible geologist performs depth checks on each hole. The standard procedure during Campaigns 1 - 5 was to rely on the drillers stick-ups, whereas during Campaigns 6 – 7, the geophysical logs were available to confirm the core recoveries, determine where the core losses/gains occurred and to ultimately confirm that the core recovery within the coal seams was greater than 95%; if this was found not to be the case, a re-drill was requested. Drill holes that were weathered or burnt were exempt from this stipulation.

7.13.5 Geophysical Logging

SR3.1(vii); SR3.2(iii-v); SR10.3(i)

Downhole geophysical logging was undertaken on all drill holes in order to allow for stratigraphic correlation, for core recovery calculations and to aid in the interpretation and sampling of the various coal zones. During the 2010, 2011 and 2014 drilling campaigns, 41 geophysical logs were completed (only one drill hole that had collapsed was not geophysically logged). Geoline were the dedicated contractor for these geophysical logging.

Geoline were also responsible for the recent geophysical logging undertaken on the 2024 drilled drill holes.

For the 2017/2018 drilling campaign, Wireline Workshop conducted the logging on all 15 drill holes.

Drill holes were geophysically logged for the following:

- Long- and short-spaced density;
- Natural gamma and
- Three-armed Caliper.

The geophysical logging was completed to at least three metres beyond the base of the deepest coal unit to have been intersected, to ensure enough space for any rock debris that may have filled the hole. The stability of the drill hole was checked using a caliper in a dummy run prior to geophysical logging, and calibration of the tools was checked periodically to ensure accuracy. Once geophysical logging was complete, printed geophysical logs were

provided to the responsible geologist with the electronic copies and Log ASCII Standard (LAS) files emailed and stored appropriately.

Currently some of the pre-split holes at Moabsvelden are geophysical logged in order to assist with the short-term mine planning, and to assist the pit geologists and miners with determining which seam they are at. At present this information is not included in the geological model.

7.14 Coal Sampling and Analysis

SR 3.3(i); SR 3.3(ii); SR 3.3(iii); SR 3.2(iv); SR 3.3(v); SR 3.3(vi); SR 3.3(vii); SR 3.5(ii); SR 3.6(i)

7.14.1 Coal Sampling Methodology

2010 – 2011 and 2014

During the 2010 drilling campaign, the sampling was undertaken at regular intervals across the width of the coal seam, with partings either not sampled or included in the coal sample. The geophysical logs were not available at the time of the geological logging, and therefore the sampling was based on the lithological variations observed. The sampling was conducted such that the analyses were suitable for inclusion in the existing geological model.

During the 2011 and 2014 drilling campaigns, the geological logging and sampling were based on the geophysical logging results. The partings were sampled separately and therefore accurate qualities were available for the seam composites (where necessary). Even though the logging and sampling was conducted using a different seam nomenclature, it was still possible to correlate it with the Witbank Coalfield nomenclature used in the model, and therefore the analyses could be used.

2017, 2018 and 2024

Detailed sampling of the coal seams was undertaken once the cores had been geologically logged and photographed. The samples were typically determined based on the intra-seam lithological boundaries as confirmed by the use of geophysical logs. The minimum length of the sample was 30 cm. Partings greater than 30 cm were sampled separately, but where partings were less than 30 cm these were included with the poorer quality coal sample. Where thin intra-seam clastic partings were noted, these were duly sampled together with the coal seam to ensure representability. All intersected coal seams were sampled.

At Moabsvelden it was possible to identify a consistent sequence of samples, using a combination of the geological logs and geophysical logs. This greatly facilitated later correlation, compositing and modelling of the coal seams.

All samples were bagged, labelled (one label inside and one outside the bag) and sealed. Sample handling throughout the sampling, bagging and transport process was done so as to ensure minimal change to the original sample. Once the samples were bagged and the sample data recorded, the samples were transported to the laboratory as soon as possible. A sample list was completed in duplicate; one to accompany the samples to the laboratory and the other filed at Moabsvelden for future reference.

As the core recovery was good and minimal fines material was lost during drilling, the samples and subsequent analytical results are considered representative of the coal intersections.

A minimum sample mass of ~2 g was targeted to ensure sufficient mass for the required proximate analysis (proximate analysis determines the ash, inherent moisture, volatile matter and fixed carbon content of the sample, which should add to 100%) and total sulphur content.

During the 2024 drilling campaign, the samples were first analysed on a raw basis, allowing for the raw results to be scrutinised prior to confirming their seam allocation. Once this process was complete, the samples were composited in order to reduce the large number of samples to be washed, aligning with the company's exploration budget constraints.

7.14.2 Coal Sampling Preparation and Laboratory Analysis

[SR3.4, SR5.3(i)]

2010 – 2011 and 2014

The first ten drill hole samples were analysed at N-Tec Laboratory Services (**N-Tec**) in Middelburg, according to the International Organisation for Standardisation (**ISO**) standards. N-Tec was not accredited during that time. The rest of the drill holes drilled in 2011 and 2014 were analysed at Noko Analytical Services (**Noko**) in Witbank. Noko received accreditation from the South African National Accreditation System (**SANAS**) in August 2011.

The coal samples were analysed for Ash Content (**AS**), Inherent Moisture (**IM**) and Volatile Matter (**VM**), as well as for CV, TS and, on selected samples, for Total Phosphorus in coal (**TP**). This was done on a raw air-dried basis (adb) for all samples. Apparent relative densities (**ARDs**) were determined by the laboratories for each sample.

Washability analyses were conducted on all samples at float density fractions (in grammes per cubic centimetre (g/cm^3)) 1.35, 1.45, 1.55, 1.65, 1.75, 1.8; a 1.8 gcm^{-3} sink fraction was also analysed.

2017 - 2018

For the 2017/2018 exploration programme, the first three drill holes were analysed at Bureau Veritas Inspectorate Laboratories (Pty) Ltd (**BV**) in Middelburg, and the remainder at Noko. The change in laboratories was due to the fact that BV could not commit to completing the samples by the date required, whereas Noko confirmed their capacity. Both laboratories are SANAS accredited. Both labs are utilized by other major South African coal mining companies and are subjected to regular laboratory audits. They frequently participate in recognized "round robin" quality control procedures, both locally and internationally, and the results and certificates are available.

All of the coal samples taken were analysed for proximate analyses, plus CV and TS.

Composites of the raw coal samples were analysed at float density fractions 1.6, 1.7, 1.8, 1.9 and sinks. The samples were composited due to budgetary constraints.

2024/2025

The samples obtained during the 2024/2025 campaign were analysed at Ronewa Analytical Laboratory, located in Middelburg, Mpumalanga.

No bulk sampling was done.

It is standard practice for laboratories to keep sample remains and pulps for approximately six months after analysis to allow for any re-analysis if required.

The ISO and South African Bureau of Standard (**SABS**) have a standard set of tests and methods that are used for coal analysis by South African laboratories. The standard South African method of coal sample preparation is summarised as follows:

- Receipt of the sample into the laboratory's electronic information management and sample tracking system;
- Drying of sample. All drying oven temperatures do not exceed 40°C;
- Measuring mass of sample;
- Determining the relative density of the sample;
- Crushing the sample to -25 mm;
- Screening out of the -0.5 mm fraction for proximate, CV and TS analysis;
- Pulverising the -25 mm +0.5 mm sample;
- Pulverised material split using a rotary splitter;
- Carrying out the raw proximate, CV and TS analyses on one sample split;
- Washing the -25 mm +0.5 mm fraction at client-specified densities;
- Drying and weighing the material recovered for each density fraction;
- Conditioning each sample for one hour;
- Carrying out the raw proximate, CV and TS analysis for each density fraction;
- Automatically generating an electronic laboratory report, which is emailed to the client; and
- Retain all sample residues until further written notice by the client.

Coal sample preparation and analytical techniques are standard and are appropriate for the material being sampled. Full analytical techniques were applied to all the samples.

All of the coal samples taken were analysed for raw proximate analyses plus CV and TS.

Composites of the raw coal samples were analysed at float density fractions 1.45, 1.55, 1.65, 1.75, 1.85 and sinks. The samples were composited due to budgetary constraints.

7.14.3 Laboratory Quality Assurance/Quality Control

[SR3.5(i)(iii), SR3.6(i)]

Laboratories are required to calibrate their coal analytical equipment daily as well as participate in round robin proficiency tests to ensure a high standard of results as part of their quality assurance/quality control (QA/QC) process.

All result reports were verified by the laboratory manager and any inconsistencies or variations regarding the laboratory's specifications are re-analysed.

The results from the 2024/2025 programme were compared with the existing results from the previous drill programmes and found to be comparable.

7.15 Data Management and Validation

SR 3.1(i); SR 3.1(ii) SR 2.1(iv); SR 3.1(vi); SR 4.1(i); SR 4.1(ii); SR 4.2(iii)

All drill hole collar and lithology information as well as the laboratory results are currently housed within an MS Excel™ database, managed and maintained by Miptec.

Copies of the original drill hole logs, photographs, laboratory certificates, as well as the digital data, are available for viewing at the Vangatfontein Colliery offices in Delmas.

All paper logs were captured into the MS Excel™ database at the time of drilling by Miptec consultants and verified by the responsible geologist.

7.15.1 Drill Hole Data Validation

Drill hole data are checked for physical data errors including overlapping and missing intervals. Quality verifications are also performed on each sample analysis:

- Raw and wash data - proximate analyses are checked to total 100%;
- Wash data - cumulative AS is checked to ensure the values increase with increasing float fraction density; while the cumulative VM values decrease

Any errors identified were investigated by the responsible person. All drill holes were presented graphically as well as plotted on plans for additional verification.

- **Drill hole Collar Validation:** Recent drill hole collars were surveyed by Oupa Mashele from African Soil Investments (Pty) Ltd, who are registered surveyors. The collars were compared with the DTM surface; no discrepancies were flagged.
- **Seam Validation:** Drill holes are checked to ensure that the seams have been correctly correlated, that the lithographic intervals are in the correct sequence, that there are no negative thicknesses or anomalously thick intervals and that there are no inconsistencies in general. The historical drill holes logged by Gemecs used a different seam nomenclature to that of the Witbank Coalfield. The S5 was termed the Middle Seam, and the S4 and S2 were named the Bottom Seam. As part of the 2017 and 2018 exploration programmes, the seams were re-named according to the familiar Witbank nomenclature. The historical drill holes were logged and sampled in sufficient detail, and geophysical logs were available, allowing for the accurate conversion of the previous seam nomenclature. During the 2024/2025 model update, it became apparent the S1 was more consistently developed toward the south of the area where the majority of the new holes were drilled. As such, the S1 and the parting above, namely the 1P, were included in the geological model. All existing drill holes were re-examined in order to determine where the S1 was logged and sampled in sufficient detail to allow it to be modelled separately from the S2 above (previously the 1P was thin to non-existent such that the S1 was not distinguishable from the S2 and they were logged as one unit).
- **Quality Validation:** Analytical results were evaluated for inconsistent relationships. Checks to confirm that the sum of IM, ash, VM and FC contents add up to 100% were performed, plots of ash vs. CV, as well as ash vs. RD were also created to identify any anomalous data points, which were then investigated. If it was determined that the samples pertained to weathered and/or burnt coal samples, they were left in the database and included in the model. Weathered coal is excluded from the Coal Resource estimates as the coal seams are truncated against the LOW surface in the geological model. Unsampled intervals were identified, and standard values (based on the available lithological descriptions or proximity to dolerite) were used, to ensure that the qualities were not over/underestimated. Where possible, raw samples were composited prior to washing. This was done to stay within the prescribed budgetary constraints. Occasionally, the raw sample compositing did not align with the final seam delineation, and these wash tables were omitted, as they did not conform to the seam being modelled.

Based on the verification techniques applied, the CP is satisfied that the data are valid and fit for purpose for the construction of a geological model, which accurately reflects the original drill hole data, as well as the estimation of Coal Resources over the Moabsvelden area.

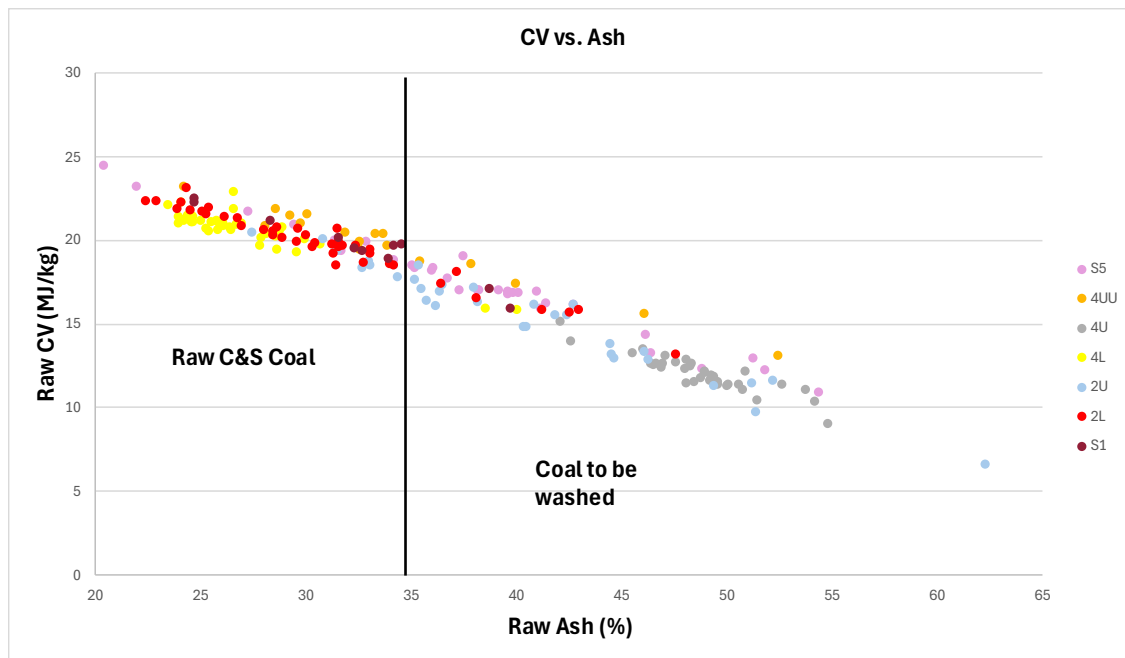


Figure 7-13. Scatter Plot illustrating the Linear relationship between Raw CV (MJ/kg) and Ash Content (%)

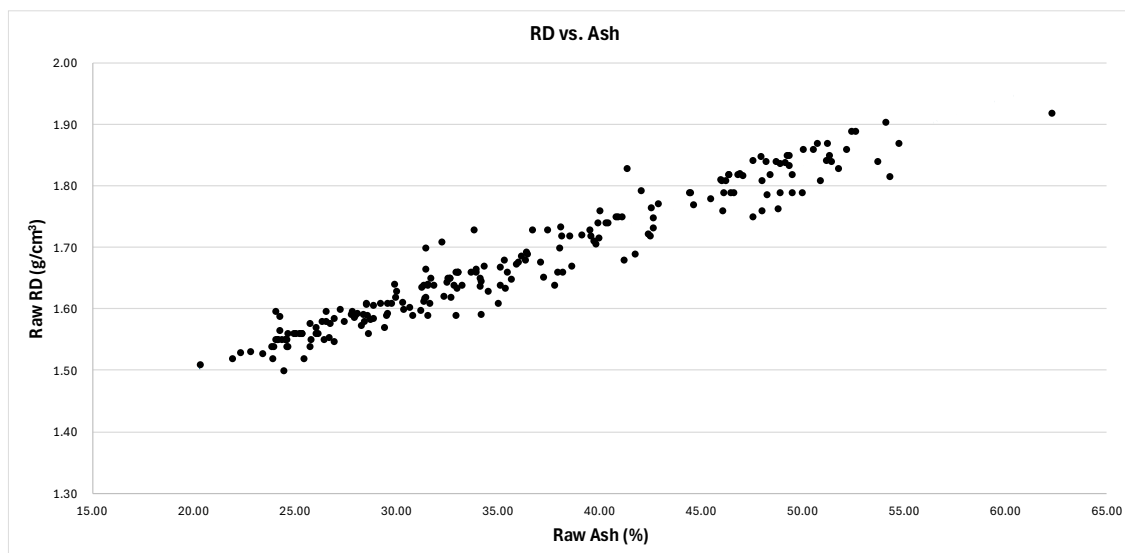


Figure 7-14. Scatter Plot illustrating the Linear Relationship between Raw RD (g/cm³) and Ash Content (%)

7.16 Coal Resources

[12.10(h)(ix)]

7.16.1 Target Seams

All the coal seams present at Moabsvelden are considered target seams. Due to the favourable strip ratios, all of Moabsvelden will continue to be mined via opencast methods.

The resource footprint is limited by the sill in the west, the basement high in the southwest, and the wetland to the north (Figure 7-15). Due to the neighbouring mine obtaining permission to mine the wetland, studies are currently underway to determine whether the wetland at Moabsvelden can be mined as well. If the results of this study are positive, the currently excluded Coal Resources under the wetland will be included where possible.



Figure 7-15. Target Area Constraints

7.16.2 Geological Modelling

[SR2.1(iii), SR4.1(i)(ii), SR4.2(iv), SR5.2(iii)]

The current 2025 geological modelling was undertaken by Ms. K. Black (Pri. Sci. Nat), a Resource Specialist under contract to Miptec. The model was created using Datamine's MineScape™ Software, Version 2023, Update 4; specialist software designed for the three dimensional (3D) modelling of tabular ore deposits such as coal. The model was peer reviewed by Leon Raaths based on the geological grids that were supplied from the geological model. The model is dated May 2025.

7.16.2.1 Modelling Process and Validation

SR 4.1(i); SR 4.2(ii); SR 4.2(iii)

The database was validated and the necessary input files for the model created in MS Excel™ format. These files, namely a drill hole collar and lithology file (including the seam picks and LOW), along with the Topography file were uploaded directly into StratModel. The modelling software includes a user-generated Schema, where the interpolators are set, modelled units are listed in downhole stratigraphic order (a form of model control), the

relationships between parent and daughter seams defined and the nature of each unit set (e.g., conformable/non-conformable, transgressive, contiguous). Should the input lithology file contain seams that are in the incorrect stratigraphic sequence, then upon upload, the model will report an error (logged as an error report). This is the first level of data verification while modelling.

The structural model is built by first creating a table model with the information from the uploaded drill hole data, controlled by the set of rules contained in the Schema. The construction of the table model also produces an error report, that is checked, and the data corrected accordingly.

Once the table model has been built, a 3D grid model is constructed. The grid modelling process interpolates the table data onto the grid block nodes. The grids' spatial orientation is determined by the centre point coordinates of the project area and the cell size determined by the user from the drill hole spacing. The interpolators used to model the data are specified by the modeller and can vary from project to project, depending on the data. For this project, the Inverse Distance Cubed interpolator was used to ensure close honouring of the actual data. Various checks were done to compare the model data with the drill hole data in order to ensure accurate data honouring.

Sixty seven fully cored and sampled drill holes were used to create the geological model. The average spacing of the drill holes across the licence area is 120 m; based on this, a grid cell size of 25 m was selected. The structural model is set to truncate the coal seams where they intersect the LOW, ensuring resources for only unweathered coal are estimated. Extrapolation of data was constrained to 250 m beyond the last known data point.

7.16.2.2 Geological Model Validation

- **Drill Hole Collar and Elevation Validation:** Once the drill holes and DTM are loaded into the model, a report is generated to compare the drill hole collar coordinates to the DTM at that point. Any discrepancies are investigated, and if unable to be resolved, that drill hole is removed from the model.
- **Seam Validation:** Within the modelling software, there are inbuilt rules that ensure that no seams are modelled out of lithological order or overlap each other. Should this occur in the data, the drill hole is flagged by the software and omitted until corrected and reloaded. Additionally, model validations are run to compare the modelled seam thicknesses with the database thicknesses in order to identify any anomalous areas within the model.
- **Quality Validation:** The model contains numerous quality validations that are applied during the loading of both the raw and washed quality data. These validations include checking that the from and to depths of the individual sample plies correspond to the composited sampled from and to depths, that there are no missing samples or overlapping samples. A missing or overlapping sample will result in a model flag, and those particular samples being omitted from the model. Additionally, proximates need to add up to 100%, and wash table data are checked to ensure that the results per float fraction follow the correct increasing or decreasing trend.

- **Model Validation:** The grid model is interrogated by creating data value posts, statistical reports, contour plots, various grid arithmetic plots and posts, and both two- and three-dimensional cross sections.

The following surfaces were modelled for each of the mineable coal seams::

- Topography;
- Limit of weathering;
- Seam roof and floor elevations;
- Seam thickness;
- Raw air-dried qualities; and
- Washed qualities.

In addition, the interburden thicknesses, the dolerite roof and floor elevations and thickness were also modelled.

The target coal seams and the parting bands, namely the S5, S4UU, 4UP, S4U, S4L, 4P, S2U, 2P, S2L, 1P and S1 were modelled. The resource boundaries are based on the seams' subcrops, seam thickness and quality cut-offs, the mining right boundary, and the servitude and environmental boundaries. An exclusion zone associated with the uplift in the west, as well as the associated dolerite sill, has also been applied.

The model is an established model, which undergoes annual scrutiny during the annual Resource and Reserve reporting process, whereby the actual coal mined is reconciled against the model, and any necessary adjustments made. There has always been a good correlation between actual mining and the model.

7.16.2.3 Physical Results

[SR2.1(v)(vi), SR3.1(vii), SR4.1(i)]

For each seam, the physical parameters of the seam elevation and the depth from surface of the seam floor and roof were modelled; the LOW was similarly modelled. The thickness of each seam was also modelled, and used as the basis for the estimation of the Coal Resource volumes. Although all these parameters were modelled, only the floor elevation, depth from surface and the seam thickness results are presented in Figure 7-16 to Figure 7-21, along with a brief description of the results. In addition, classical statistics for the modelled seams are compared with similar statistics derived from the drill hole data. The purpose for this comparison is to determine whether the model is a true reflection of the data or if the modelling algorithm has changed the apparent nature of the deposit.

Please note that the plans and discussion that follow refer to the in situ characteristics of the seams over the entire area; however, the statistics pertain only to the coal remaining after the previous mining, i.e. within the remaining resource footprint of each seam.

No. 1 Seam

Physical statistics for the S1 are presented in Table 7-7 (drill hole statistics) and Table 7-8 (model statistics) and are illustrated in Figure 7-16 to Figure 7-18.

Table 7-7. No. 1 Seam Drill Hole Statistics

No. 1 Seam Drill hole Statistics									
Parameter	Number	Average	Minimum Hole Name		Maximum Hole Name		Standard Deviation	Skewness	Kurtosis
Thick (m)	11	1.98	MV24-11	0.49	MV24-03	4.30	1.17	0.46	-0.56
Depth to Roof (m)	11	83.28	MV031	69.40	MV24-10	92.69	6.77	-0.59	-0.29
Floor Elevation (mamsl)	11	1502.98	MV24-10	1495.85	MV031	1520.30	7.70	1.14	0.27

Table 7-8. No. 1 Seam Model Statistics

No. 1 Seam Model Statistics							
Parameter	Number	Average	Minimum	Maximum	Standard Deviation	Skewness	Kurtosis
Thick (m)	435	1.11	0.05	3.42	0.42	0.93	2.23
Depth to Roof (m)	435	84.27	63.61	93.09	5.92	-1.34	2.64
Floor Elevation (mamsl)	435	1503.16	1494.68	1526.19	6.41	1.83	3.68

The seam thickness (Figure 7-16) increases to the southeast corner of the property, from less than 1 m to around 3 m. Figure 7-17 illustrates the depth to the seam roof, which shows the synformal structure (with depths of around 60 m on the east and west flanks) that deepens to the southeastern corner, where maximum depths of over 90 m are encountered. This same structure is depicted in the floor elevation (Figure 7-18).



Figure 7-16. No. 1 Seam Thickness (m)



Figure 7-17. No. 1 Seam Depth to Roof (m)



Figure 7-18. No. 1 Seam Floor Elevation (mamsl)

No. 2L Seam

Physical statistics for the S2L are presented in Table 7-9 (drill hole statistics) and Table 7-10 (model statistics) and are illustrated in Figure 7-19 to Figure 7-21.

Table 7-9. No. 2L Seam Drill Hole Statistics

No. 2L Seam Drill hole Statistics									
Parameter	Number	Average	Minimum Hole Name		Maximum Hole Name		Standard Deviation	Skewness	Kurtosis
Thick (m)	43	5.49	MV24-12	1.86	MV003	9.83	1.93	0.38	0.25
Depth to Roof (m)	43	71.12	MV029	42.60	MV24-10	88.07	9.98	-0.91	0.98
Floor Elevation (mamsl)	43	1508.83	MV009	1494.23	MV029	1537.41	10.39	1.00	0.43

Table 7-10. No. 2L Seam Model Statistics

No. 2L Seam Model Statistics							
Parameter	Number	Average	Minimum	Maximum	Standard Deviation	Skewness	Kurtosis
Thick (m)	1356	4.81	0.57	8.80	1.51	-0.58	-0.05
Depth to Roof (m)	1356	72.07	42.19	88.26	10.15	-0.94	0.58
Floor Elevation (mamsl)	1356	1509.19	1494.20	1538.30	10.83	1.22	0.58

The S2L is the thickest of all the seams, generally ranging between 4 and 6 m thick (Figure 7-19). The seam is thickest in the north, thinning towards the southwestern corner as it approaches the basement high.

The seam is shallowest along the western boundary (<60 m deep), reaching its maximum depth in the center of the mining footprint (80 – 90 m), as illustrated in Figure 7-20.

The floor elevation contours indicate the uplift in the west, and the synformal nature of the seams in the center of the property (Figure 7-21).

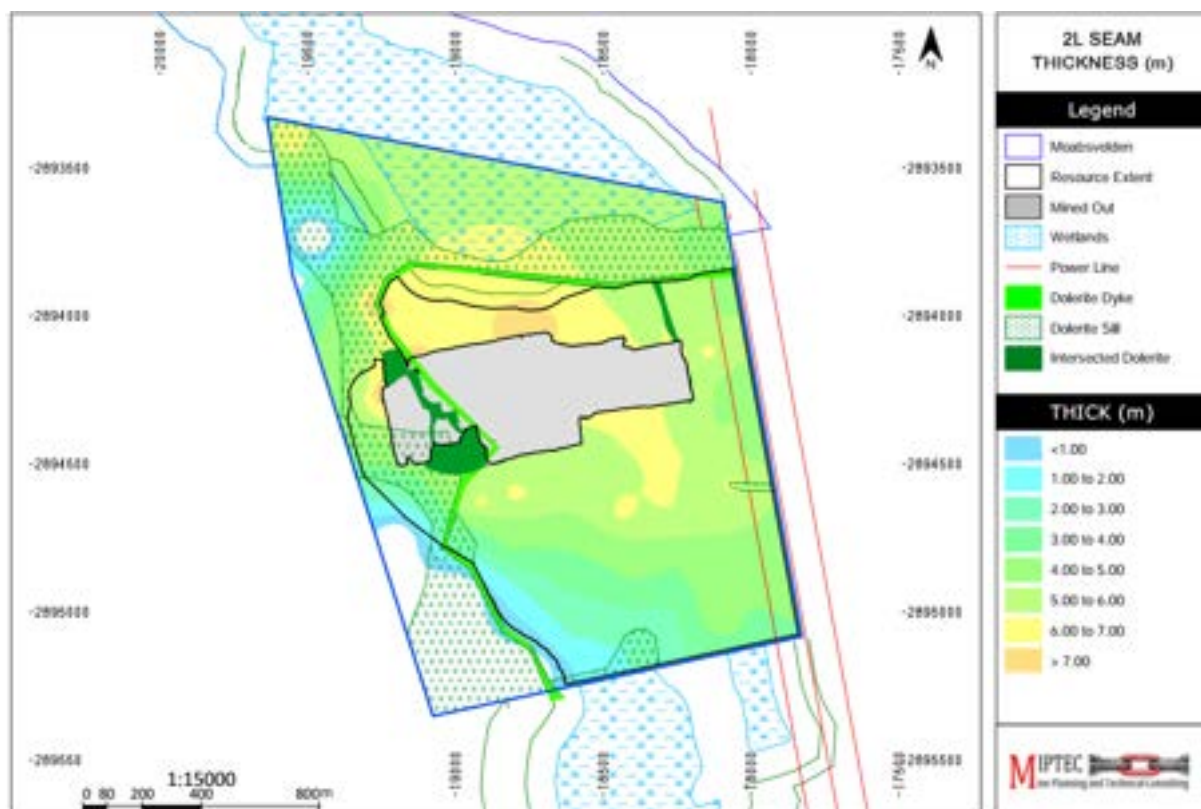


Figure 7-19. No. 2L Seam Thickness (m)



Figure 7-20. No. 2L Seam Depth to Roof (m)



Figure 7-21. No. 2L Seam Floor Elevation (mamsi)

No. 2U Seam

Physical statistics for the S2U are presented in Table 7-11 (drill hole statistics) and Table 7-12 (model statistics) and are illustrated in Figure 7-22 to Figure 7-24.

Table 7-11. No. 2U Seam Drill Hole Statistics

No. 2U Seam Drill hole Statistics									
Parameter	Number	Average	Minimum Hole Name		Maximum Hole Name		Standard Deviation	Skewness	Kurtosis
Thick (m)	34	2.67	MV24-05	0.50	MV18-05	4.76	1.19	-0.04	-0.81
Depth to Roof (m)	34	69.61	MV029	38.44	MV24-10	84.34	9.11	-1.01	2.30
Floor Elevation (mamsl)	34	1513.60	MV009	1501.08	MV029	1542.36	8.37	1.26	2.48

Table 7-12. No. 2U Seam Model Statistics

No. 2U Seam Model Statistics							
Parameter	Number	Average	Minimum	Maximum	Standard Deviation	Skewness	Kurtosis
Thick (m)	1207	2.03	0.49	4.55	0.66	0.54	0.64
Depth to Roof (m)	1207	69.69	38.68	84.95	10.06	-1.02	0.89
Floor Elevation (mamsl)	1207	1514.66	1501.06	1544.00	9.68	1.34	1.24

The S2U is generally between 2 – 4 m thick across the resource extent (Figure 7-22), with a few slightly thicker areas between 4 – 6 m thick.

The depth to seam roof is shallowest in the west (less than 40 m) due to the uplift. The deepest part of the seam, up to 90 m, is in the central portion of the area (Figure 7-23).

The seam elevation contours (Figure 7-24) further illustrate the effect the uplift has had on the seams. As expected, the elevations are highest in the west (~1 560 mamsl), and lowest in the centre (1 520 mamsl).



Figure 7-22. No. 2U Seam Thickness (m)



Figure 7-23. No. 2U Seam Depth to Roof (m)

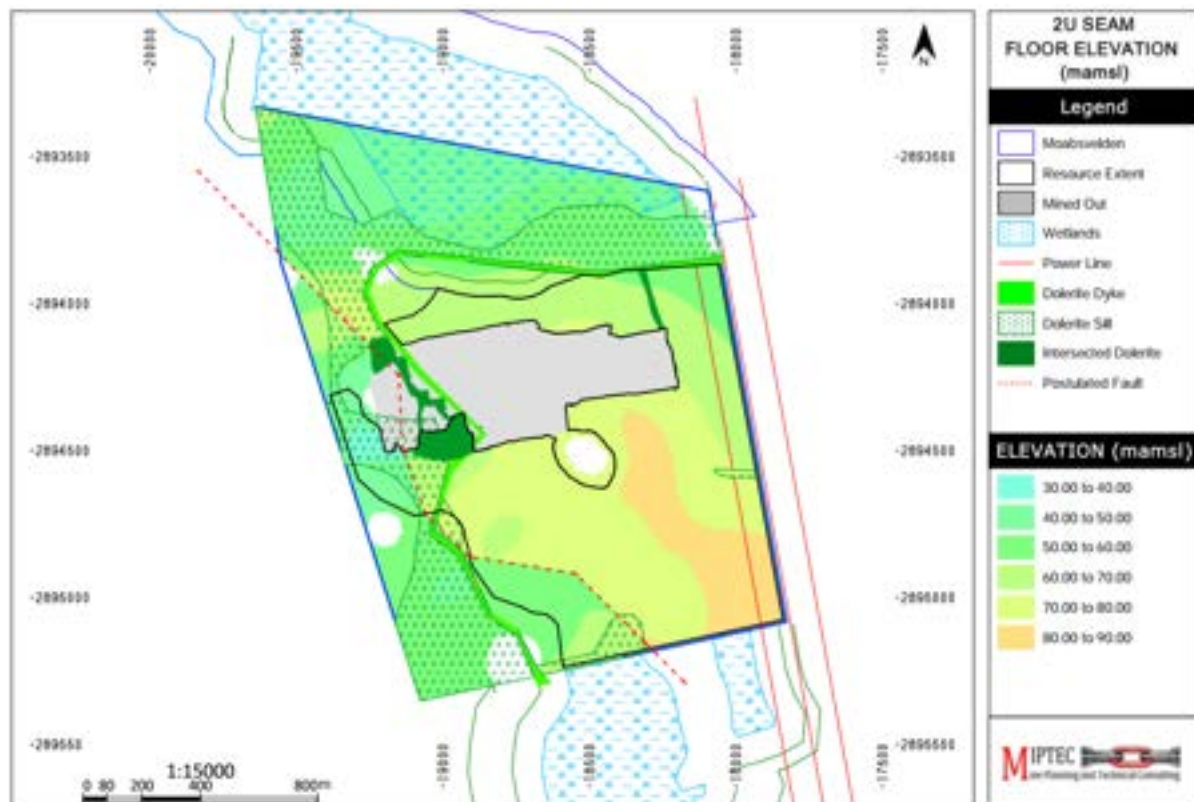


Figure 7-24. No. 2U Seam Floor Elevation (mamsl)

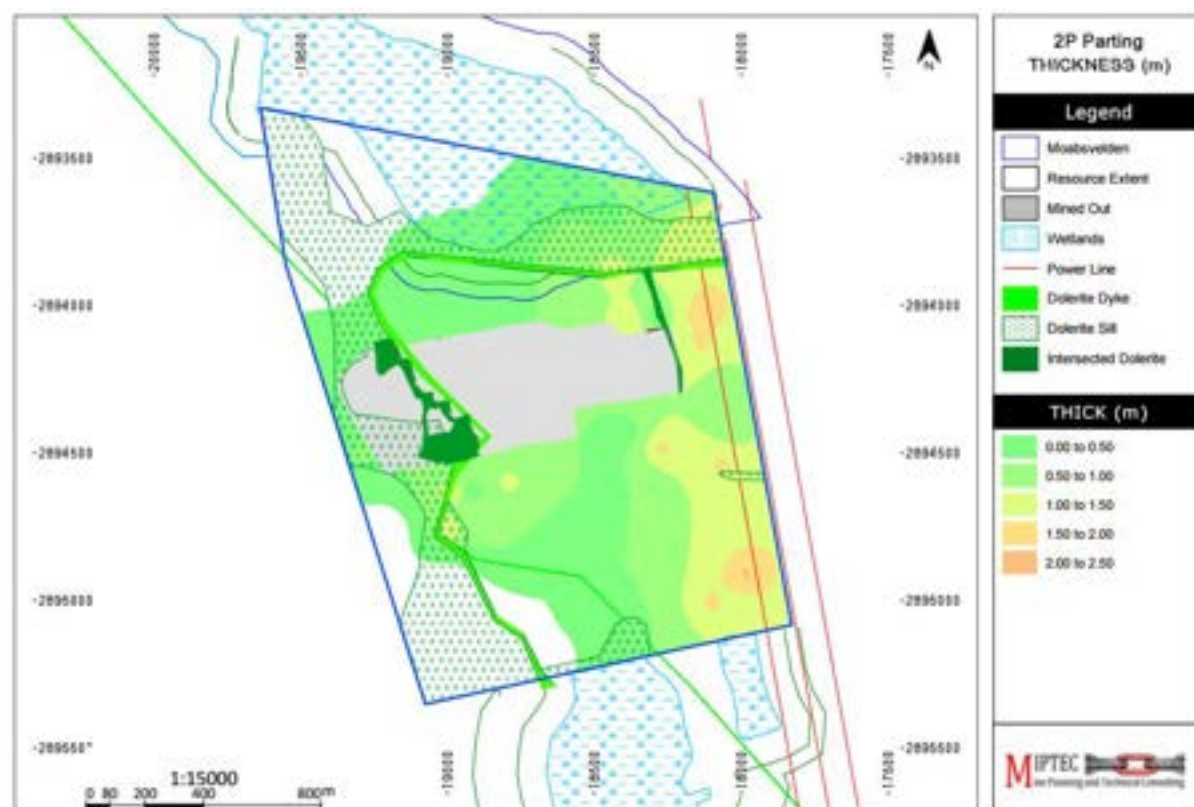


Figure 7-25. 2P Parting Thickness (m)

No. 4L Seam

Physical statistics for the S4L are presented in Table 7-13 (drill hole statistics) and Table 7-14 (model statistics) and are illustrated in Figure 7-26 to Figure 7-28.

Table 7-13. No. 4L Seam Drill Hole Statistics

No. 4L Seam Drill hole Statistics									
Parameter	Number	Average	Minimum Hole Name		Maximum Hole Name		Standard Deviation	Skewness	Kurtosis
Thick (m)	39	5.16	MVN14_006	4.20	MV009	6.94	0.63	1.04	0.89
Depth to Roof (m)	39	59.75	MV029	31.44	MV24-10	72.69	8.56	-1.16	1.71
Floor Elevation (mamsl)	39	1520.59	MV009	1508.89	MV029	1547.17	9.26	1.23	1.15

Table 7-14. No. 4L Seam Model Statistics

No. 4L Seam Model Statistics							
Parameter	Number	Average	Minimum	Maximum	Standard Deviation	Skewness	Kurtosis
Thick (m)	1270	4.82	1.63	6.40	0.67	-2.13	5.51
Depth to Roof (m)	1270	60.67	30.43	74.21	8.22	-1.20	1.73
Floor Elevation (mamsl)	1270	1520.51	1505.92	1552.38	9.45	1.46	1.75

The S4L is present across the entire mining footprint. It ranges in thickness from less than 2 m as it approaches the palaeohigh in the southwest, to almost 7 m in two isolated instances (Figure 7-26). The seam averages between 4 – 6 m across the majority of the area.

The depth to S4L roof displays the same trend as the overlying S4U. The seam is shallowest along the western boundary, and deepest in the central portion of the block (Figure 7-27). Where the seam has been uplifted in the west, it has been included as a Coal Resource where the qualities and favourable strip ratios allow.

The floor elevation contours of the seam, as included in Figure 7-28, illustrates the uplift of the seam in the west.

The S4 is separated from the S2 below by a parting that ranges from a thin (<30 cm) carbonaceous mudstone band to a sandstone unit that reaches almost 10 m thick.



Figure 7-26. No. 4L Seam Thickness (m)



Figure 7-27. No. 4L Seam Depth to Roof (m)



Figure 7-28. No. 4L Seam Floor Elevation (mamsl)

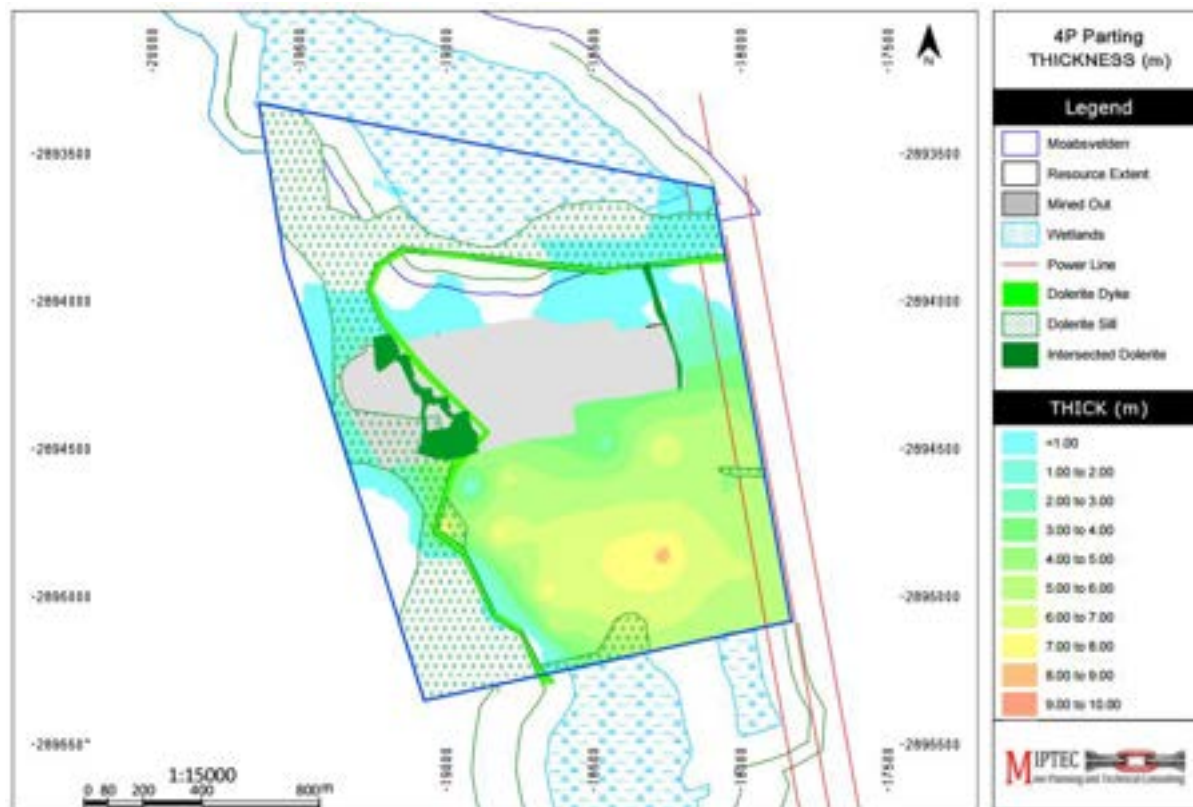


Figure 7-29. 4P Parting Thickness (m)

No. 4U Seam

Physical statistics for the S4U are presented in Table 7-15 (drill hole statistics) and Table 7-16 (model statistics) and are illustrated in Figure 7-30 to Figure 7-32.

Table 7-15. No. 4U Seam Drill Hole Statistics

No. 4U Seam Drill hole Statistics									
Parameter	Number	Average	Minimum Hole Name		Maximum Hole Name		Standard Deviation	Skewness	Kurtosis
Thick (m)	35	3.23	MVN14_004	1.23	MV018	3.94	0.59	-1.69	2.59
Depth to Roof (m)	35	57.64	MV24-13	40.69	MV24-10	70.82	6.91	-0.40	-0.07
Floor Elevation (mamsl)	35	1524.75	MV24-03	1515.77	MV24-13	1548.28	7.75	1.21	1.68

Table 7-16. No. 4U Seam Model Statistics

No. 4U Seam Model Statistics							
Parameter	Number	Average	Minimum	Maximum	Standard Deviation	Skewness	Kurtosis
Thick (m)	1225	3.09	1.46	3.86	0.32	-1.07	2.61
Depth to Roof (m)	1225	58.01	34.30	71.28	7.06	-0.67	0.18
Floor Elevation (mamsl)	1225	1524.77	1514.69	1554.21	8.01	1.43	1.94

The S4U Seam is between 3 and 4 m thick across the majority of the licence area, subcropping in the west. The depth to the seam roof is less than 30 m in the west but between 60 – 70 m in the center of the mining footprint. the seam floor elevations range from less than 1 520 mamsl in the center of the area increasing both in the west and east, again indicating the synformal nature of the seams.

The S4U is separated from the S4L below by a thin carbonaceous mudstone band, which, when less than 0.3 m in thickness, is included as part of the S4U seam.



Figure 7-30. No. 4U Seam Thickness (m)



Figure 7-31. No. 4U Seam Depth to Roof (m)



Figure 7-32. No. 4U Seam Floor Elevation (mamsl)

No. 4UU Seam

Physical statistics for the S4UU are presented in Table 7-19 (drill hole statistics) and Table 7-20 (model statistics) are while Figure 7-33 illustrates the seam thickness..

The S4UU is present across the majority of the licence area; however, it only attains thicknesses of over 0.5 m along the eastern half of the mining footprint, and in a small, isolated patch in the west, which has been mined out (Figure 7-33). The S4UU accounts for less than 1% of the Coal Resource Estimate and is therefore not discussed any further.

Table 7-17. No. 4UU Seam Drill Hole Statistics

No. 4UU Seam Drill hole Statistics									
Parameter	Number	Average	Minimum Hole Name	Maximum Hole Name	Standard Deviation	Skewness	Kurtosis		
Thick (m)	17	0.57	MV24-06	0.22	MV24-10	0.88	0.12	-0.44	3.76
Depth to Roof (m)	17	57.98	MVN14_006	47.27	MV24-10	67.68	6.43	-0.02	-1.24
Floor Elevation (mamsl)	17	1527.43	MV24-03	1519.85	MVN14_002	1533.15	4.81	-0.33	-1.39

Table 7-18. No. 4UU Seam Model Statistics

No. 4UU Seam Model Statistics							
Parameter	Number	Average	Minimum	Maximum	Standard Deviation	Skewness	Kurtosis
Thick (m)	420	0.55	0.39	0.79	0.04	1.73	5.81
Depth to Roof (m)	420	60.66	46.17	69.75	5.56	-0.65	-0.56
Floor Elevation (mamsl)	420	1525.96	1519.04	1535.38	4.04	0.52	-0.59



Figure 7-33. No. 4UU Seam Thickness (m)

No. 5 Seam

Physical statistics for the S5 are presented in Table 7-19 (drill hole statistics) and Table 7-20 (model statistics) and are illustrated in Figure 7-34 to Figure 7-36.

The No. 5 Seam is present over a large majority of the resource extent, with the exception of the western portion where there has been significant uplift and removal of the seam by present-day weathering. The seam ranges in thickness from less than 0.4 m to just over 2 m in a few isolated patches. The average thickness of the seam across the resource extent is 1.6 m. The depth to roof of the seam ranges from 40 – 50 m in the centre of the area, to less than 30 m along the periphery. The floor elevation contours indicate that the point is in the centre of the area (1 530 – 1 540 mamsl), rising towards both the east and west, most notably in the vicinity of the fault.

The average drill hole and model statistics compare well; however, differences are noted between the minimum and maximum values of the drill holes compared with the model minima and maxima. These differences are expected and are due to the model extrapolating the seam to the subcrop with the LOW.

Table 7-19. No. 5 Seam Drill Hole Statistics

No. 5 Seam Drill hole Statistics									
Parameter	Number	Average	Minimum Hole Name		Maximum Hole Name		Standard Deviation	Skewness	Kurtosis
Thick (m)	34	1.64	MV24-01	1.18	MVN17_01	2.70	0.29	1.53	4.01
Depth to Roof (m)	34	40.22	MV030	25.65	MV24-10	51.87	6.14	0.01	-0.36
Floor Elevation (mamsl)	34	1543.83	MV009	1533.74	MV030	1564.29	6.33	0.99	1.62

Table 7-20. No. 5 Seam Model Statistics

No. 5 Seam Model Statistics							
Parameter	Number	Average	Minimum	Maximum	Standard Deviation	Skewness	Kurtosis
Thick (m)	986	1.51	0.51	2.39	0.22	-2.04	6.06
Depth to Roof (m)	986	40.95	22.34	53.87	6.48	-0.28	-0.46
Floor Elevation (mamsl)	986	1543.79	1533.96	1567.14	6.24	1.25	1.88



Figure 7-34. No. 5 Seam Thickness (m)



Figure 7-35. No. 5 Seam Depth to Roof (m)

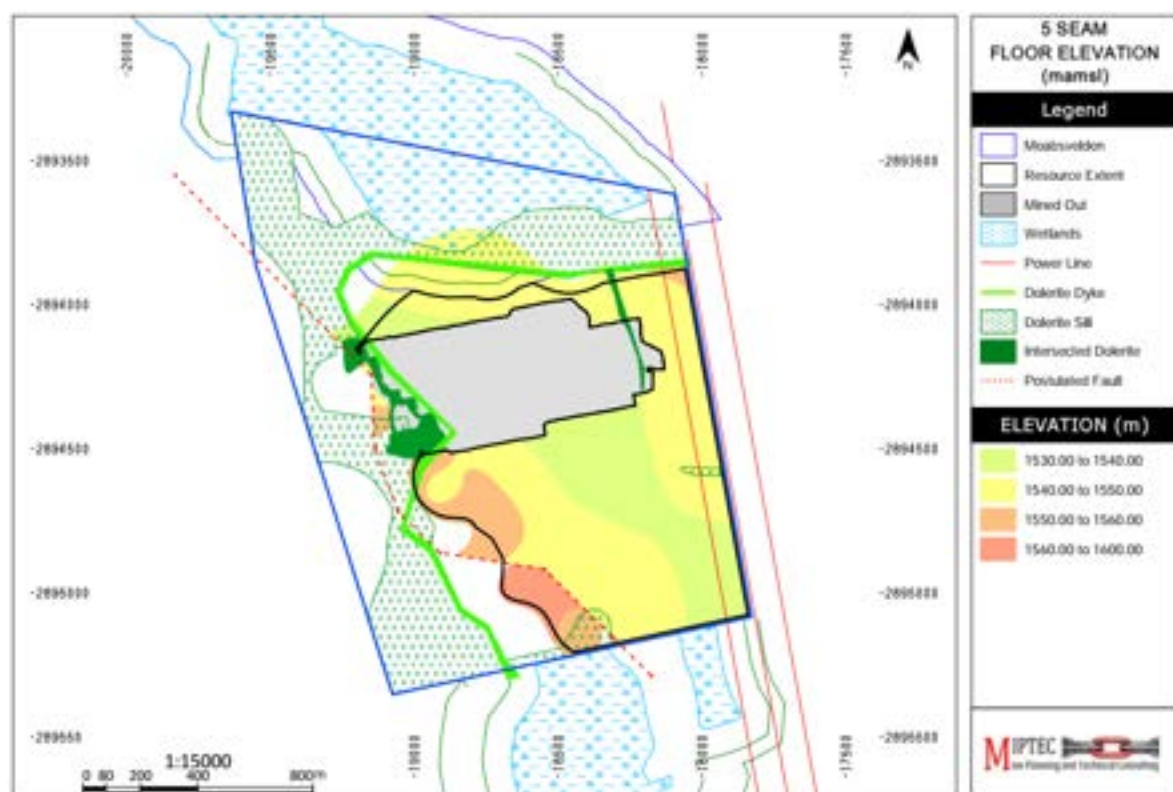


Figure 7-36. No. 5 Seam Floor Elevation (mamsl)

Cross Sections and Structural Interpretations

A number of cross sections (Figure 7-37) were generated to test the geological model, four of which are included in Figure 7-38 to Figure 7-39. Cross sections help to better understand the changes in the seam floor elevations and thicknesses and allow potential anomalies, subcrops, etc. to be identified.

The cross sections illustrate that the coal seams are representative of a multiple seam coal deposit-type, as they are discrete coal seams separated by interburdens of significantly greater thickness than the coal seams.

The seams are relatively flat-lying, although they do slope upwards towards both the west and the east – illustrated in Figure 7-38. As the increase in elevation is not steep, it is assumed that this synform is a depositional feature, a result of the underlying pre-Karoo topography. Along the western extent of the area, a fault with an associated transgressive sill has been interpreted, and in the southwestern corner, a basement high – against which the seams subcrop. The fault is associated with upthrows in the west of between 12 m and 20 m.

Figure 7-38 illustrates cross section A-A¹, to which a vertical exaggeration of five times has been applied to magnify any structures that are present. The interpreted fault is evident in the west, as is the gently sloping nature of the seams. The displaced coal has resulted in an area of low strip ratios, and therefore, where the qualities allow, this coal has been included in both the Coal Resources and Coal Reserves. As indicated in Figure 7-38, the area to the west of the fault has already been mined through in the north.

Cross section B-B¹, included in Figure 7-38, illustrates the basement high in the southwest as well as the fault. Also evident in Figure 7-38 is the increase in parting thickness between the S4 and S2 packages. In the north, cross section A-A¹, the parting is thin to non-existent; however, towards the south (cross section B-B¹), it is evident that the parting increases substantially to almost 10 m in thickness.

North-south cross section C-C¹ (Figure 7-39), located along the western boundary, indicates how the seams in this area are rolling in nature, and increase in elevation in the vicinity of both the basement high and the fault. Evident beneath the wetland are the Coal Resources excluded from the current resource estimate (also shown in cross section D-D¹). Targeted drilling has been planned within this area in order to gain enough information to allow for this coal to be confidently modelled and assessed.

The second north-south cross section, D-D¹, indicates that towards the south, the seams are less undulous in nature although still dipping to the south. Also evident, is the increase in parting thickness between the S4 and S2 coal packages from north to south, and well as the fact that the seams thin slightly towards the south.

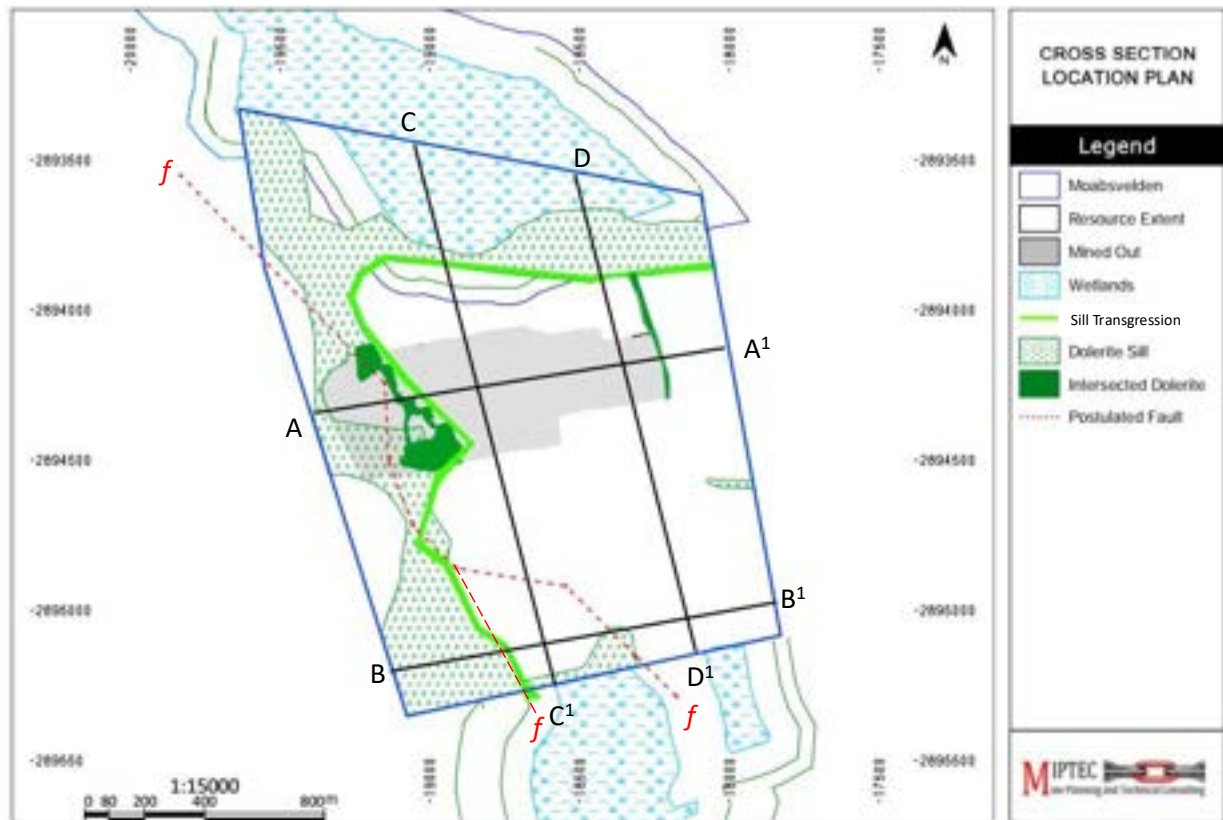


Figure 7-37. Cross Section Location Plan

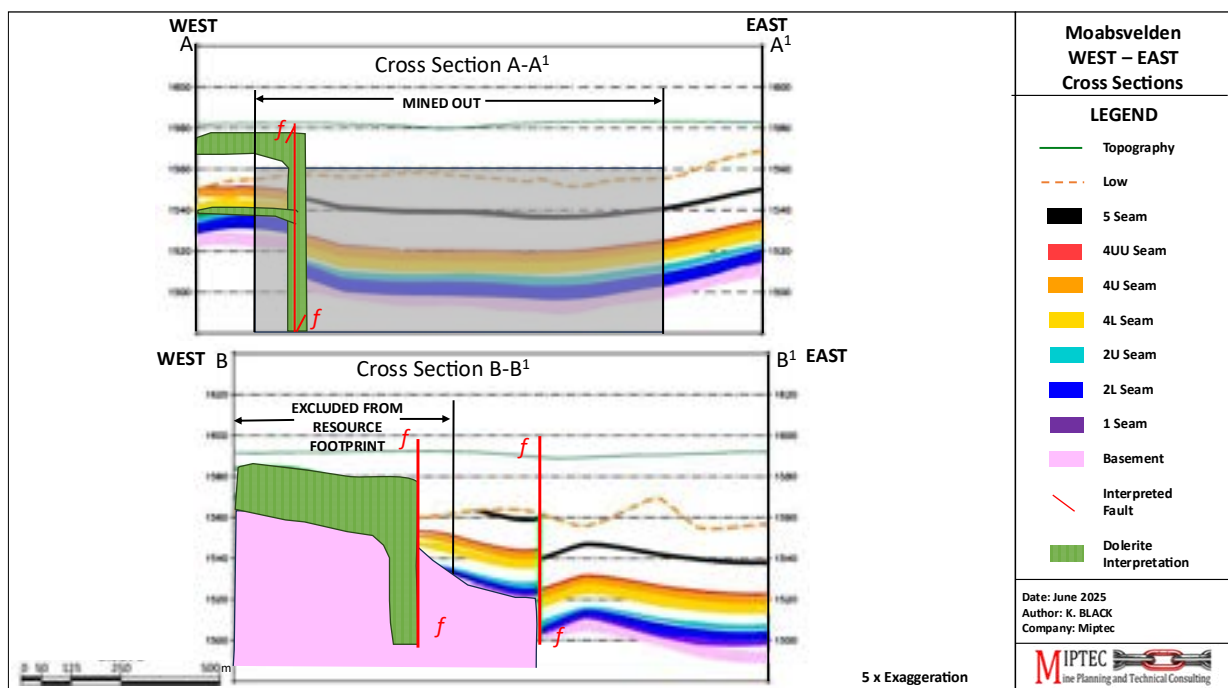


Figure 7-38. West – East Cross Sections across the Length of the Moabsvelden Mining Area

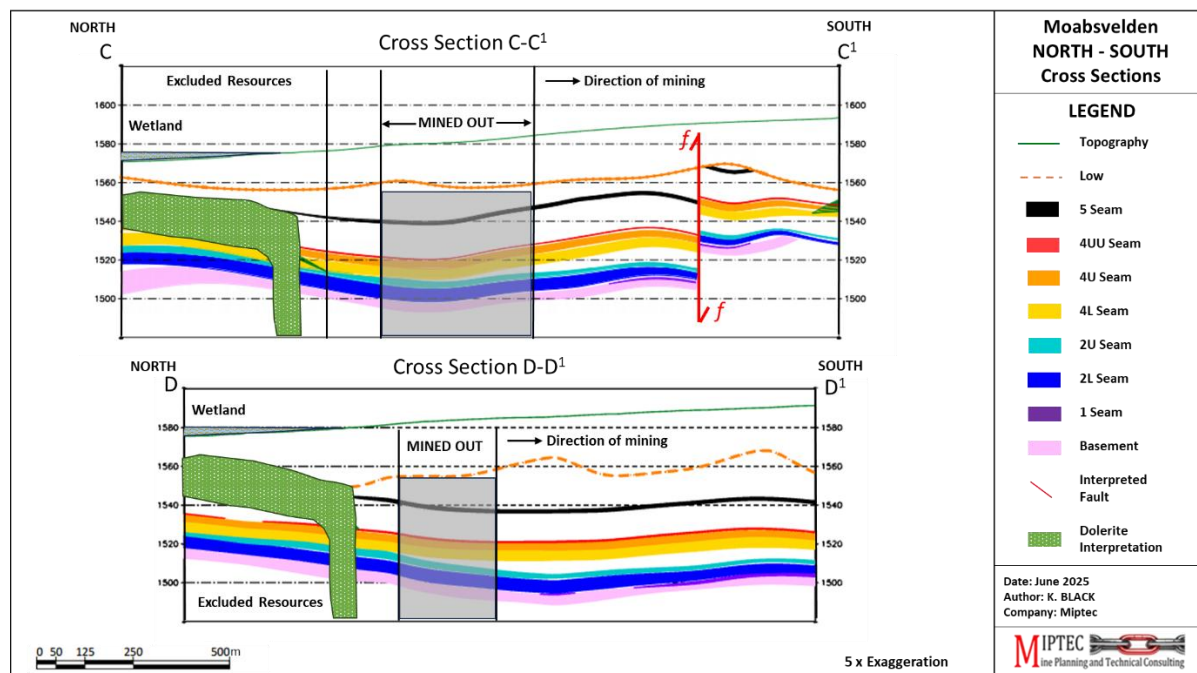


Figure 7-39. North - South Cross Sections through the Moabsvelden Mining Area

7.16.2.4 Quality Results

[SR4.1(iv), SR4.5(i)]

Raw and washed coal qualities (adb) were modelled for each seam. Coal qualities modelled include ash, CV, IM, FC, TS, VM. And DAFV. The average raw coal qualities were estimated by weight-averaging the individual coal ply qualities on both thickness and density, whereas the washed coal qualities were weight-averaged on ply thickness and yield.

The wash data as received from the laboratory are loaded into StratModel, where the wash tables are normalised to a standard set of wash densities prior to compositing and gridding the data on a per seam, per wash density basis. The wash quality model can then be used to estimate potential products and their associated Coal Resources.

Included in Figure 7-40 to Figure 7-88 are the raw CV, ash, VM, DAFV and TS plots for all seams, whereas the qualities at a cut density of 1.8g/cm^3 are only included for the S5, S4U and S2U Seams, as these seams require washing in order to produce the specified Eskom product. The better-quality S4L and S2L Seams are suitable as raw crush and screen products for Eskom. It is, however, important to note that the S4L and S2L seams could be washed to improve the Eskom grade, if and when required.

No. 5 Seam

The raw ash content of the S5 is highly variable, ranging from less than 28% along the eastern and southern extents of the licence area, increasing to over 56% in the west (Figure 7-40). The average raw ash content across the resource footprint is 37.7%. Due to the high ash content of the S5, it has been designated as a seam that requires beneficiation. At a wash density of 1.8g/cm^3 (Figure 7-41), the ash content averages 23.3%, however,

there is an increase in the ash qualities from west to east. The F1.8 ash distribution histogram, also illustrated in Figure 7-41, indicates that 91% of the S5 Coal has F1.8 ash content between 20 – 26%.

Due to the linear relationship between ash and CV contents, the highest CVs are noted in the east and the south, decreasing towards the north and west (Figure 7-42). The average raw CV content within the resource footprint is 17.7 MJ/kg. At F1.8, the CV ranges between 21 – 25 MJ/kg and attains an average CV of 23.3 MJ/kg (Figure 7-43).

The raw TS content of the S5 (Figure 7-44), generally ranges between 0.8 – 1.6%, with three holes containing raw TS contents greater than 1.6%. The average raw TS content of the S5 is 1.1%. At F1.8, 78% of the coal has a TS content less than 0.8% (Figure 7-45), averaging 0.7% across the resource footprint.

The raw VM content (in line with the decreasing coal quality), decreases from east to west. In the east, the raw VM content ranges between 24 – 26%, decreasing to less than 20% in the west (Figure 7-46). As illustrated by the raw VM distribution histogram, 100% of the S5 coal analysed has a raw VM content greater than 18%. At F1.8 (Figure 7-47), all the coal has a VM content greater than 18%, with 91% of the coal having a VM content greater than 26%. The average VM content at F1.8 is 27.7%. When converted to a dry, ash-free (DAF) basis, the VM content is generally greater than 37.7% across the entire mining footprint.

The S5 theoretical yield decreases from east to west and from south to north. The highest yield is between 80 – 90%, decreasing to less than 50% in the northwest. The average F1.8 yield is 61.7%.



Figure 7-40. No. 5 Seam Raw Ash Content (%) Distribution

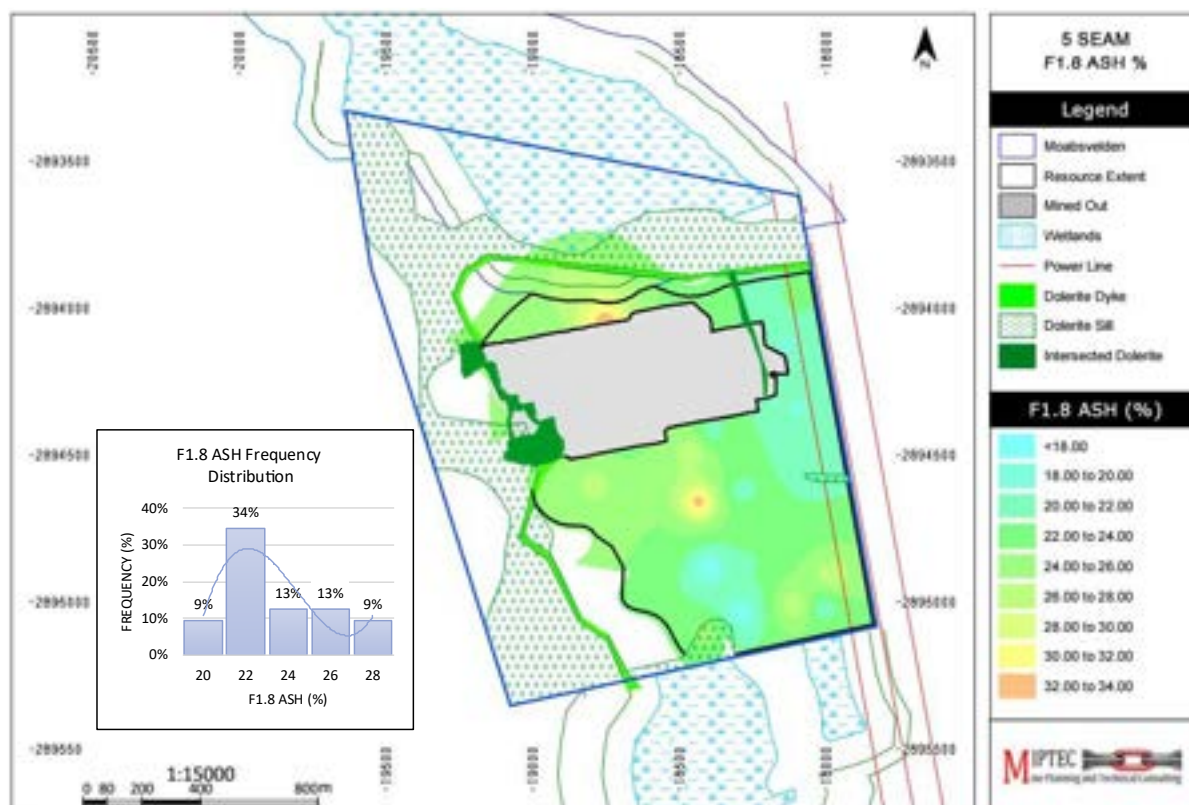


Figure 7-41. No. 5 Seam F1.8 Ash Content (%) Distribution

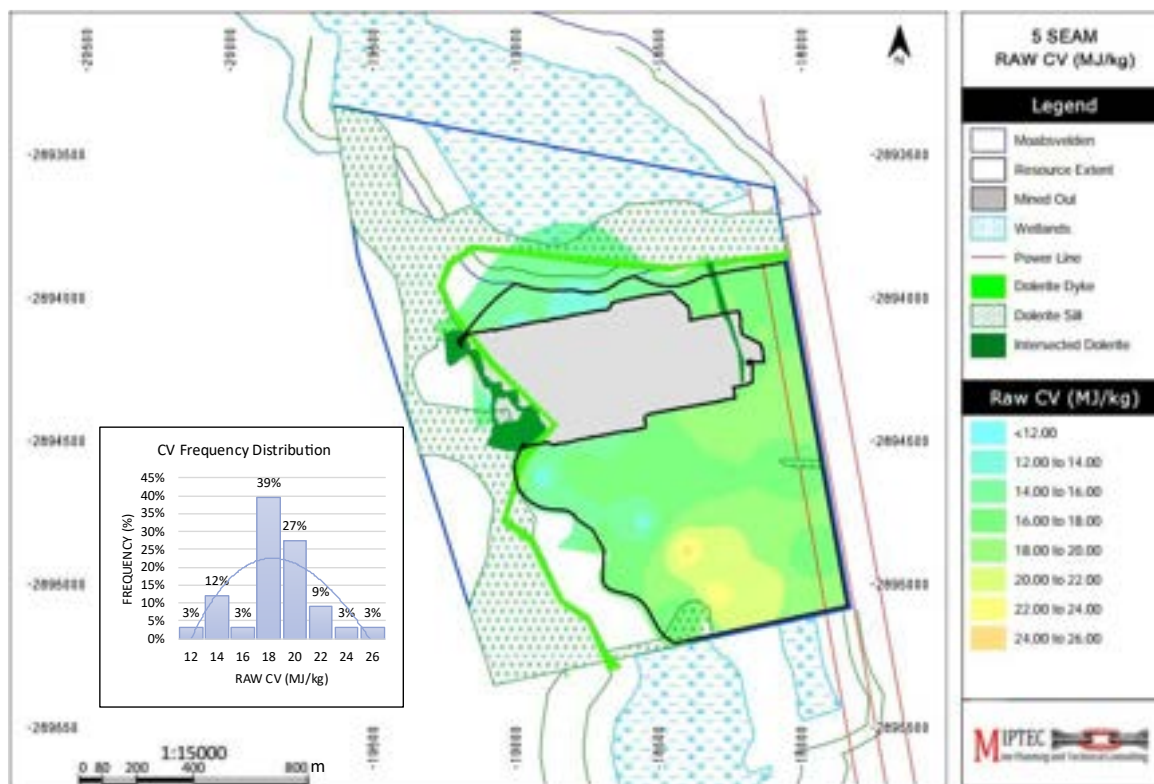


Figure 7-42. No. 5 Seam Raw Calorific Value (MJ/kg) Distribution

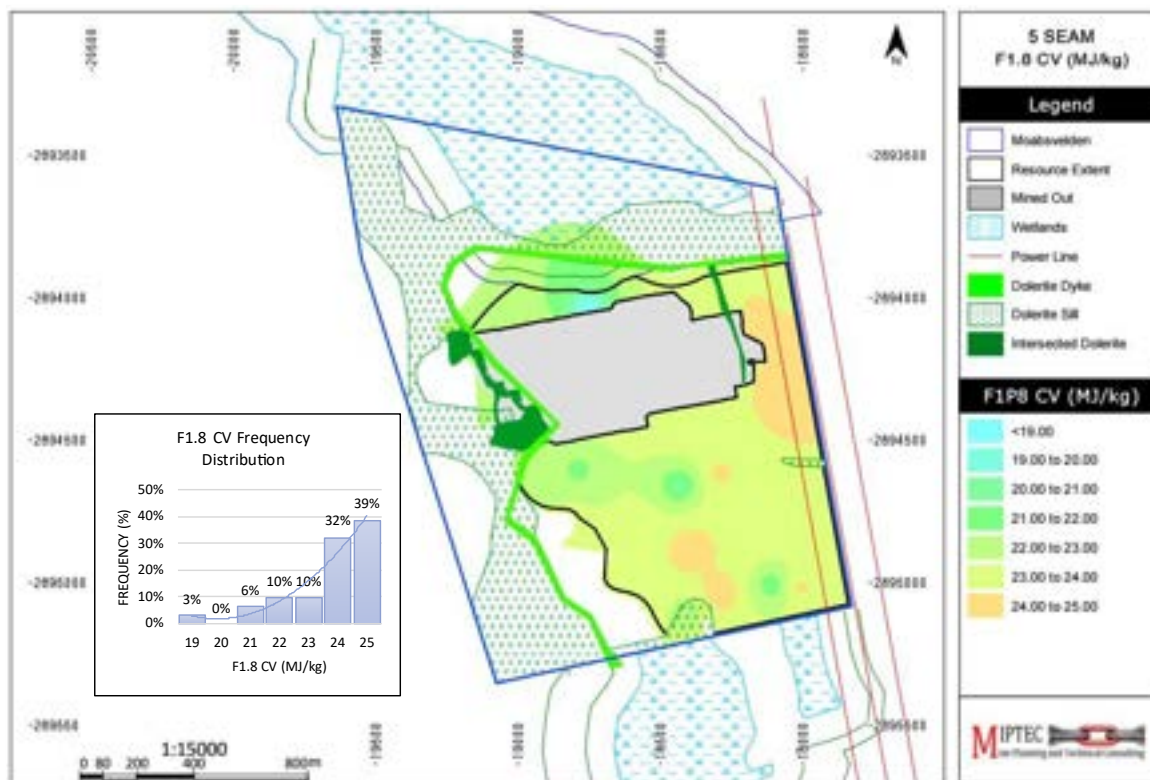


Figure 7-43. No. 5 Seam F1.8 Calorific Value (MJ/kg) Distribution



Figure 7-44. No. 5 Seam Raw Total Sulphur Content (%) Distribution

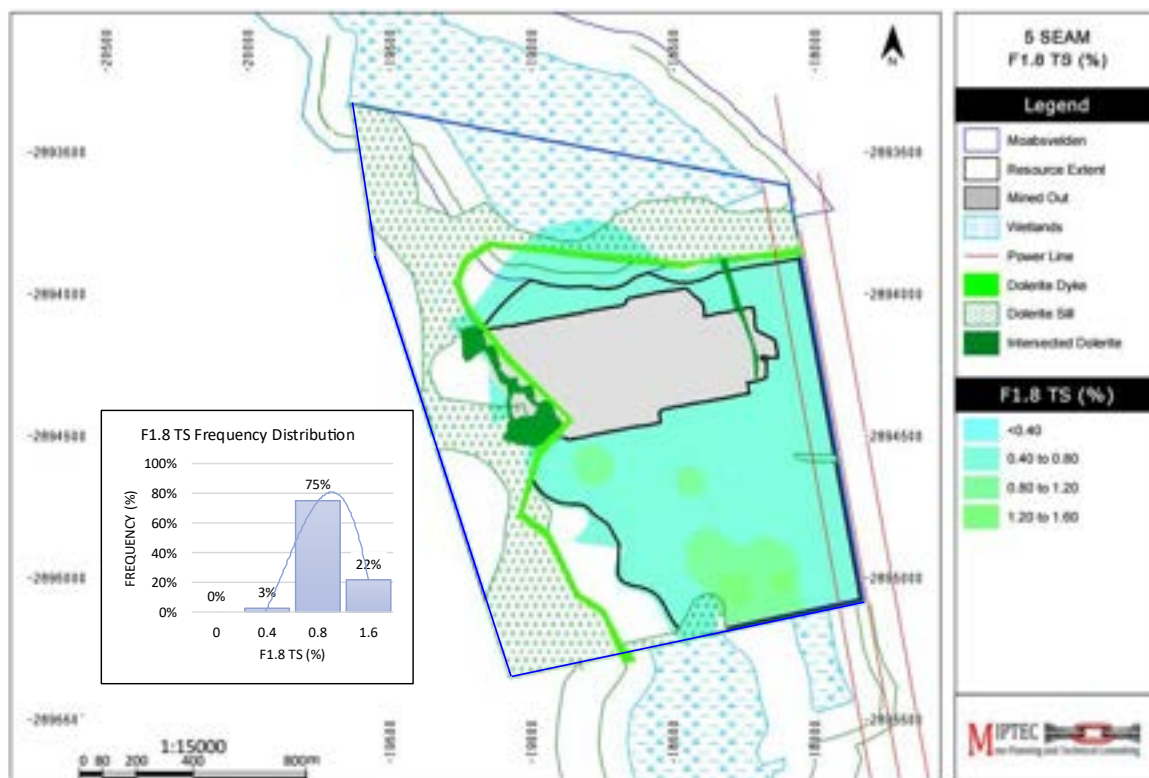


Figure 7-45. No. 5 Seam F1.8 Total Sulphur Content (%) Distribution

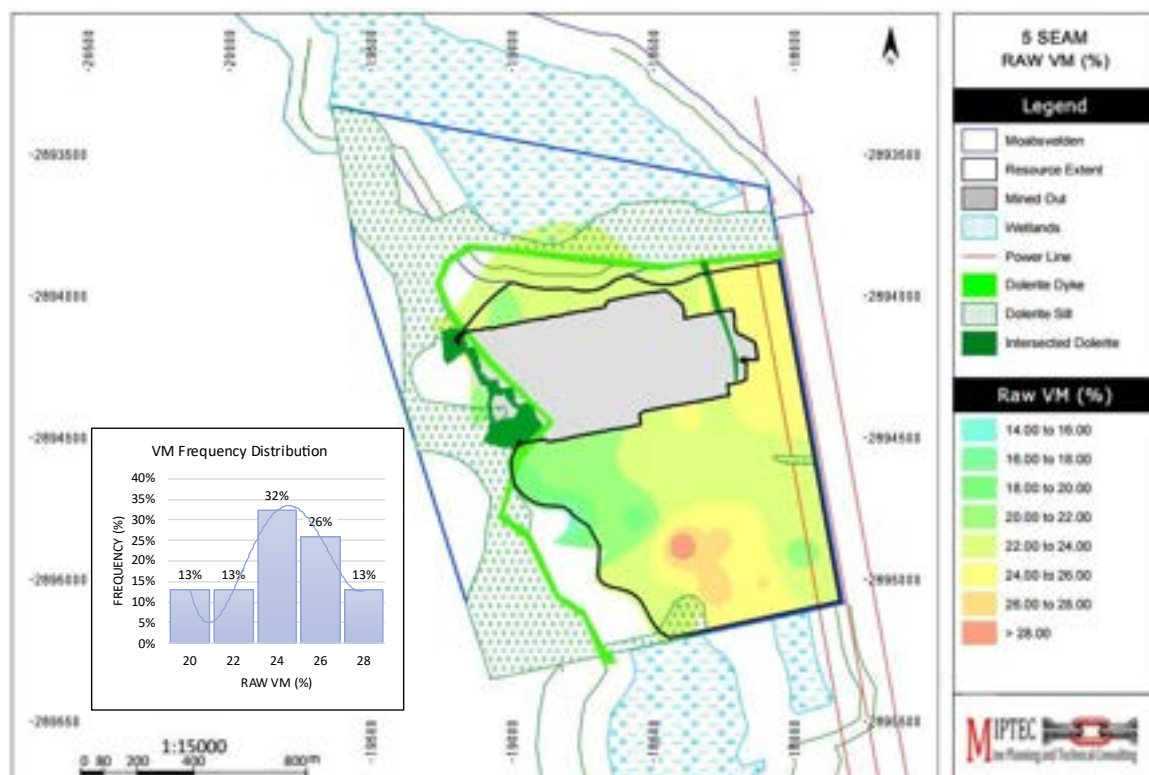


Figure 7-46. No. 5 Seam Raw Volatile Matter Content (%) Distribution

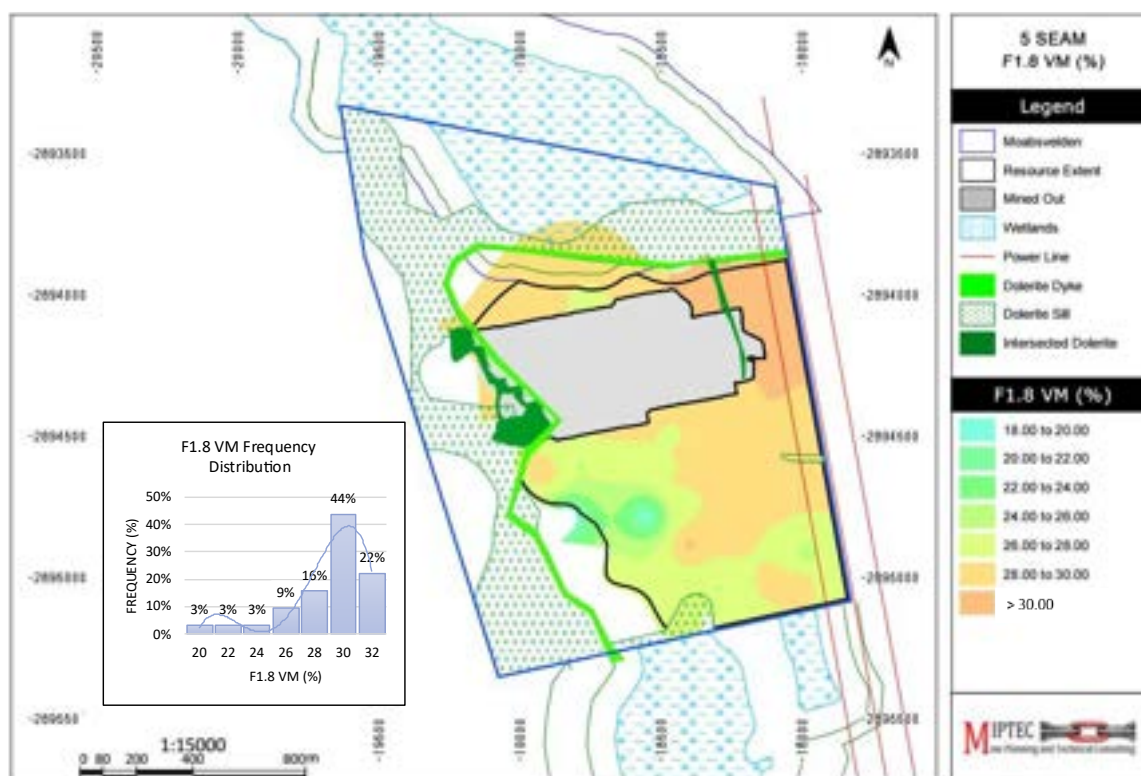


Figure 7-47. No. 5 Seam F1.8 Volatile Matter Content (%) Distribution



Figure 7-48. No. 5 Seam Dry, Ash-free Volatile Matter Content (%) Distribution

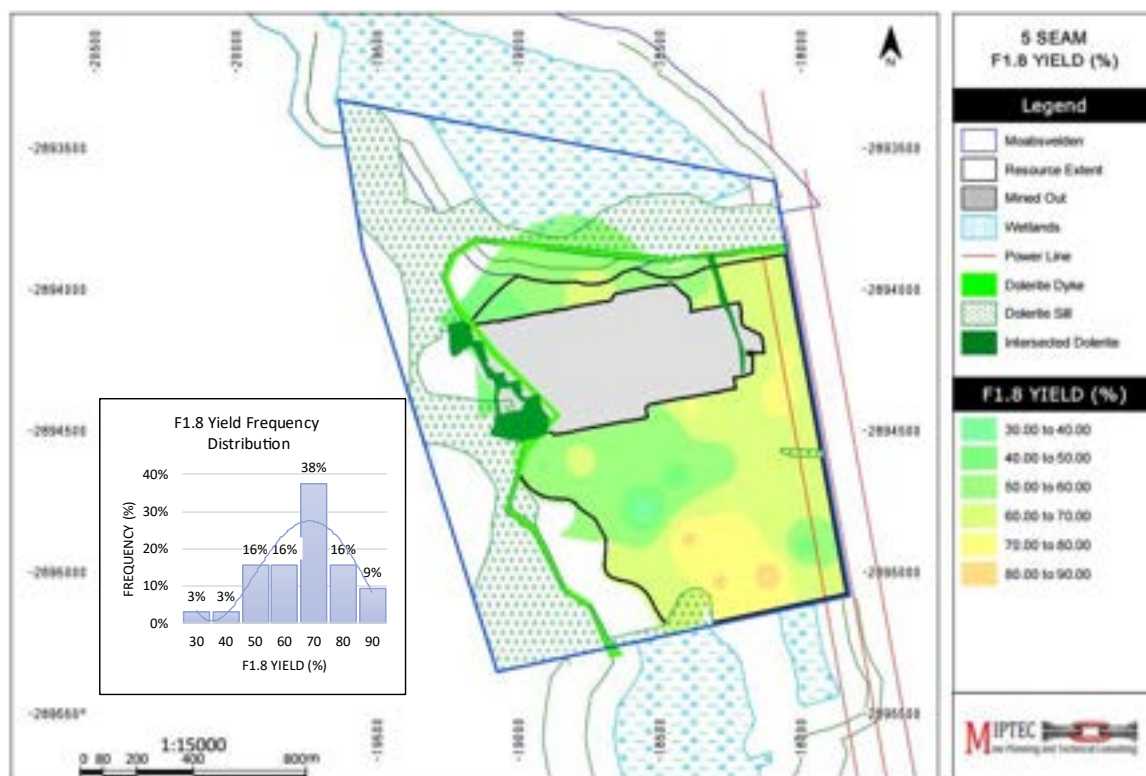


Figure 7-49. No. 5 Seam F1.8 Yield (%) Distribution

No. 4 Seam

The S4 Seam is divided into the S4UU, S4U and S4L seams. The S4UU is separated from the S4U Seam by the 4UP parting, which on average is 0.8 m thick. The S4U and S4L Seams are separated by a carbonaceous mudstone parting which is generally around 20 cm in thickness, and for this reason is included with the S4U sample.

No. 4UU Seam

The S4UU has an average raw ash content of 33.8% and a raw average CV of 19.9 MJ/kg. The S4UU seam qualities can, however, be quite variable: the ash content has a large range from 11 – 48%, and the CV has a range from 15 – 27 MJ/kg. In general, the S4UU displays better qualities in the north, gradually decreasing towards the south. The seam is thinnest in the central and northern portions of the area, with the only economic thickness located along the eastern boundary.

The S4UU has a high TS content (3.1%) on average. The drill hole descriptions describe the presence of large pyrite nodules; however, the TS% does not substantially decrease on washing (2.3% at F1.8), and therefore a large percentage of the TS content must be organic in nature.

The S4UU Seam is not heat-affected at all. The DAFV content averages just above 44%.

The total seam contribution to the total Coal Resource Estimate is 1.1% and is therefore not discussed further. The seam is only mined as and when the seam thickness allows.

No. 4U Seam

Depending on the nature and presence of in-seam partings, the raw ash content of the S4U can range from 44% to 56% (Figure 7-50), averaging around 48.9%. Where the seam reaches an ash content over 50%, it was not removed from Coal Resources (11% of the raw coal has an ash content greater than 52%), as the S4U coal will be processed through a DMS plant. The F1.8 ash content increases from south to north and decreases from east to west (Figure 7-51). The average ash content at F1.8 is 31.1%.

The S4U raw CV ranges from less than 10 MJ/kg (two drill holes or 6% of the data analysed), to over 17 MJ/kg (Figure 7-52); however, the average CV of the seam across the resource area is 12.2 MJ/kg. At F1.8, 91% of the coal has a CV content greater than 19 MJ/kg, and there is a general trend of increasing CV contents from east to west (Figure 7-53). The average CV content at F1.8 is 19.5 MJ/kg.

The raw TS content ranges from less than 0.4 to 1.2% across most of the resource footprint (Figure 7-54), averaging 0.5%. 91% of the data analysed have a raw TS content less than 1% (summarised in the histogram in Figure 7-54). At F1.8, most of the resource footprint has a TS content between 0.4 and 0.8% (Figure 7-55), with isolated areas where the TS is 1.6%, averaging 0.5

The raw VM content ranges between 14 – 20%, with the lowest VM contents in the west associated with the dolerite sill (Figure 7-56). Even though the devolatilised drill holes have been removed from the resource footprint, their effect in the west is still noticeable. Most of the raw coal has a VM content greater than 16%, with the total resource area averaging 17.32%. On a DAF basis, 100% of the coal has a VM content greater than 26%. The average washed VM content at F1.8 is 21.3%. All the drill holes have F1.8 VM content greater than 18%, however, the rainbow contours do indicate a F1.8 VM content as low as 16% along the western periphery, an effect of the devolatilised drill holes outside of the resource footprint (Figure 7-58). Where the volatile content of the washed coal is less than 18%, it is removed from the Coal Resources by a selection expression in the estimation process.

The theoretical yield of the S4U ranges from less than 20% to over 50% (Figure 7-59), averaging 34.5%.

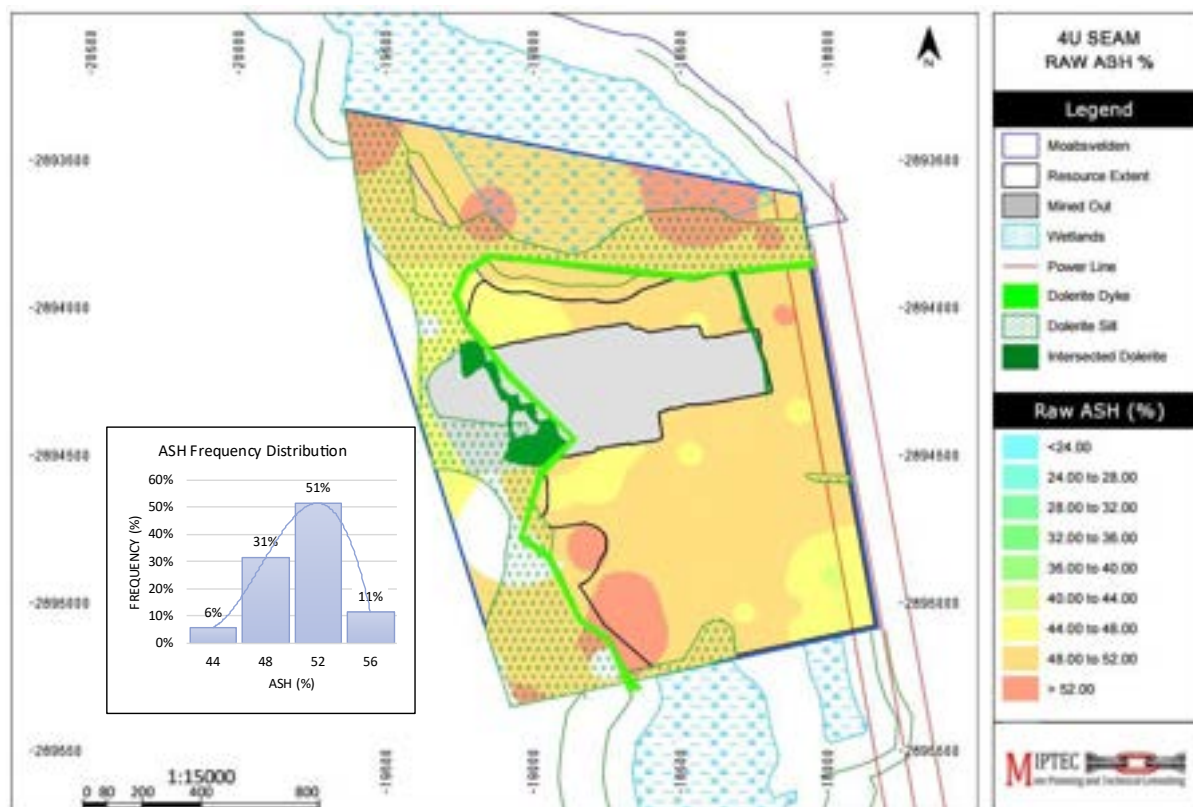


Figure 7-50. No. 4U Seam Raw Ash Content (%) Distribution

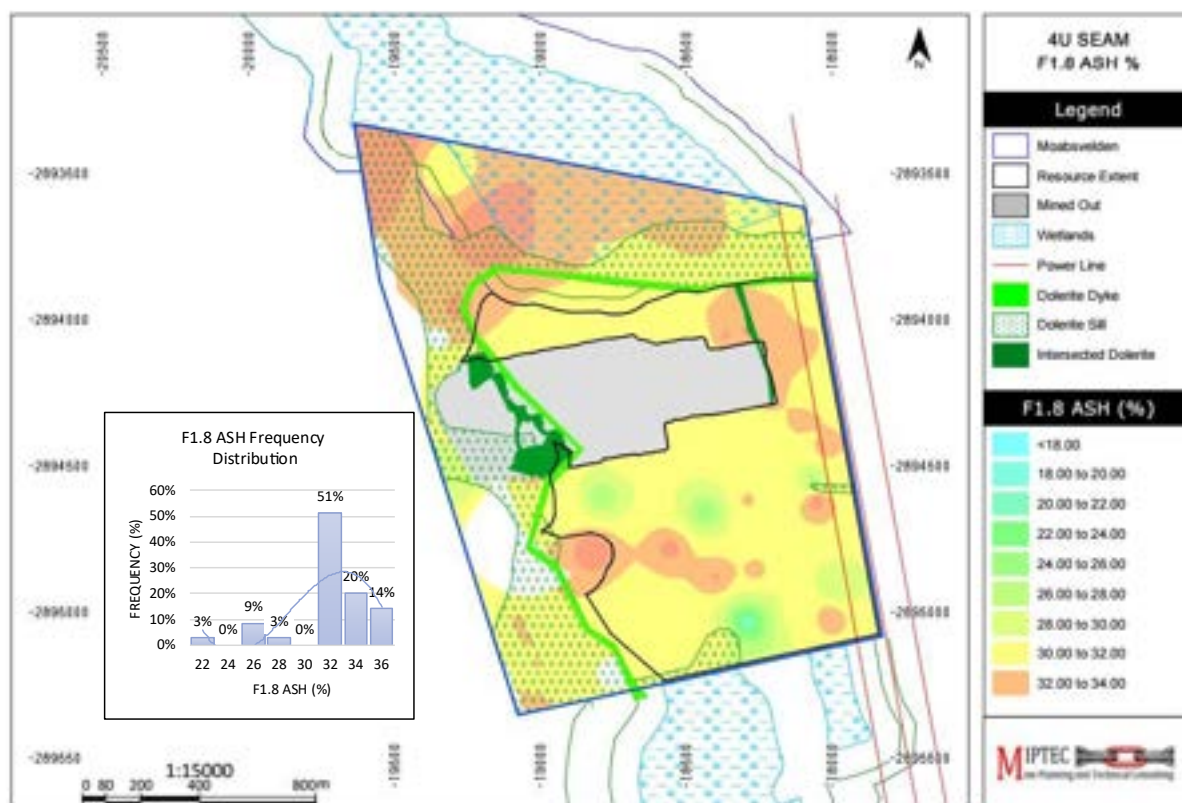


Figure 7-51. No. 4U Seam F1.8 Ash Content (%) Distribution

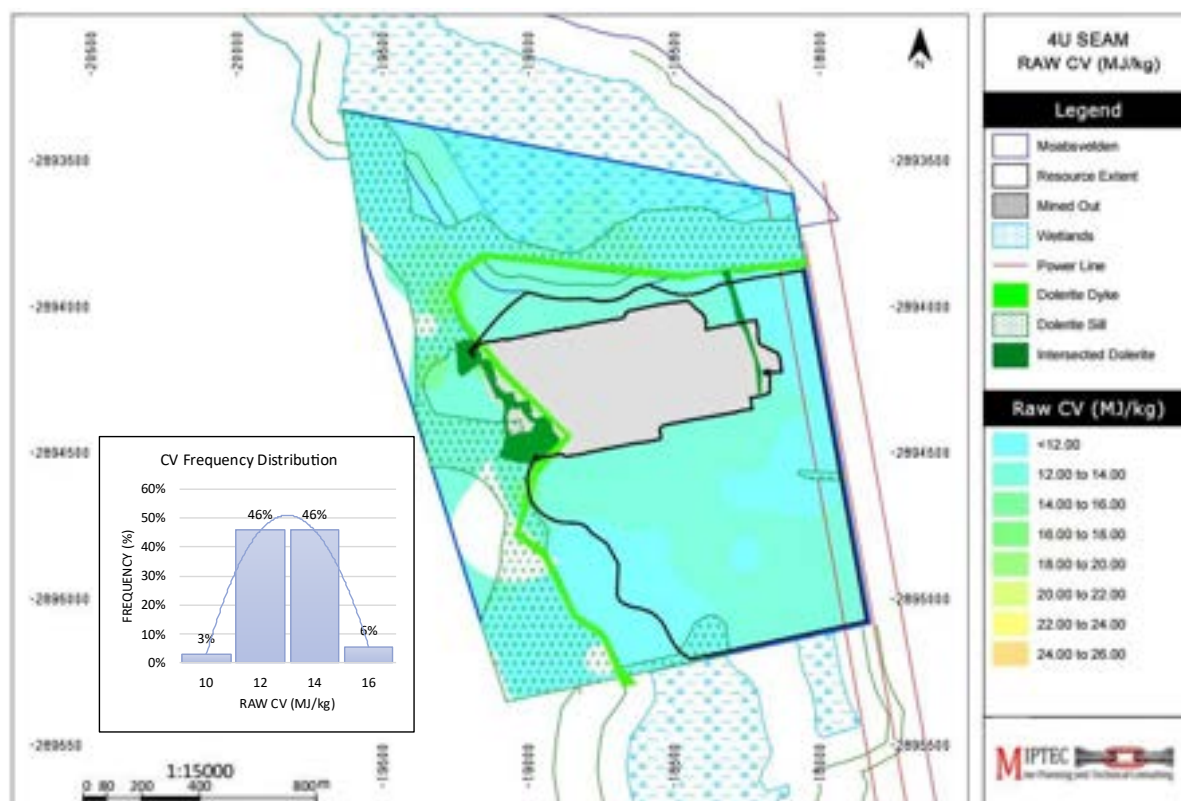


Figure 7-52. No. 4U Seam Raw Calorific Value Content (MJ/kg) Distribution

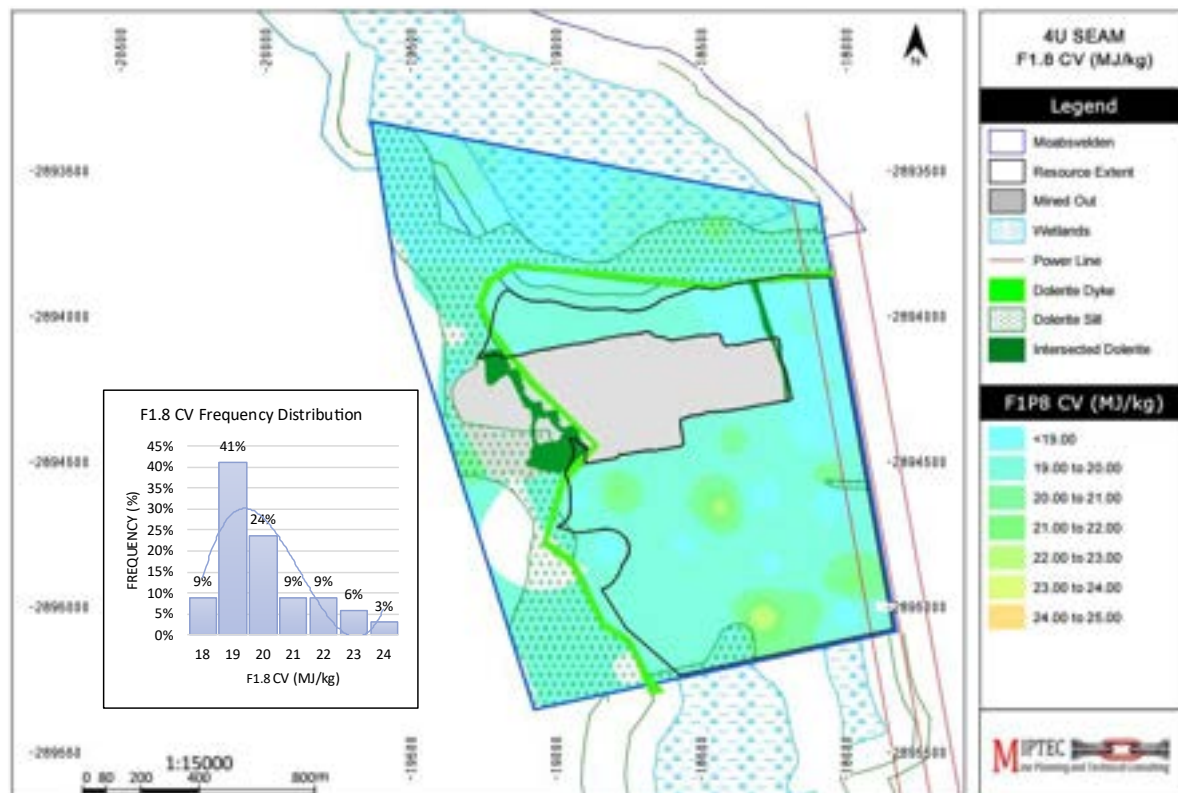


Figure 7-53. No. 4U Seam F1.8 Calorific Value (MJ/kg) Distribution

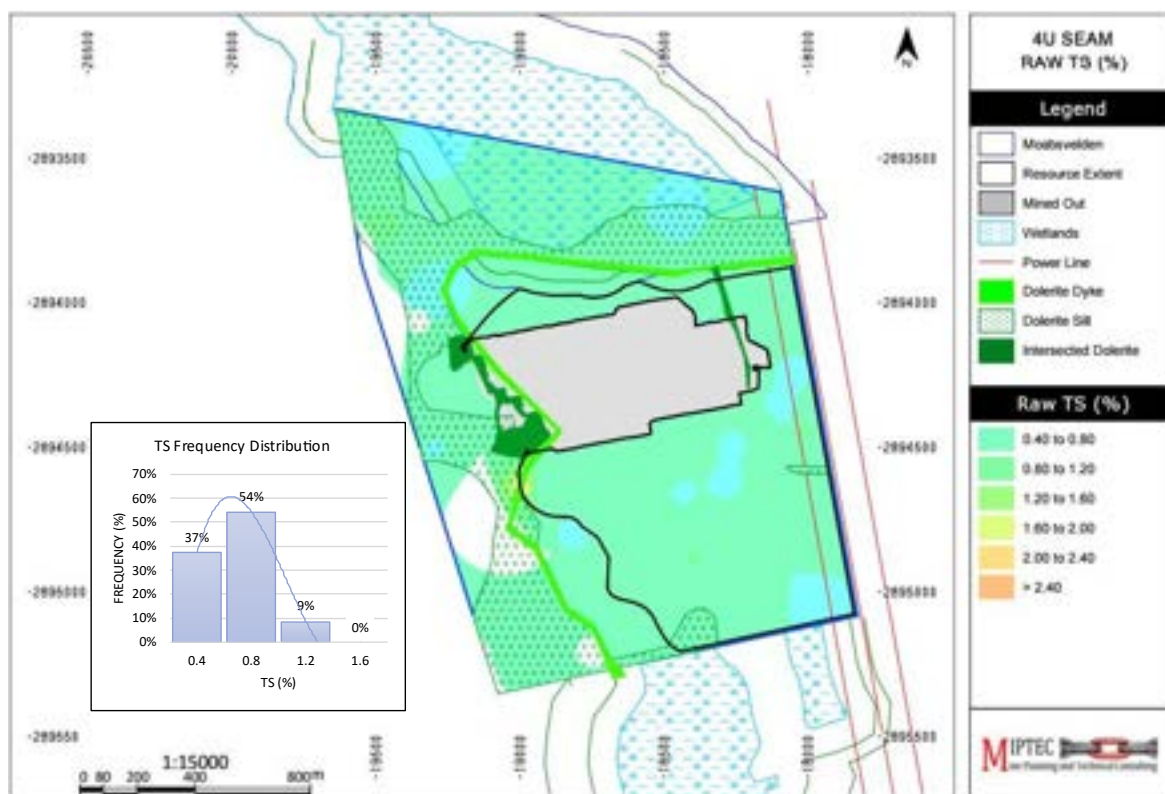


Figure 7-54. No. 4U Seam Raw Total Sulphur Content (%) Distribution

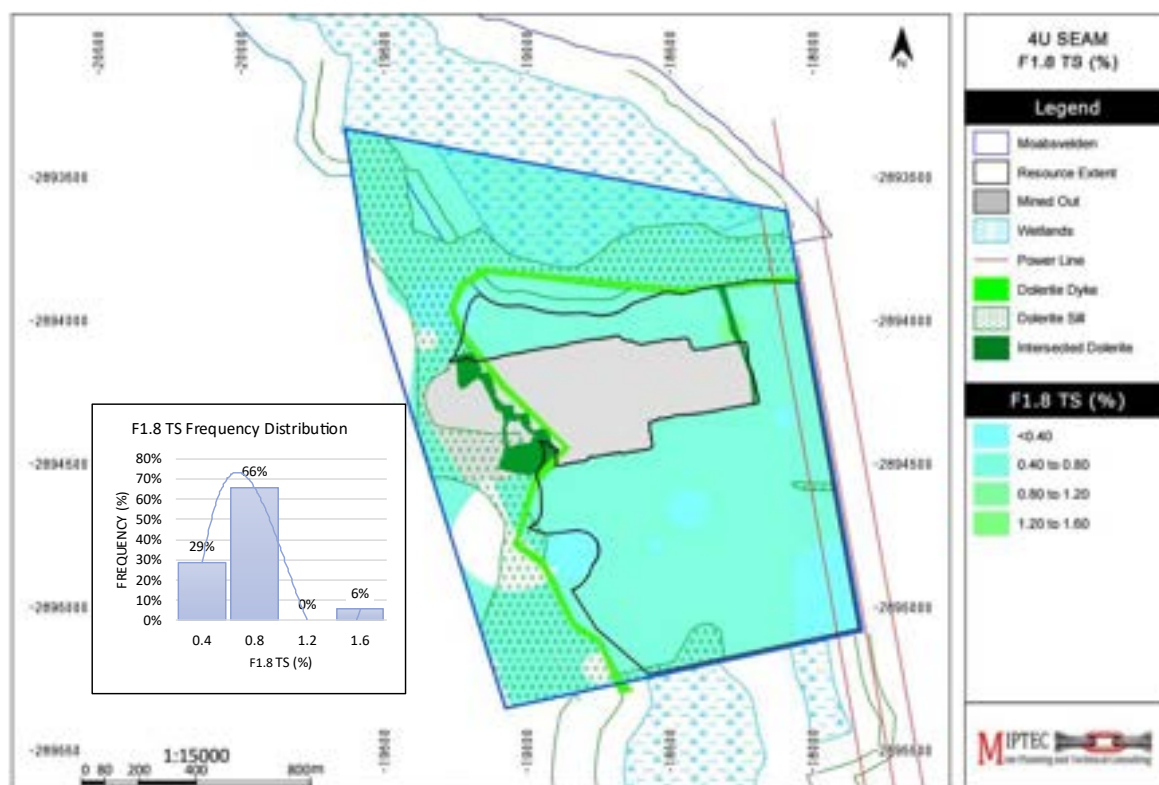


Figure 7-55. No. 4U Seam F1.8 Total Sulphur Content (%) Distribution



Figure 7-56. No. 4U Seam Raw Volatile Matter Content (%) Distribution

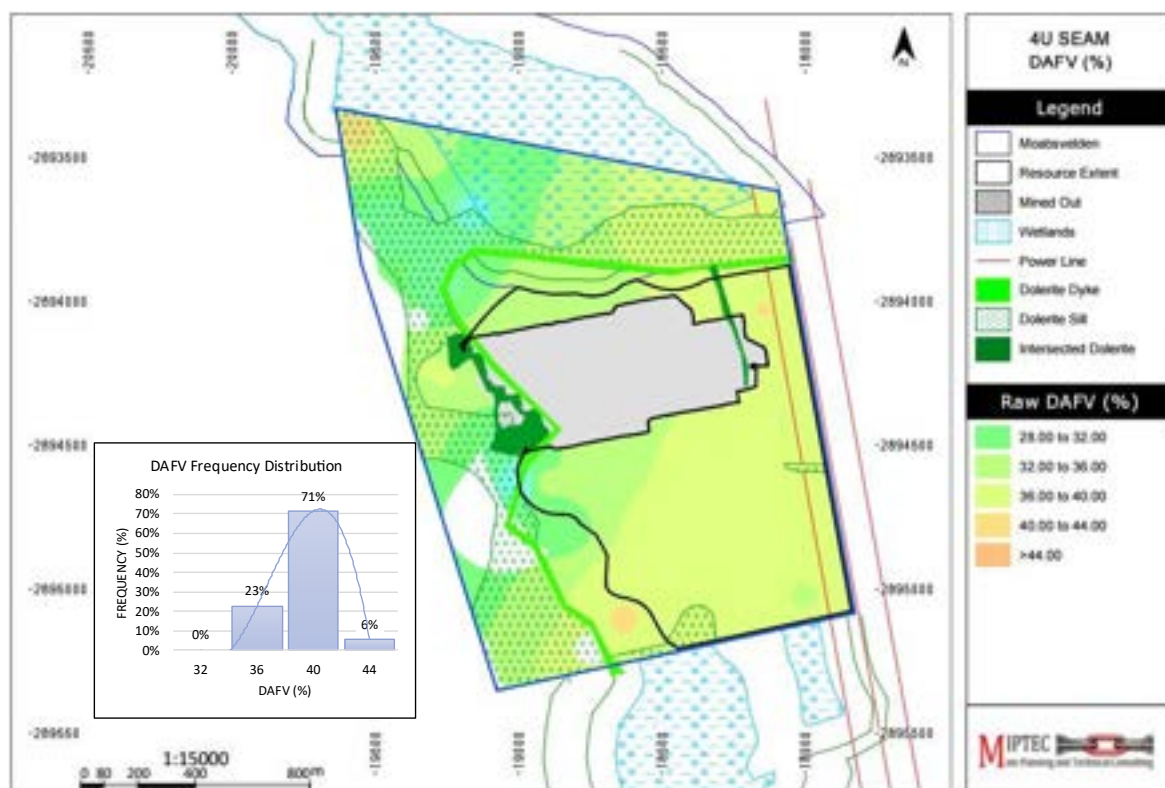


Figure 7-57. No. 4U Seam Dry, Ash-Free Volatile Matter Content (%) Distribution

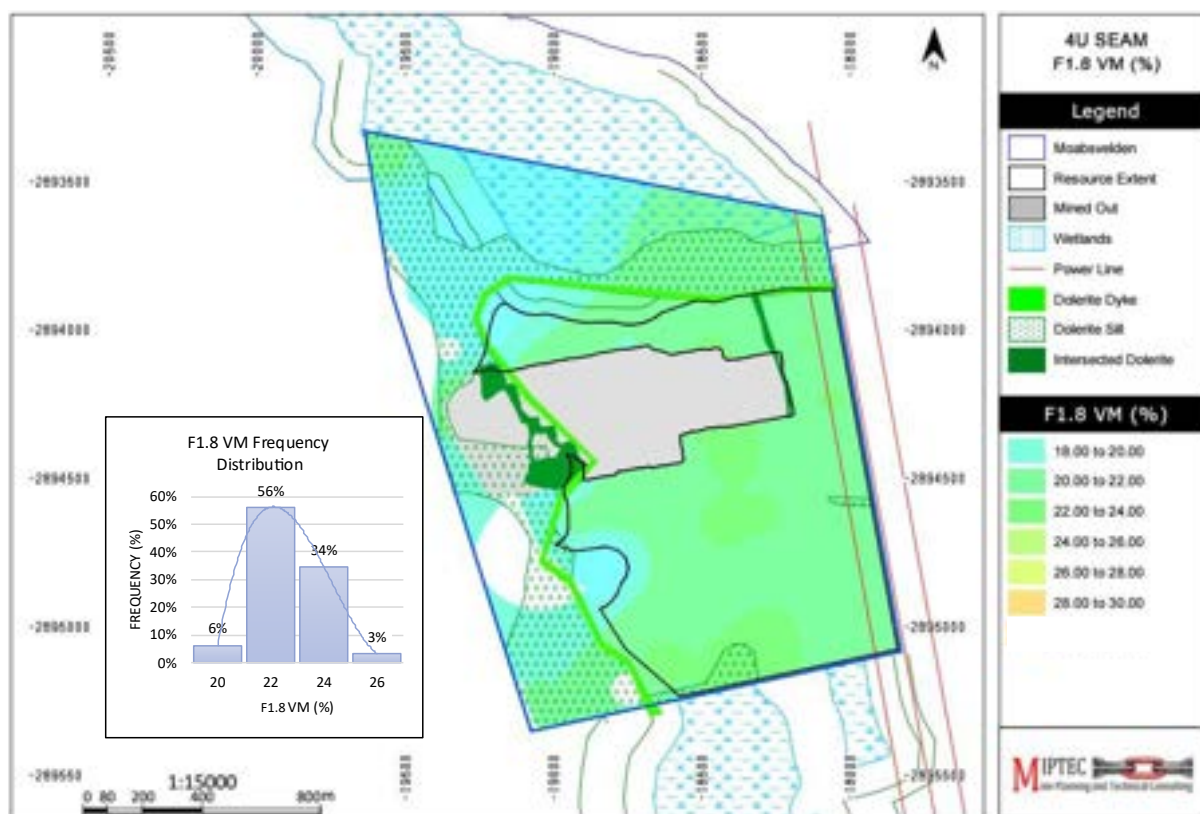


Figure 7-58. No. 4U Seam F1.8 Volatile Matter Content (%) Distribution

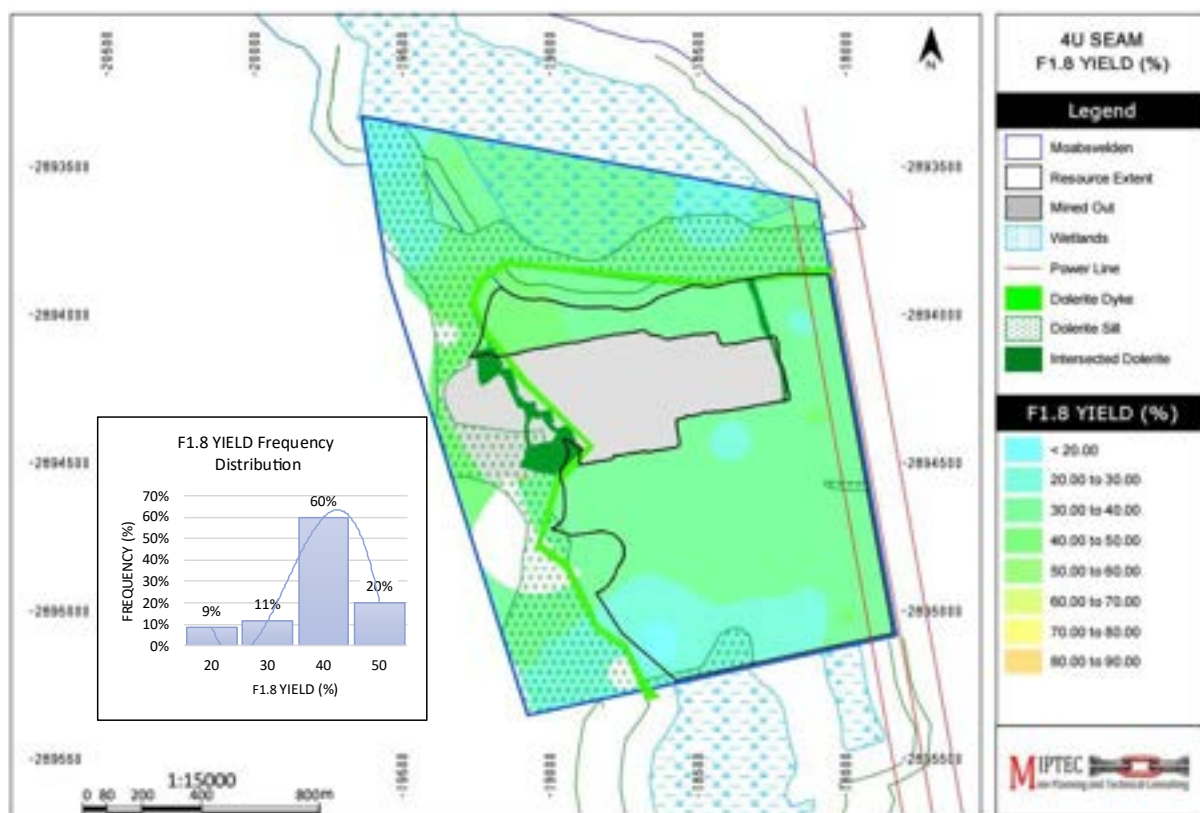


Figure 7-59. No. 4U Seam F1.8 Theoretical Yield (%) Distribution

No. 4L Seam

The S4L is a better-quality coal than the S4U seam and will be supplied as a raw crush and screen product to Eskom. The seam has a raw ash content that generally ranges from 24 – 32% (93% of the data analysed), with the remainder of the data ranging between 33 and 40% (Figure 7-60). The average raw ash content across the Coal Resource area is 27.3%. The F1.8 ash content ranges from 18% – 30% (Figure 7-61) with an average of 21.7%.

The raw CV content of the S4L is between 20 – 24 MJ/kg, with only 6% of the resource footprint with CVs between 16 – 18 MJ/kg (Figure 7-62). The average raw CV content of the S4L across the resource area is 20.6 MJ/kg. At F1.8, the CV ranges from 21 – 26 MJ/kg (Figure 7-63), with the average CV being 22.98 MJ/kg.

The TS content is generally between 0.4 – 1.6%, constituting 91% of the resource footprint. There are a few areas where the TS increases to 2.4% (Figure 7-64). The average raw TS content of the S4L is very slightly over 1%. When the S4L is washed at F1.8, 95% of the resource footprint has a TS content between 0.4 and 1.2%, with the remaining 5% of the resource area greater than 1.2%; the average F1.8 TS content is 0.6%. Considering almost 40% of the Coal Resource will be washed, there is enough low TS coal available to blend with the high sulphur areas, reducing the TS content to within acceptable levels.

The raw VM content is consistent across much of the planned mining area, ranging between 22 – 24% (Figure 7-66), making up 86% of the resource footprint; the average raw VM is 22.2%. The VM content of the western and northern extremities of the resource footprint is less than 22% and constitutes 13% of the resource area. At F1.8, the majority of the VM content ranges between 22 - 28% (Figure 7-67) and constitutes 93% of the resource area; the average VM at F1.8 is 23.6%. On a DAFV basis, the coal generally ranges between 32 – 36% VM content, decreasing in the west in the vicinity of the sill (Figure 7-68). During the Coal Resource estimation process, a DAFV cut-off of 27.5% was applied to the S4L estimate.

The F1.8 theoretical yield is generally between 80 and 90%, although a few, small areas of slightly lower yield are noticeable in the southwest.

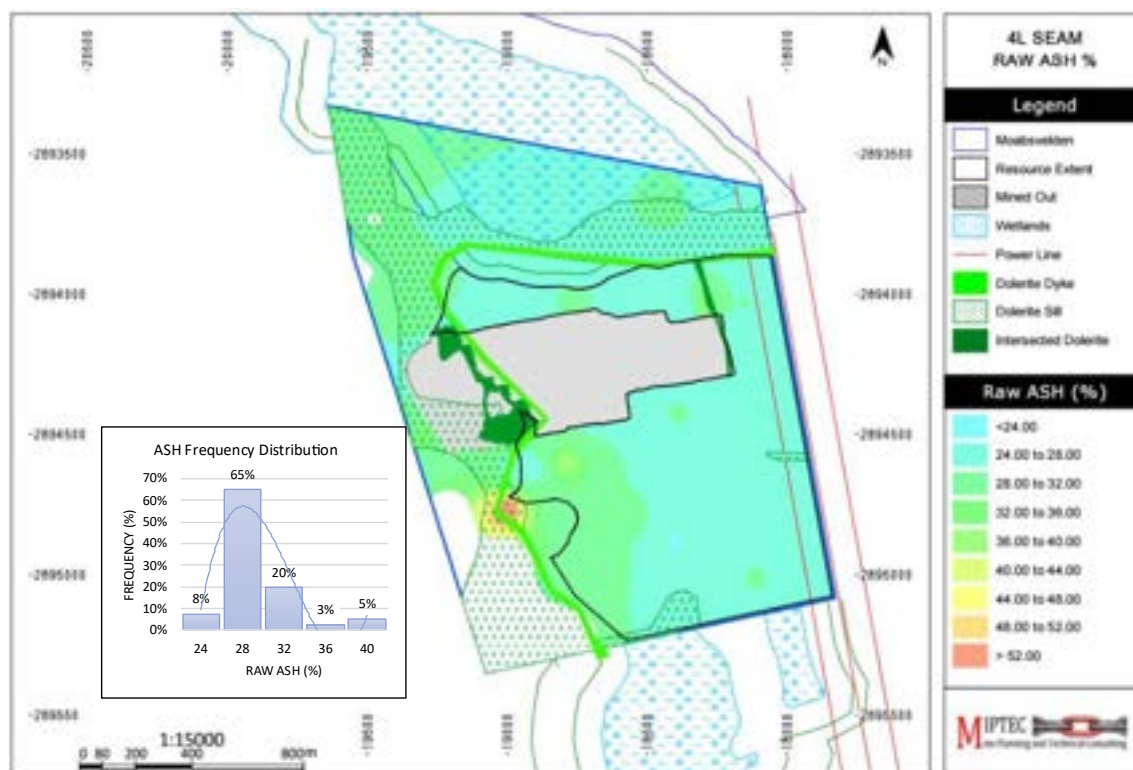


Figure 7-60. No. 4L Seam Raw Ash Content (%) Distribution

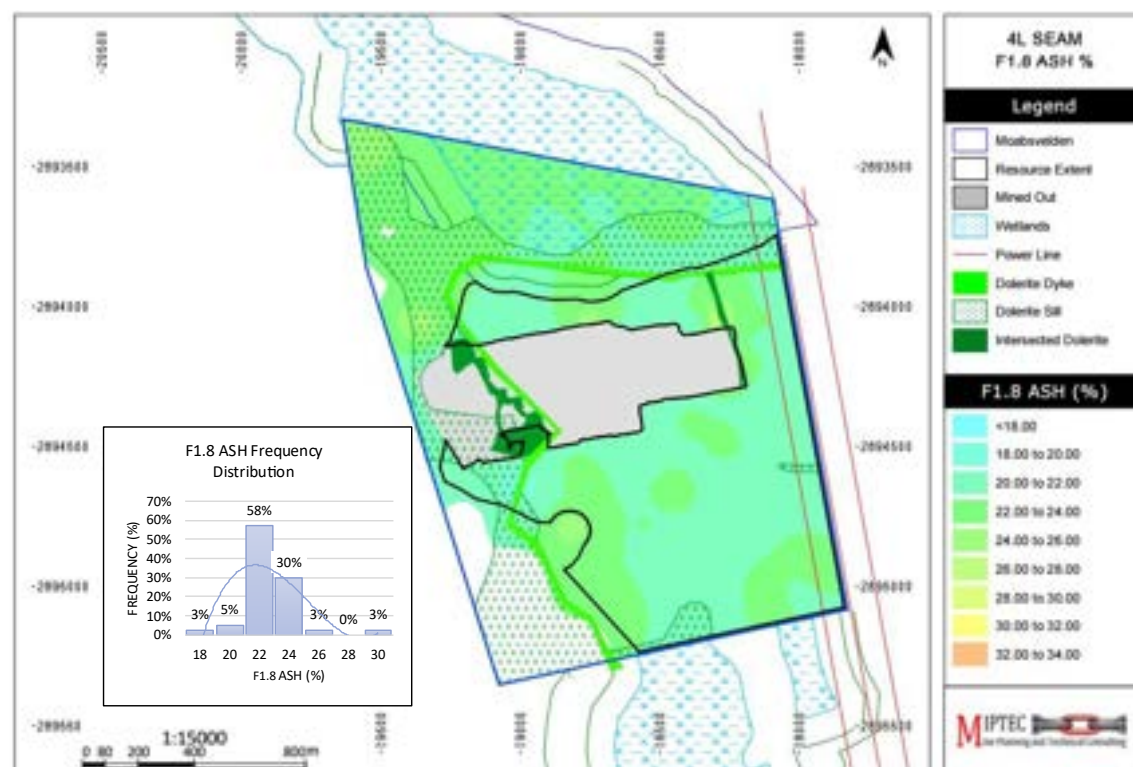


Figure 7-61. No. 4L Seam F1.8 Ash Content (%) Distribution



Figure 7-62. No. 4L Seam Raw Calorific Value Content (MJ/kg) Distribution

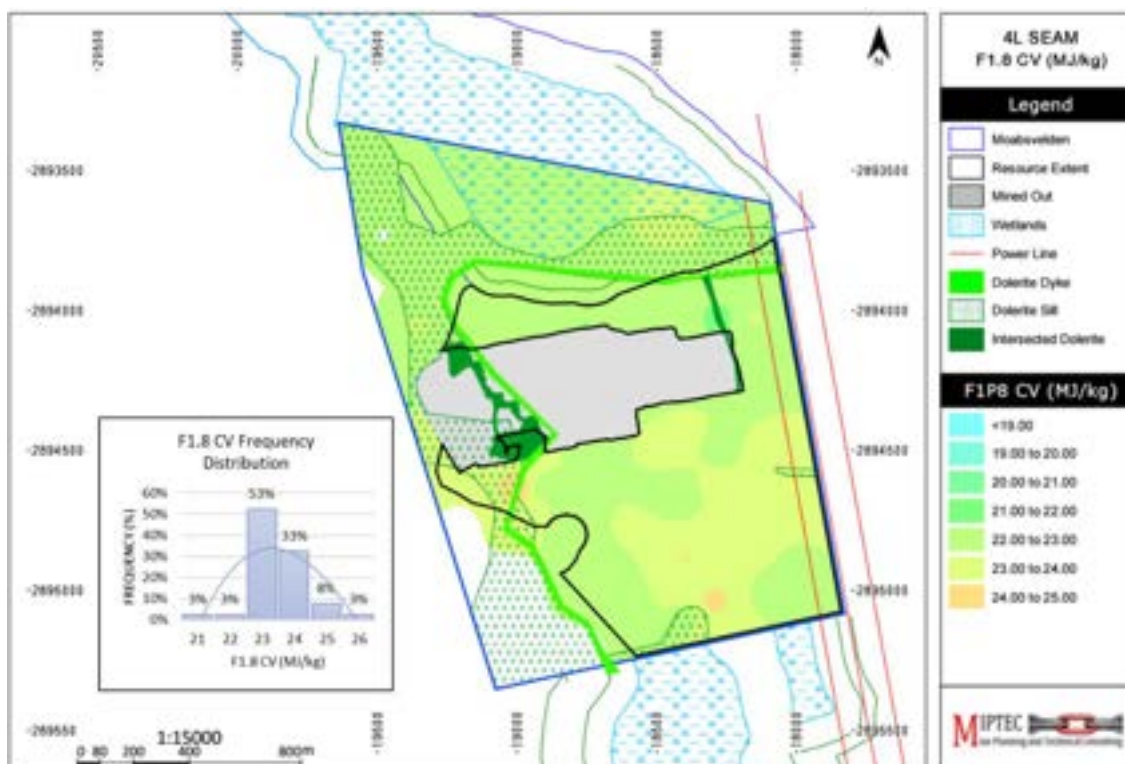


Figure 7-63. No. 4L Seam F1.8 Calorific Value Content (MJ/kg) Distribution

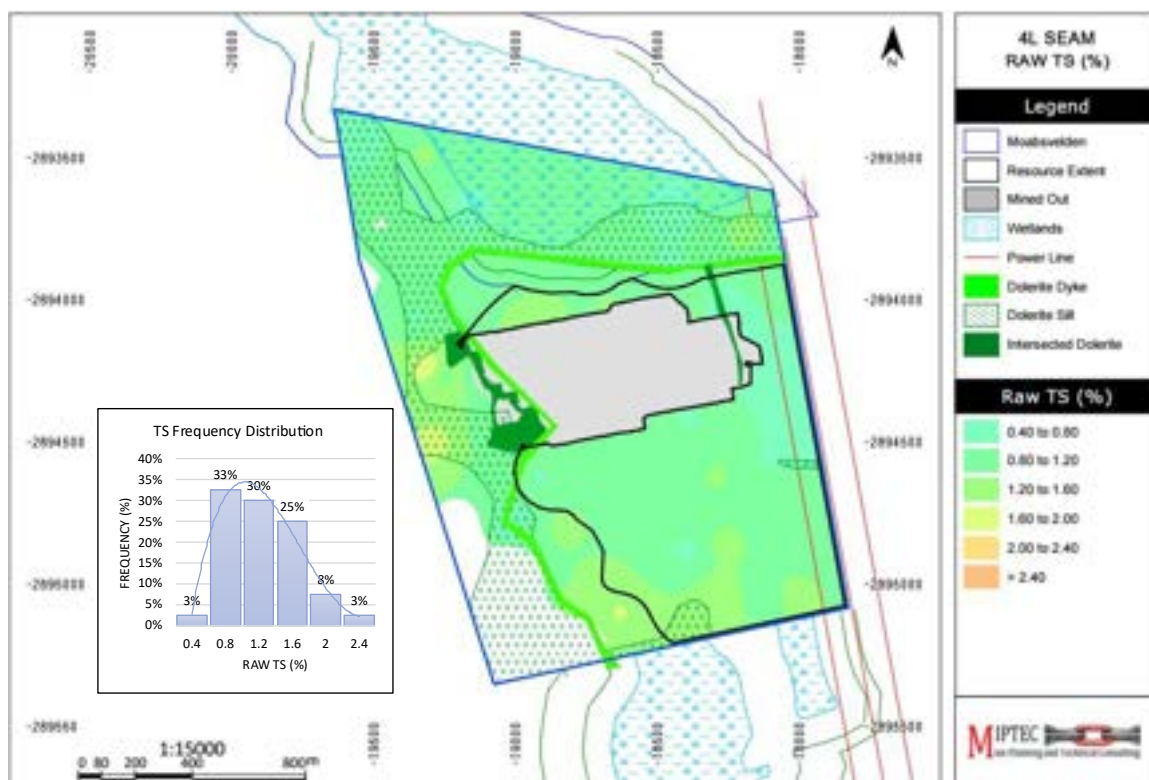


Figure 7-64. No. 4L Seam Raw Total Sulphur Content (%) Distribution



Figure 7-65. No. 4L Seam F1.8 Total Sulphur Content (%) Distribution

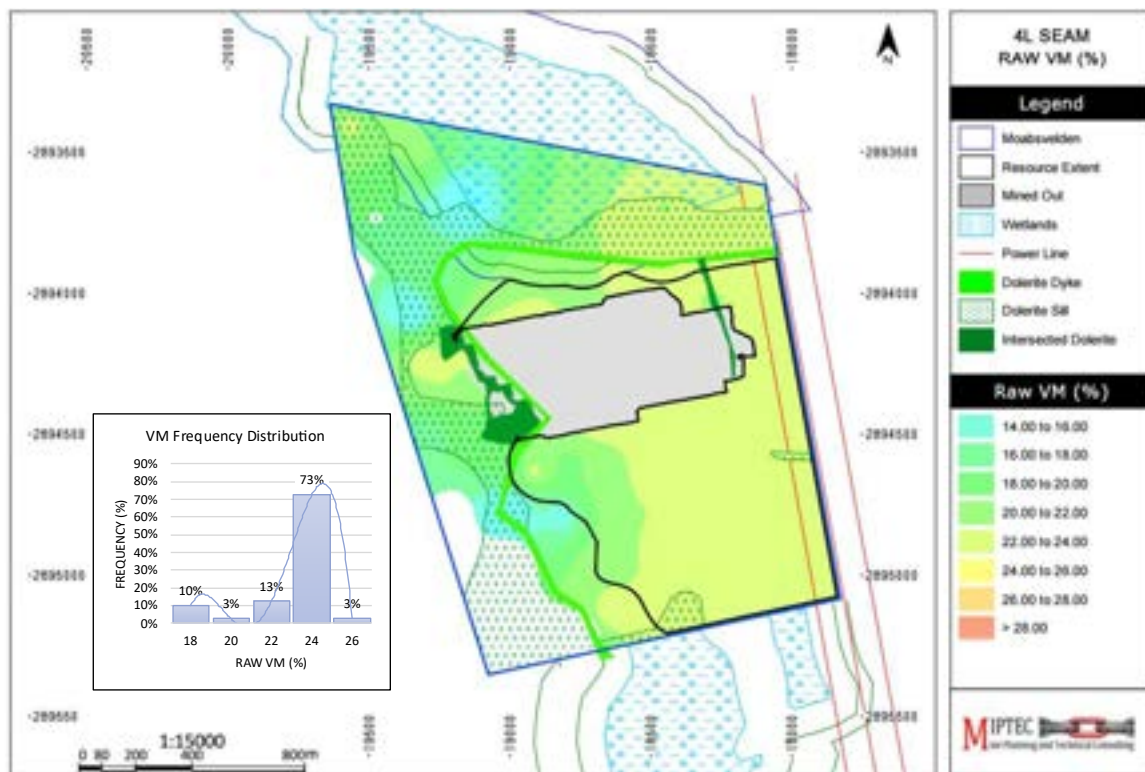


Figure 7-66. No. 4L Seam Raw Volatile Matter Content (%) Distribution

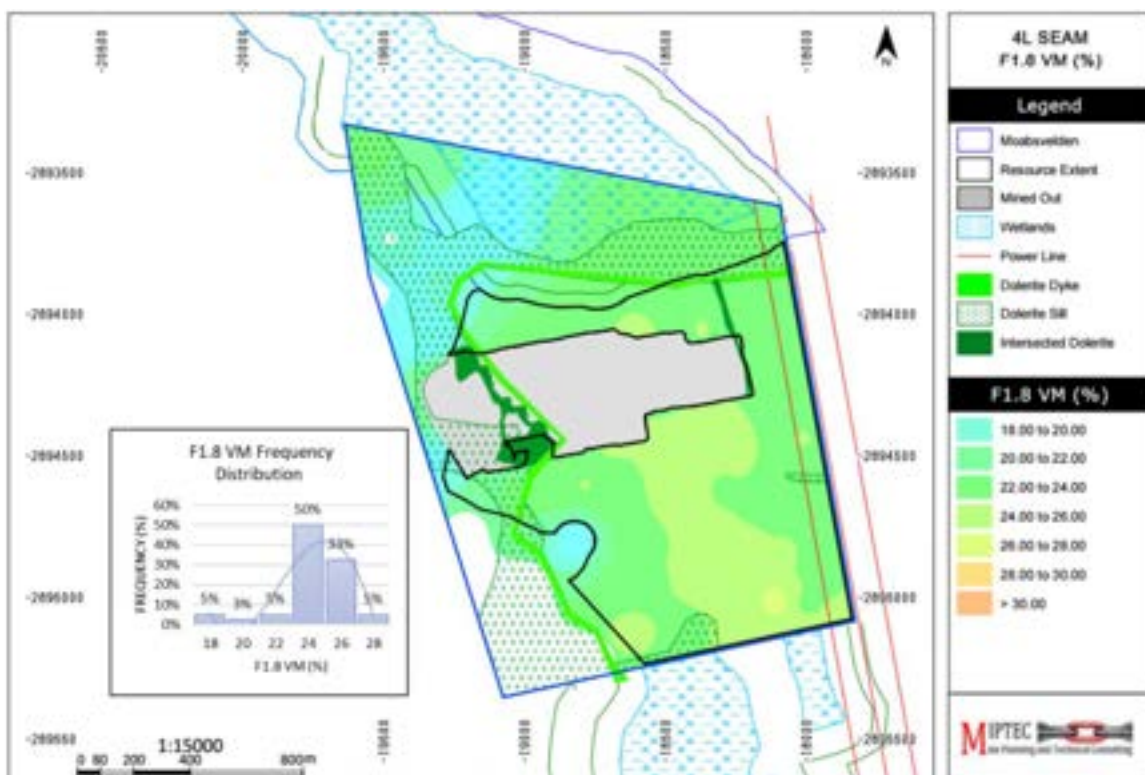


Figure 7-67. No. 4L Seam F1.8 Volatile Matter Content (%) Distribution

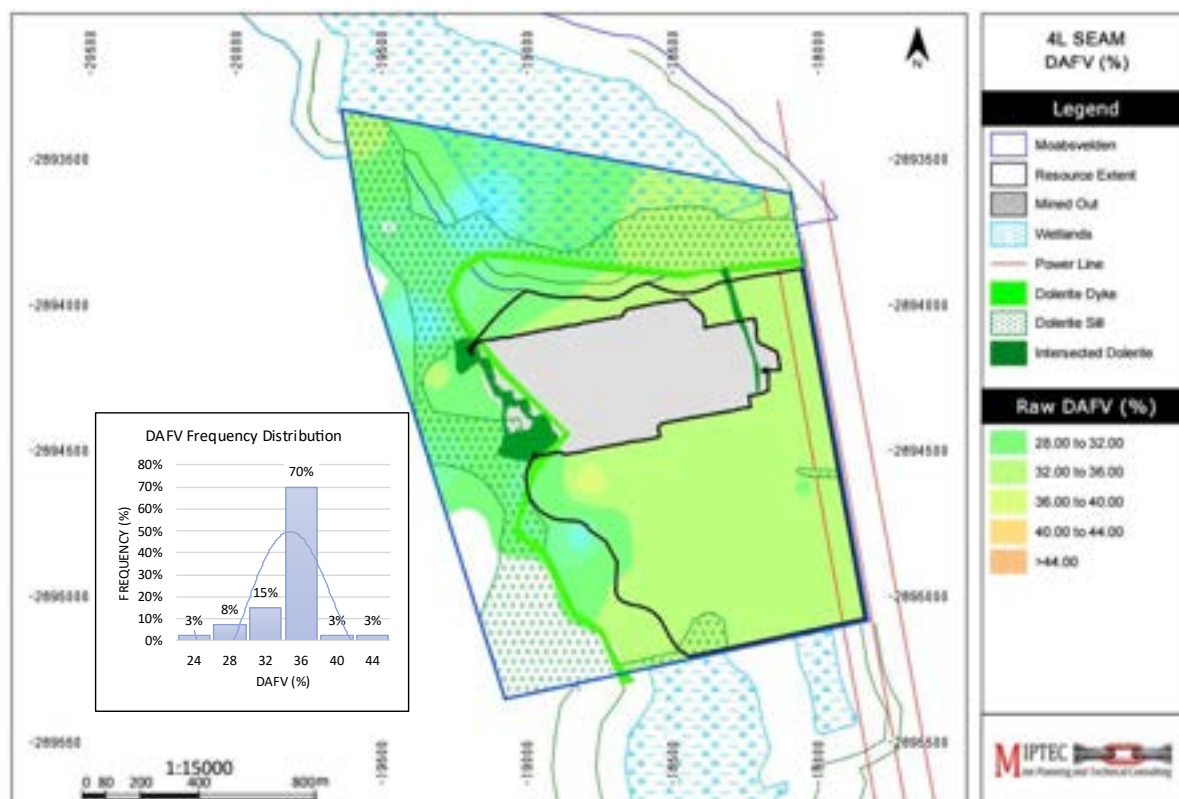


Figure 7-68. No. 4L Seam Dry, Ash-Free Volatile Matter Content (%) Distribution



Figure 7-69. No. 4L Seam F1.8 Theoretical Yield (%) Distribution

No. 2 Seam

The S2 is divided into the S2U and S2L seams, based on the presence of a shale/mudstone (2P) parting. The S2U is the poorer quality top portion of the seam and requires washing to produce an Eskom product, however the S2L Seam is suitable as a raw crush and screen product.

No. 2U Seam

The raw CV is lower in the northwest (<12 MJ/kg), increasing to the southeast (22 – 24 MJ/kg), although small, scattered patches of <12 MJ/kg coal can be found towards the southeast (Figure 7-72). Ninety-four percent of the raw coal has a CV content greater than 12 MJ/kg. On average, the raw CV content of the S2U is 15.9 MJ/kg. At F1.8, the average CV across the mining licence area varies between 18 and 25 MJ/kg with an average of 20.5 MJ/kg (Figure 7-73).

The raw TS content (Figure 7-74) generally ranges from less 0.4 – 0.8% (91% of the coal). There are a couple of drill holes with raw TS content greater than 1.2%, constituting 9% of the resource footprint. The average raw TS content for the S2U is 0.54% and the average F1.8 TS content is 0.43% (Figure 7-75).

The raw VM content of the S2U is consistent across the resource footprint (18 – 22%), decreasing along the western area in the region of the sill (Figure 7-76). The average raw VM content is 19.5%. On a DAF basis (Figure 7-77), the VM content is greater than 28%, ranging between 30 and 48%. At F1.8, the VM content increases to between 20 – 22% across the resource area (Figure 7-78), averaging 21.4%. All the F1.8 data analysed have a VM content greater than 18%.

The F1.8 theoretical yield of the S2U varies between 30 – 80%, with a small, isolated patch in the southwest of 100% (Figure 7-79). On average, the F1.8 yield across the resource area is 58.9%.

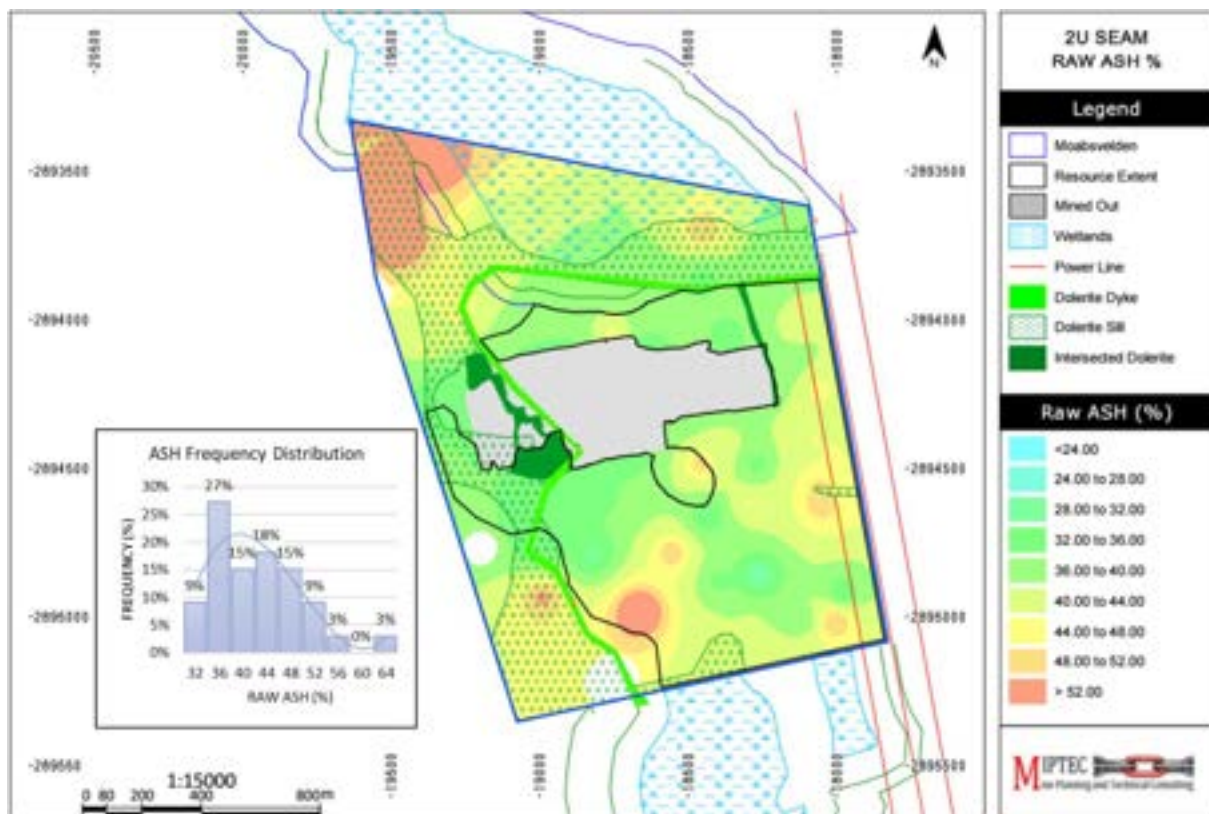


Figure 7-70. No. 2U Seam Raw Ash Content (%) Distribution

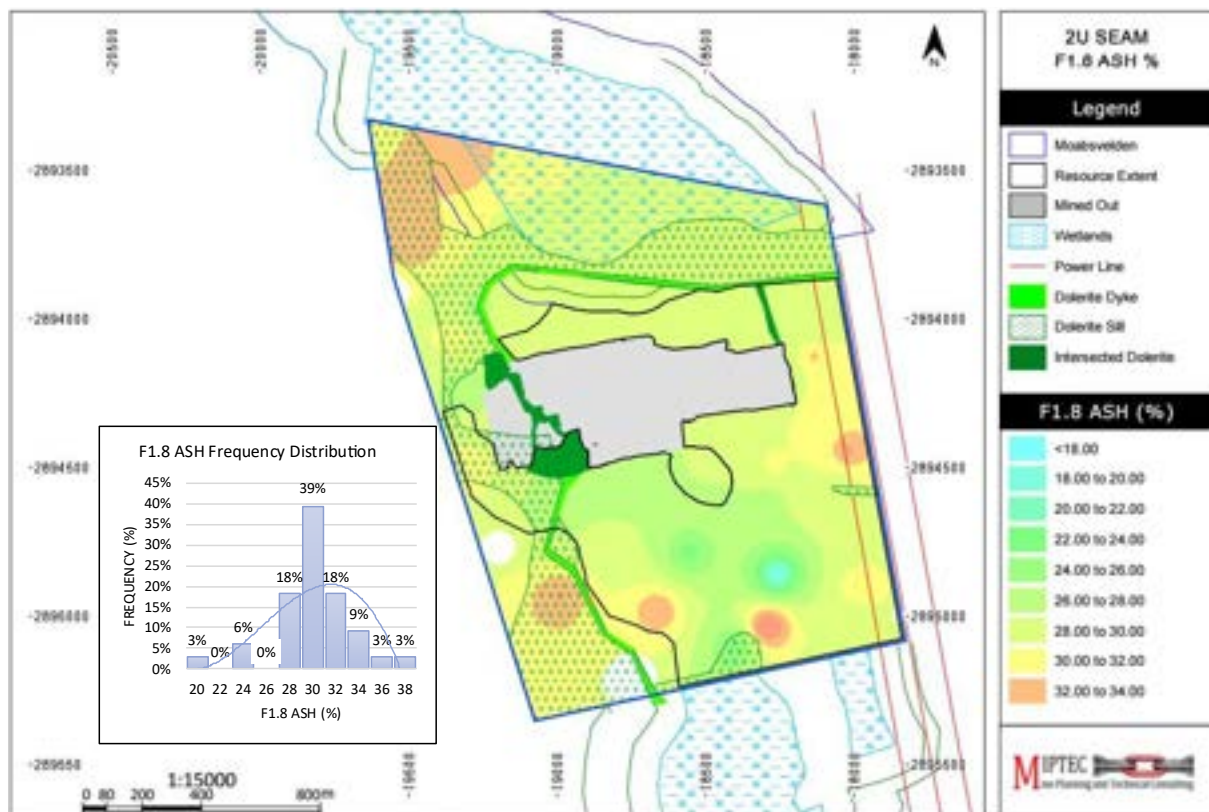


Figure 7-71. No. 2U Seam F1.8 Ash Content (%) Distribution

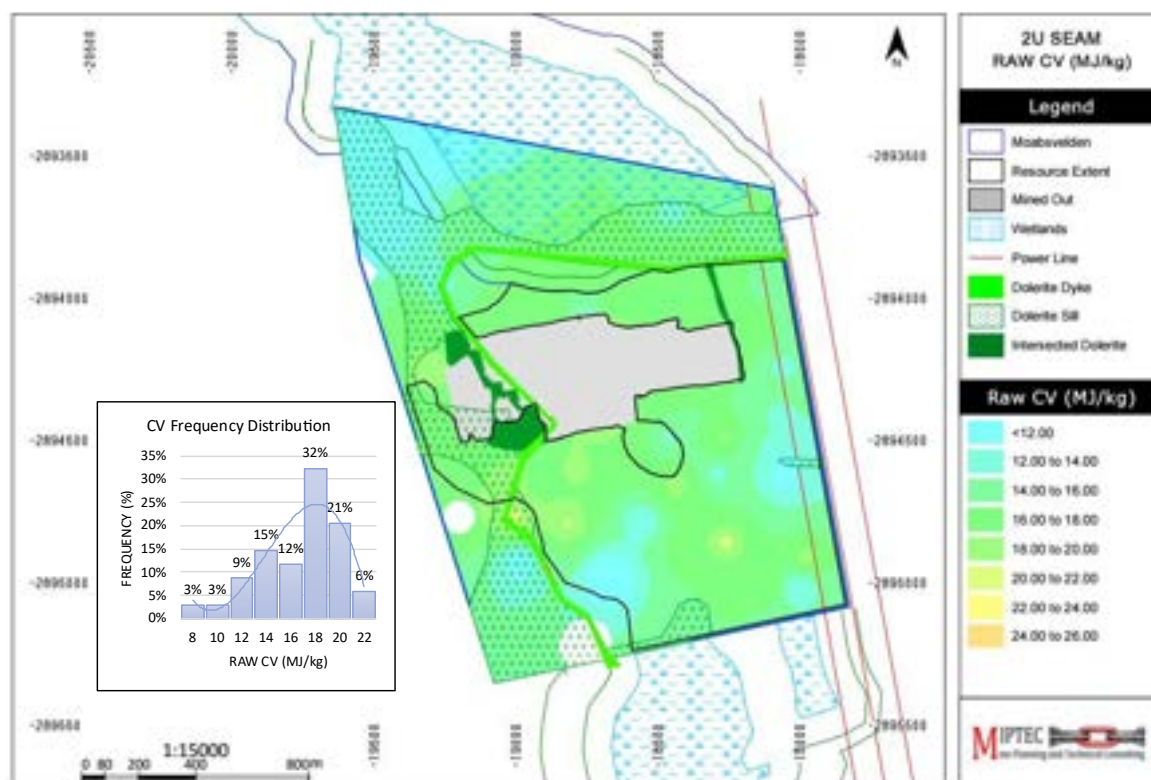


Figure 7-72. No. 2U Seam Raw Calorific Value Content (MJ/kg) Distribution

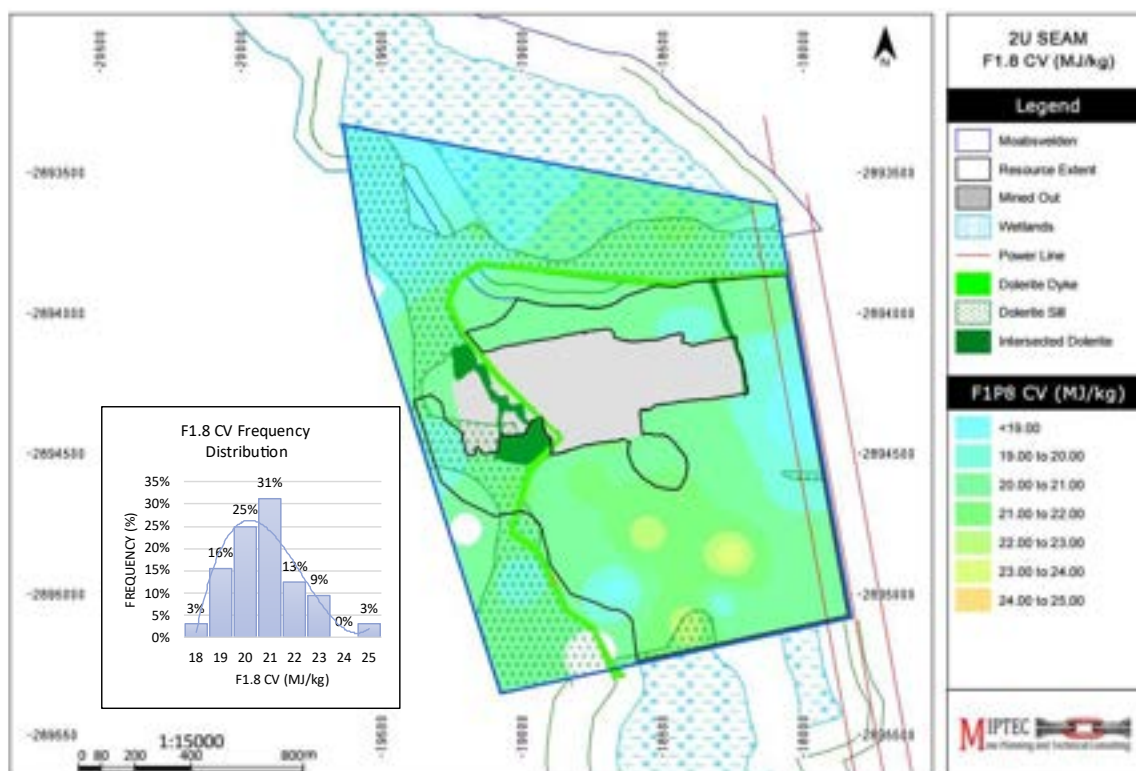


Figure 7-73. No. 2U Seam F1.8 Calorific Value Content (MJ/kg) Distribution

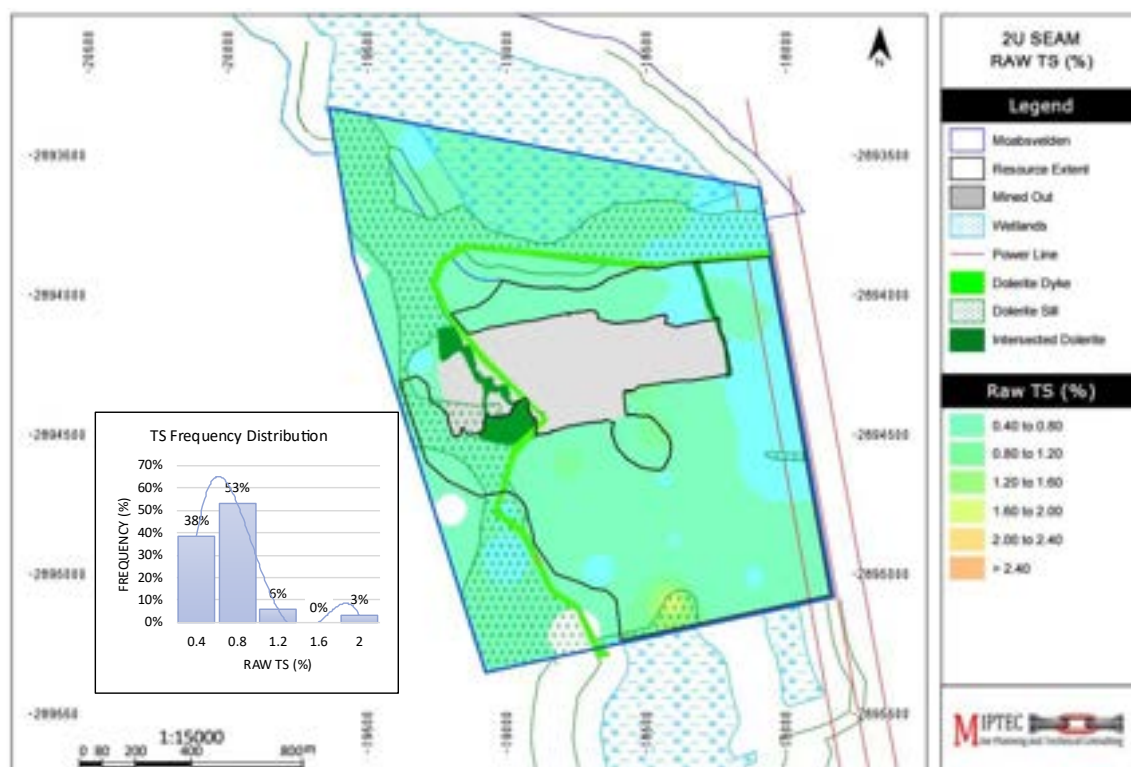


Figure 7-74. No. 2U Seam Raw Total Sulphur Content (%) Distribution

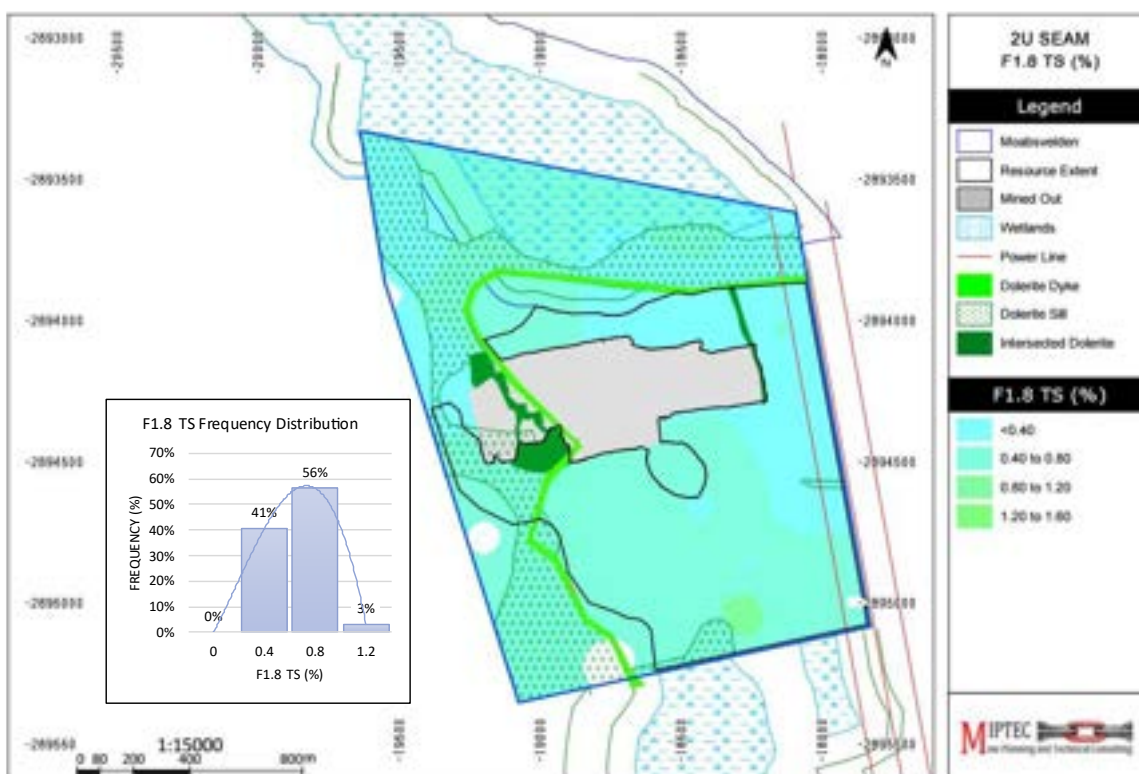


Figure 7-75. No. 2U Seam F1.8 Total Sulphur Content (%) Distribution

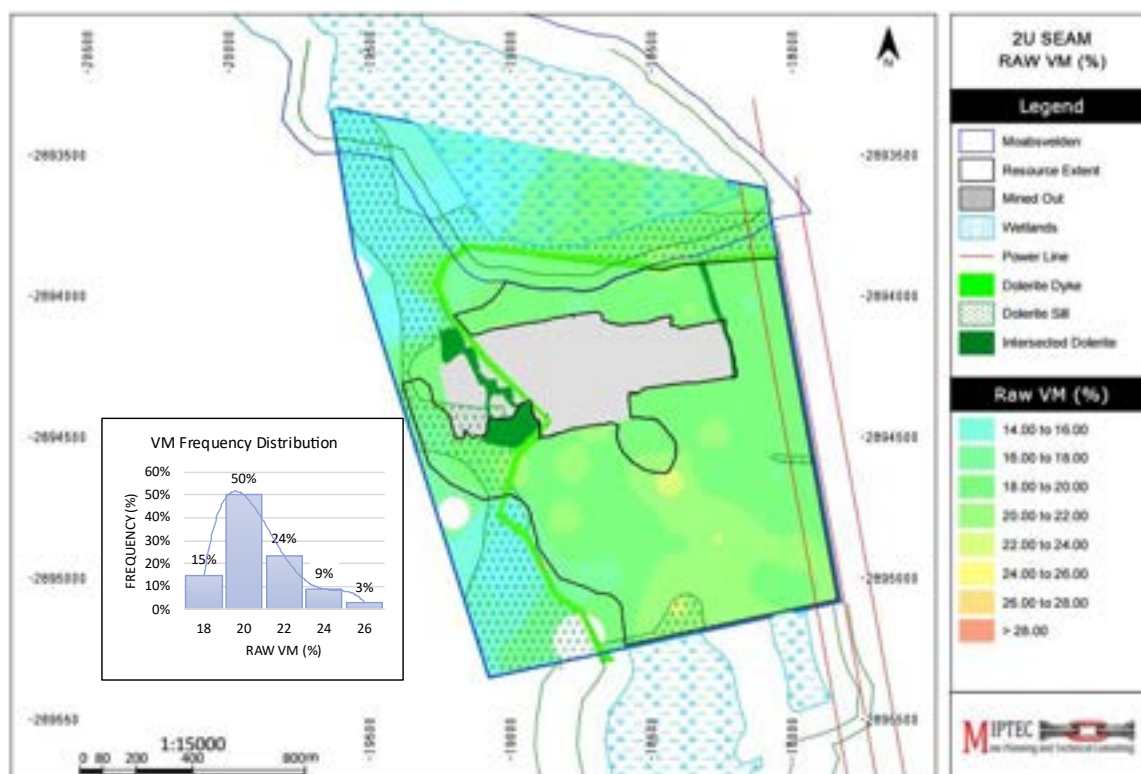


Figure 7-76. No. 2U Seam Raw Volatile Matter Content (%) Distribution

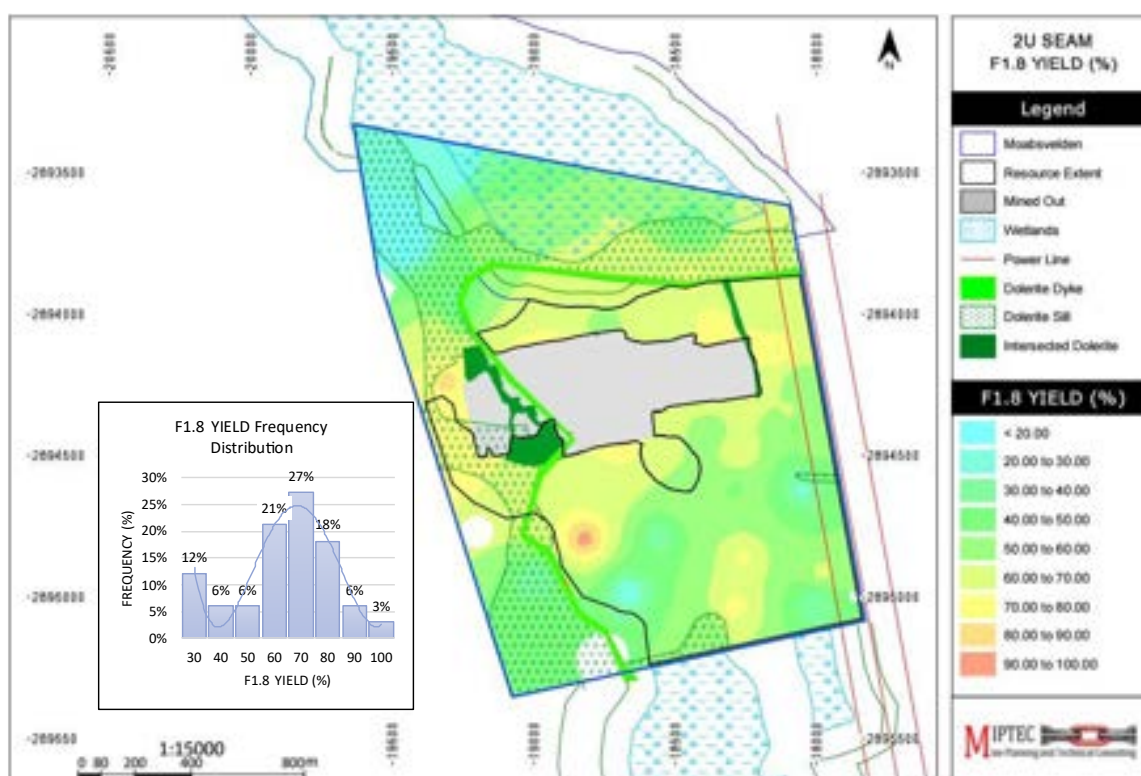


Figure 7-77. No. 2U Seam Dry, Ash-Free Volatile Matter Content (%) Distribution

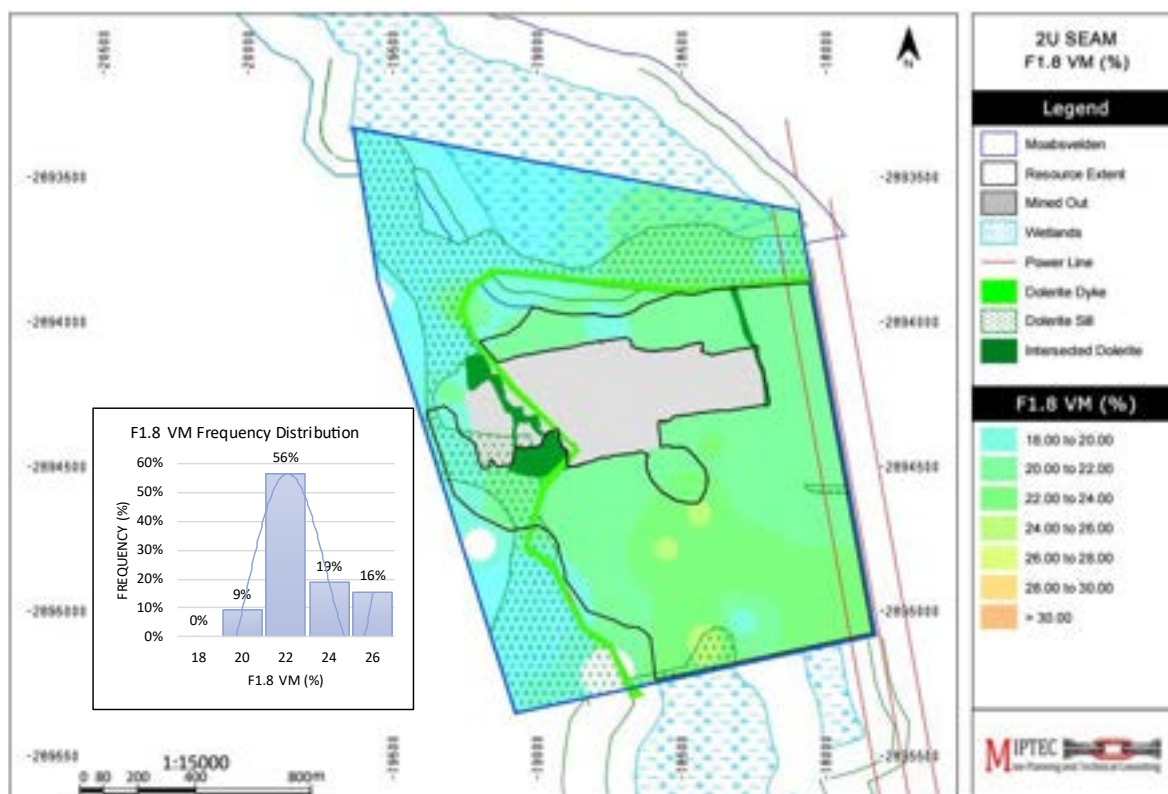


Figure 7-78. No. 2U Seam F1.8 Volatile Matter Content (%) Distribution

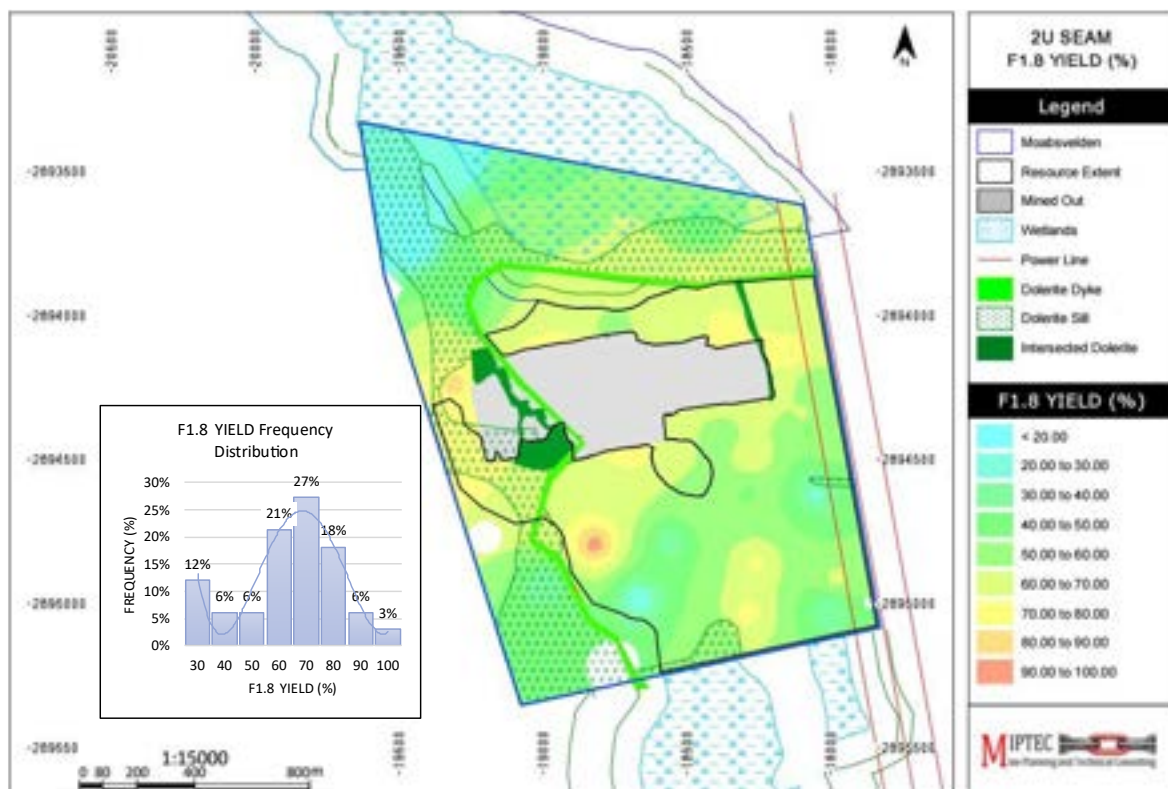


Figure 7-79. No. 2U Seam F1.8 Yield (%) Distribution

No. 2L Seam

The S2L seam has an ash content that varies from less than 24% in a few isolated patches within the resource footprint and increasing to 48% in the south and west (Figure 7-80). Of the data analysed, 69% have a raw ash content less than 32%. The average raw ash content of the S2L seam within the resource footprint is 30.3%. The F1.8 ash content is between 20 and 34%, with an average of 23%.

The raw CV content of the S2L also shows a general decrease in quality from north to south. Across the central and northern extent of the area, the CV ranges between 20 – 22 MJ/kg, decreasing to less than 18 MJ/kg in the south (Figure 7-82). The average raw CV content of the S2L across the resource area is 20.1 MJ/kg. The average F1.8 CV is 23 MJ/kg.

The raw TS content ranges between 0.8 – 1.2%, making up 76% of the resource footprint (Figure 7-84), although 21% of the area has raw TS content up to 2.8%; the average raw TS content is 0.96%. The F1.8 TS content averages 0.55%, varying from 0.4 to 1.2%.

Figure 7-86 indicates that the majority of the raw VM content ranges between 22 – 26%, comprising 90% of the resource footprint. The remainder of the area ranges between 16 – 22% along the western edge. The average raw VM content is 22.6%. At F1.8, the VM content for most of the resource footprint ranges between 24 and 26% (Figure 7-87), with the average being 24.3%. The DAFV content ranges between 28% and 44%, with 86% of the data ranging between 36 – 40% (Figure 7-88).

The F1.8 theoretical yield ranges between 50% and 100%. The high yields are concentrated to the north of the resource area but decrease towards the south (Figure 7-89). The average F1.8 theoretical yield is 75.6%.

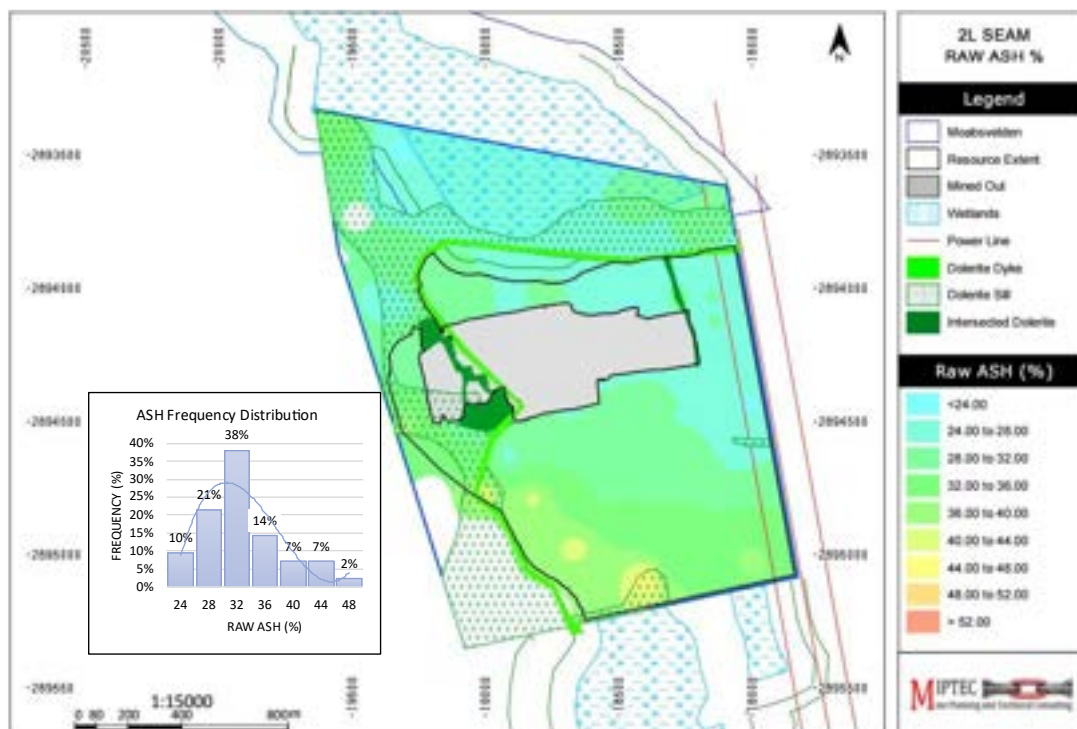


Figure 7-80. No. 2L Seam Raw Ash Content (%) Distribution

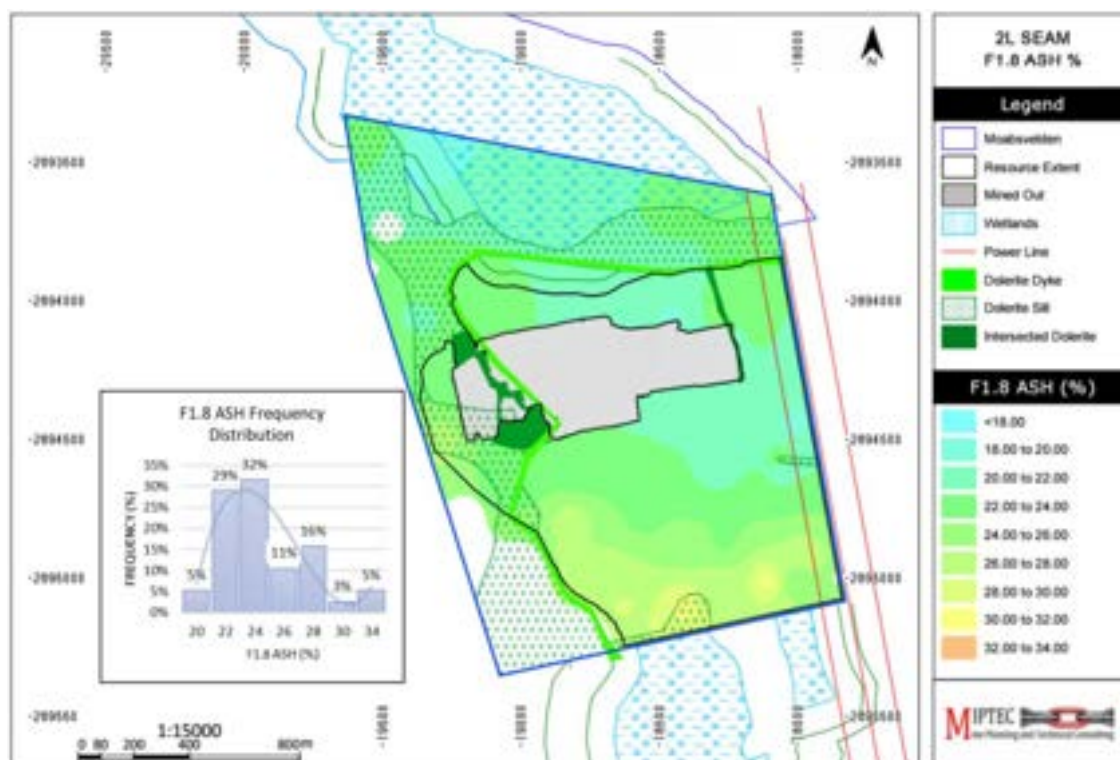


Figure 7-81. No. 2L Seam F1.8 Ash Content (%) Distribution



Figure 7-82. No. 2L Seam Raw Calorific Value Content (MJ/kg) Distribution



Figure 7-83. No. 2L Seam F1.8 Calorific Value Content (MJ/kg) Distribution



Figure 7-84. No. 2L Seam Raw Total Sulphur Content (%) Distribution



Figure 7-85. No. 2L Seam F1.8 Total Sulphur Content (%) Distribution

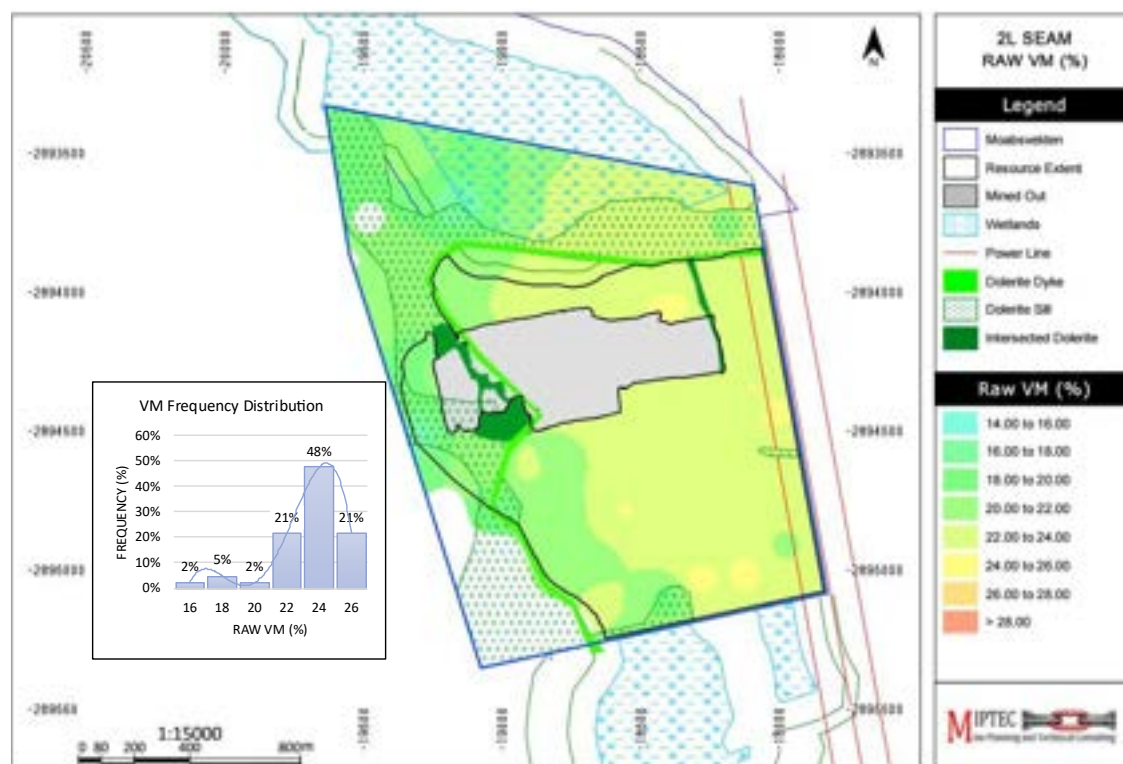


Figure 7-86. No. 2L Seam Raw Volatile Matter Content (%) Distribution

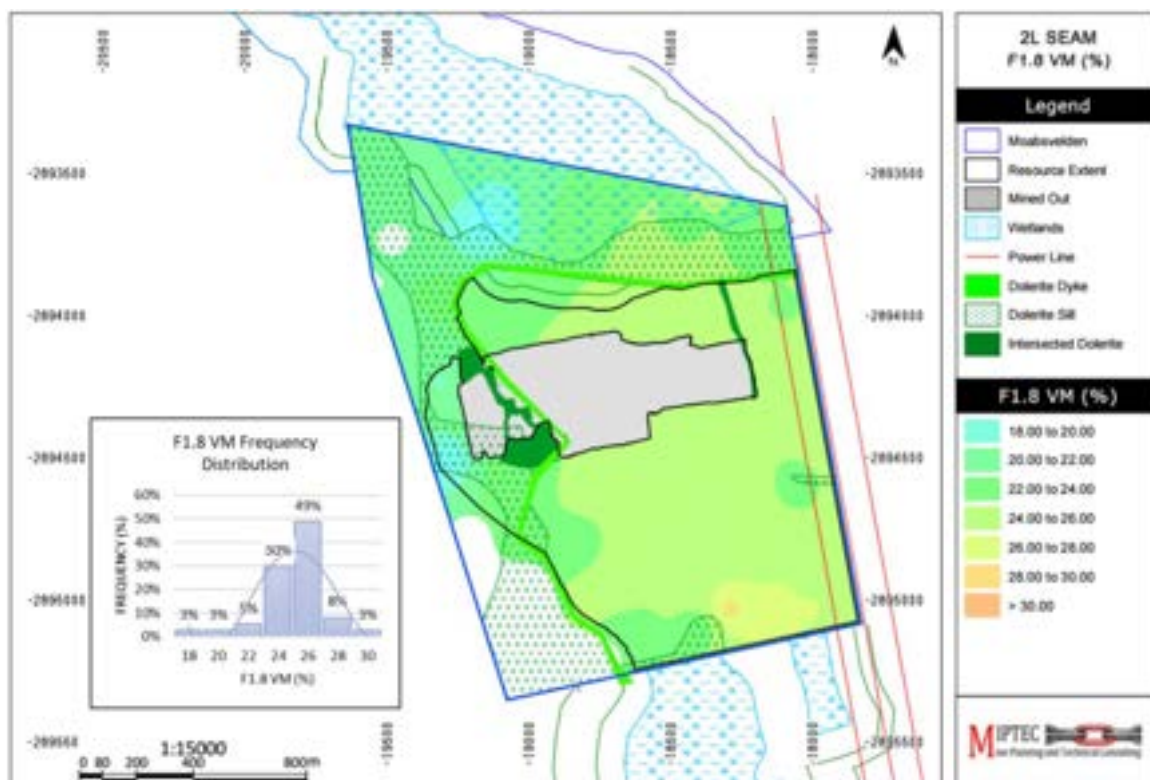


Figure 7-87. No. 2L Seam F1.8 Volatile Matter Content (%) Distribution



Figure 7-88. No. 2L Seam Dry, Ash-Free Volatile Matter Content (%) Distribution

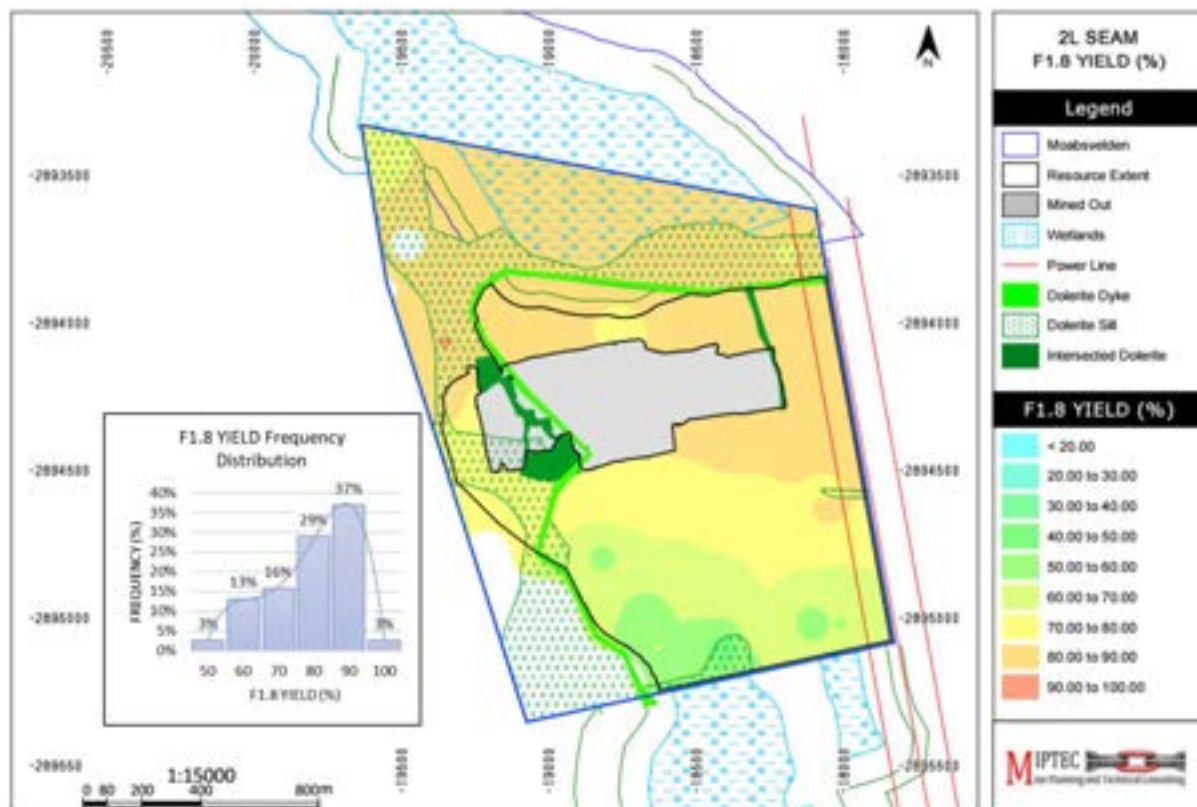


Figure 7-89. No. 2L Seam F1.8 Theoretical Yield (%) Distribution

No. 1 Seam

The S1 has previously been included with the S2 and mined as such. However, the increase in the parting thickness between the two seams in the southeast and along the eastern edge of the area has now allowed the S1 to be distinguished from the overlying No. 2 Seam and its characteristics are presented here for the first time.

The raw ash content (Figure 7-90) is greater than 24% everywhere, with isolated patches of greater than 44% in the southwest; almost half of the coal has raw ash contents of 32 – 36%. The average raw ash content is 36.49%. Washing the coal at F1.8 (Figure 7-91) reduces the ash content to <30% over most of the area, with slightly higher values in the east; the average is 26.61%.

The average raw CV is 17.88% and is highest in the southeast corner (Figure 7-92); over 80% of the coal has a CV of greater than 18%. Washing the coal at F1.8 increases the CV to more than 23 MJ/kg for 54% of the coal; the average F1.8 CV is 21.83% (Figure 7-93).

The majority of the raw TS content is less than 1.6% and less than 0.4% in the northeastern portion of the No. 1 Seam (Figure 7-94); the average is 0.58%. The F1.8 TS content (Figure 7-95) is generally <1.2% with the area of <0.4% TS content in the northeast extending southwestwards. The average is 0.42%.

The raw VM content (Figure 7-96) is between 16 and 26% and mostly 18 – 22% and increases to the southeast; it averages 19.53%. Washing to F1.8 improves the VM content to >22% (Figure 7-97) for 63% of the coal at an

overall average of 21.96%. The seam has not been heat-affected, as can be seen by the DAFVs (Figure 7-98), which are everywhere greater than 28%.

The theoretical yield at F1.8 (Figure 7-99) increases to the southeast, where isolated patches attain 80 – 90%; however, nowhere is it less than 50% and the average theoretical yield is 67.64%.

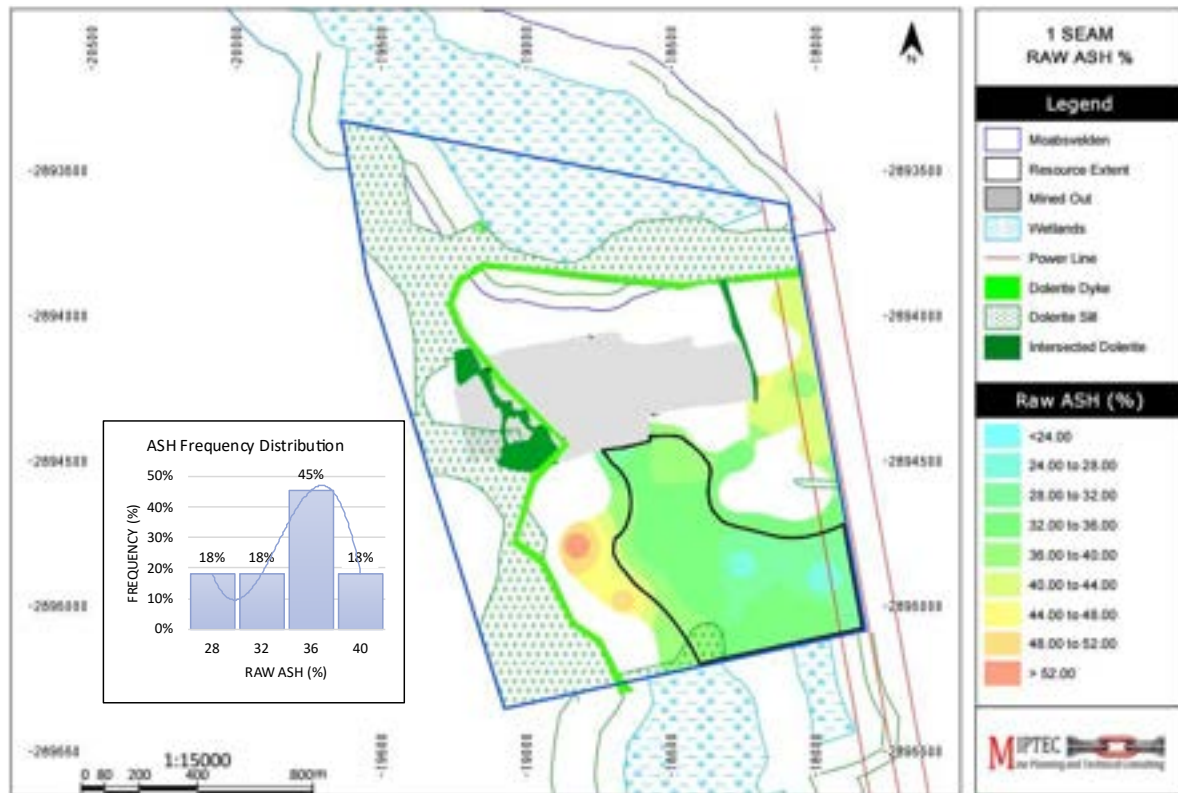


Figure 7-90. No. 1 Seam Raw Ash Content (%) Distribution.

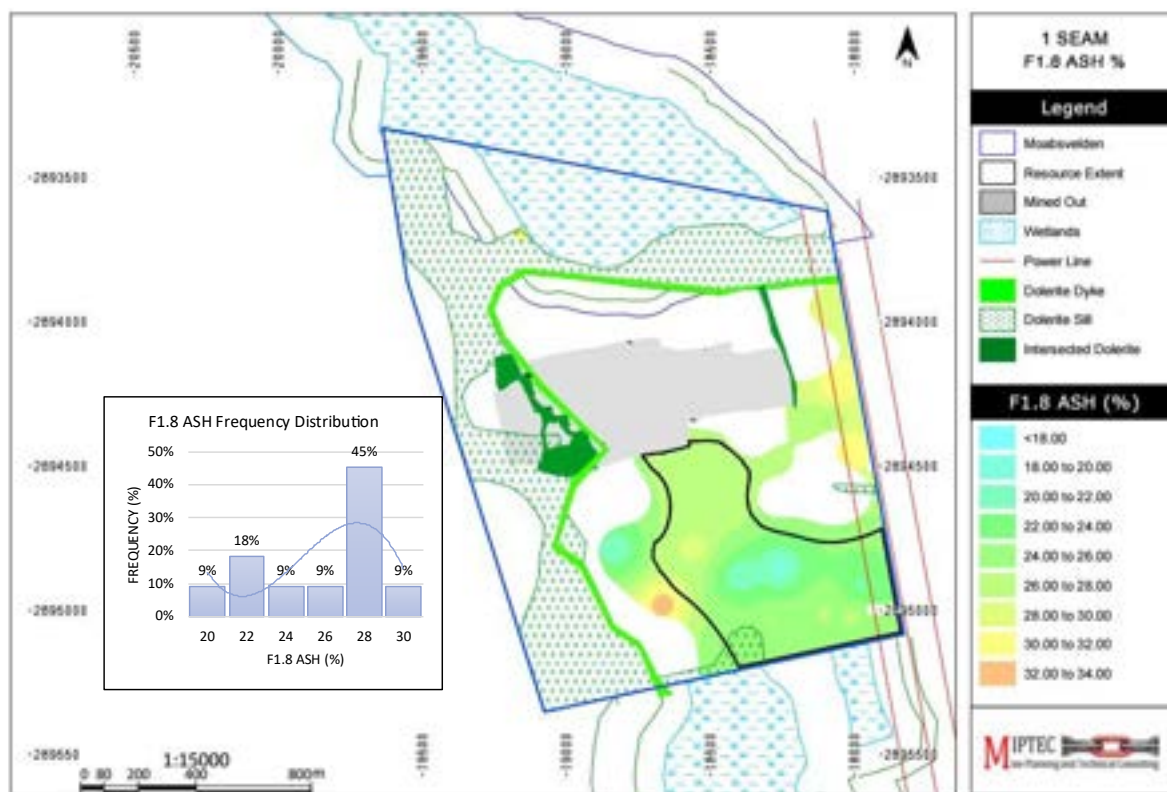


Figure 7-91. No. 1 Seam F1.8 Ash Content (%) Distribution

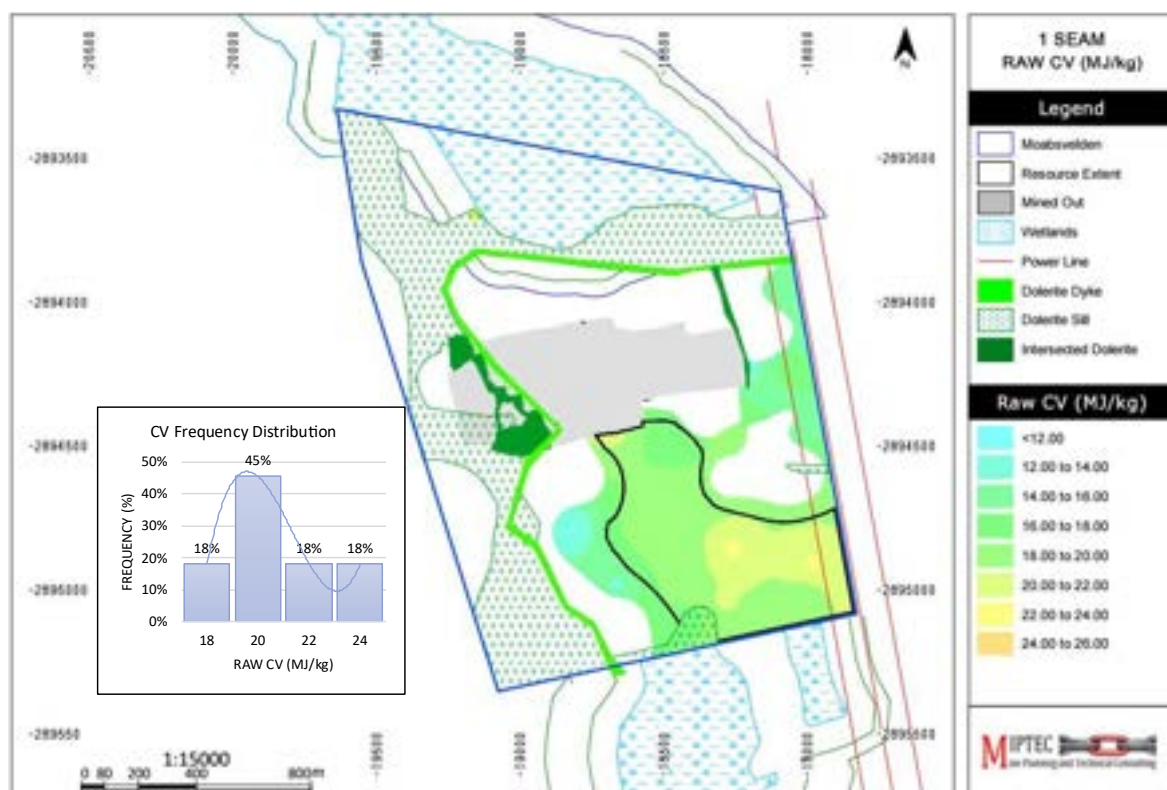


Figure 7-92. No. 1 Seam Raw Calorific Value Content (MJ/kg) Distribution

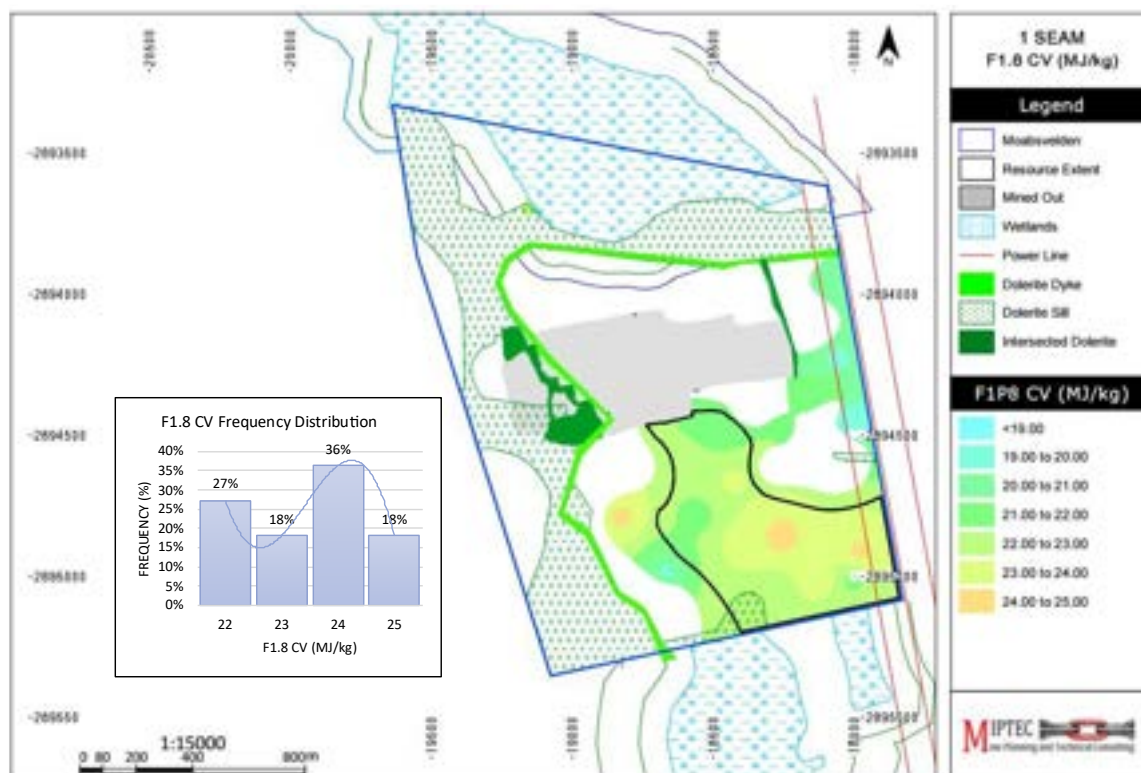


Figure 7-93. No. 1 Seam F1.8 Calorific Value Content (MJ/kg) Distribution

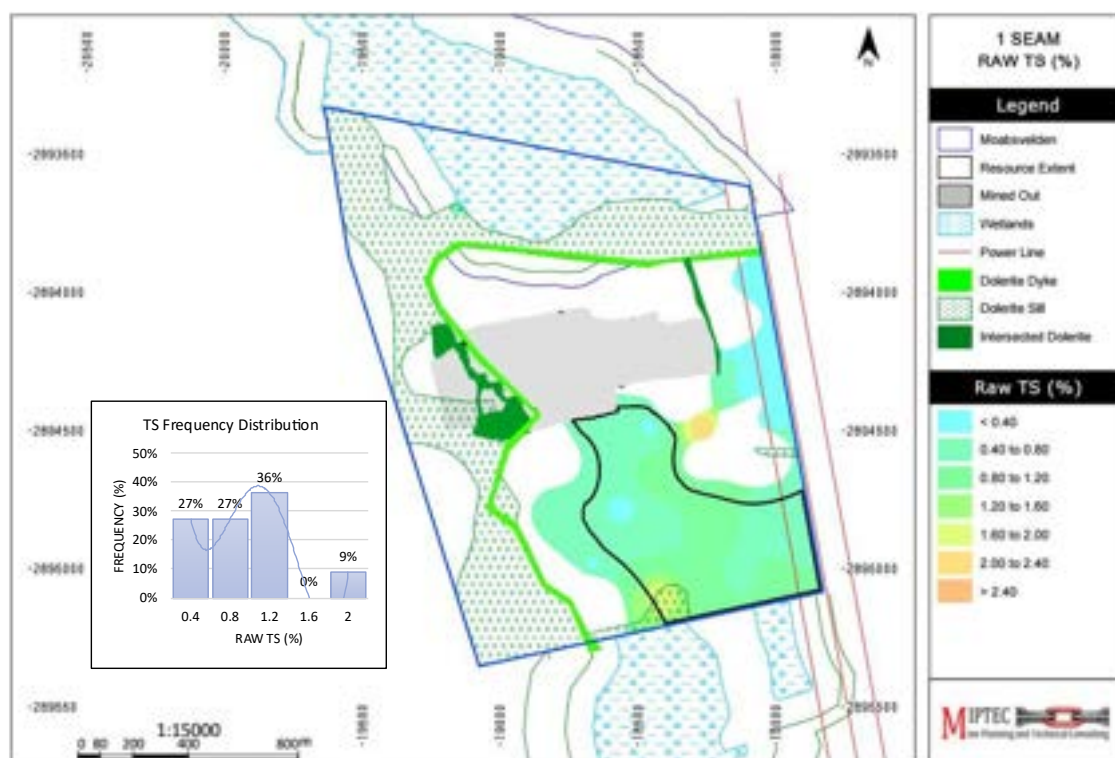


Figure 7-94. No. 1 Seam Raw Total Sulphur Content (%) Distribution

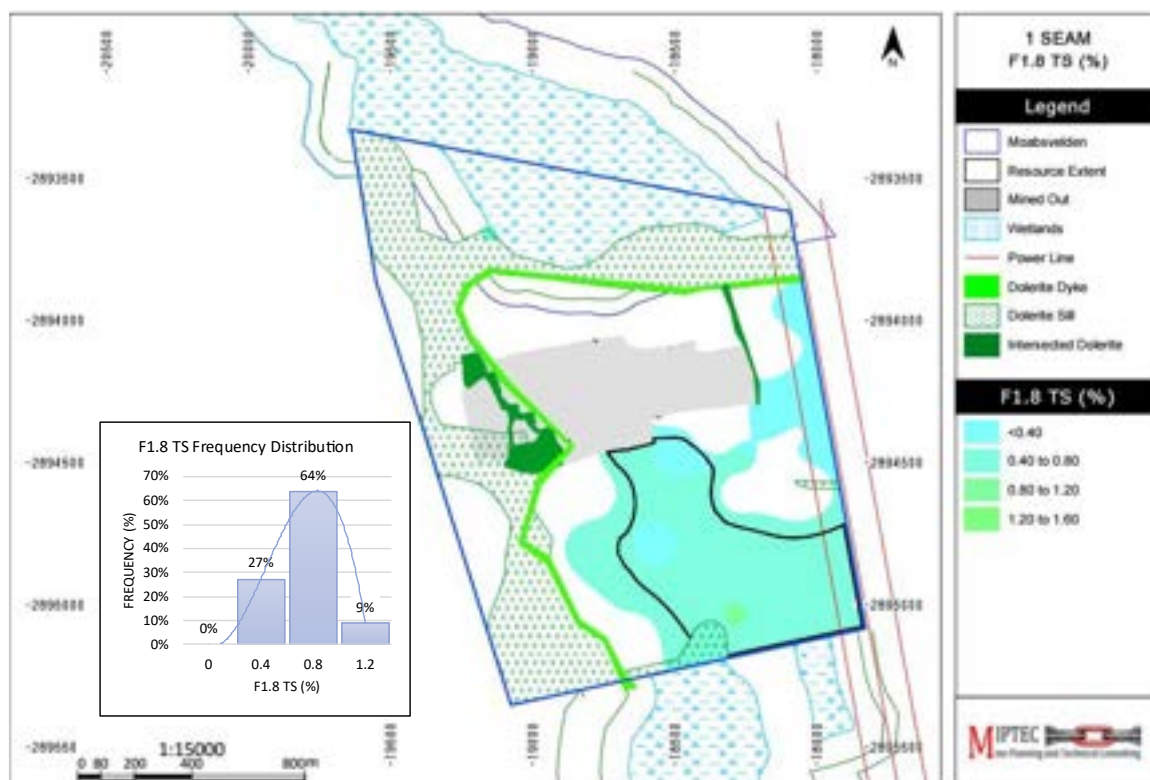


Figure 7-95. No. 1 Seam F1.8 Total Sulphur Content (%) Distribution



Figure 7-96. No. 1 Seam Raw Volatile Matter Content (%) Distribution

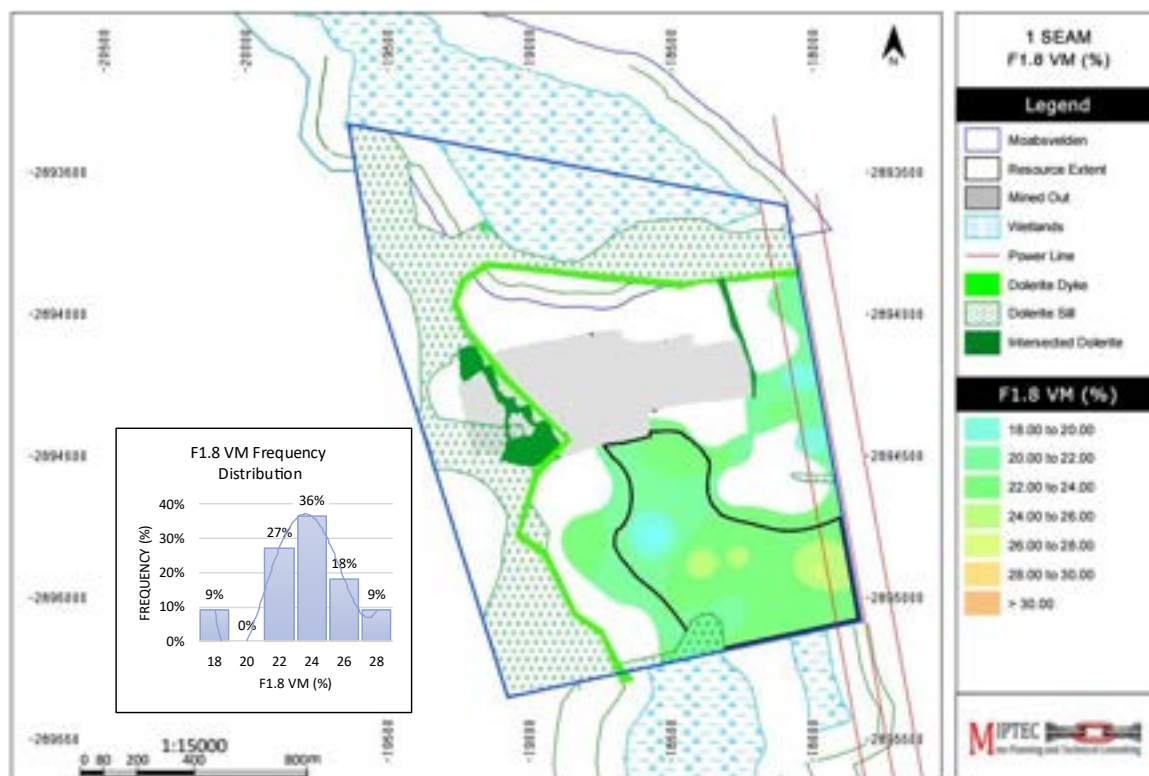


Figure 7-97. No. 1 Seam F1.8 Volatile Matter Content (%) Distribution

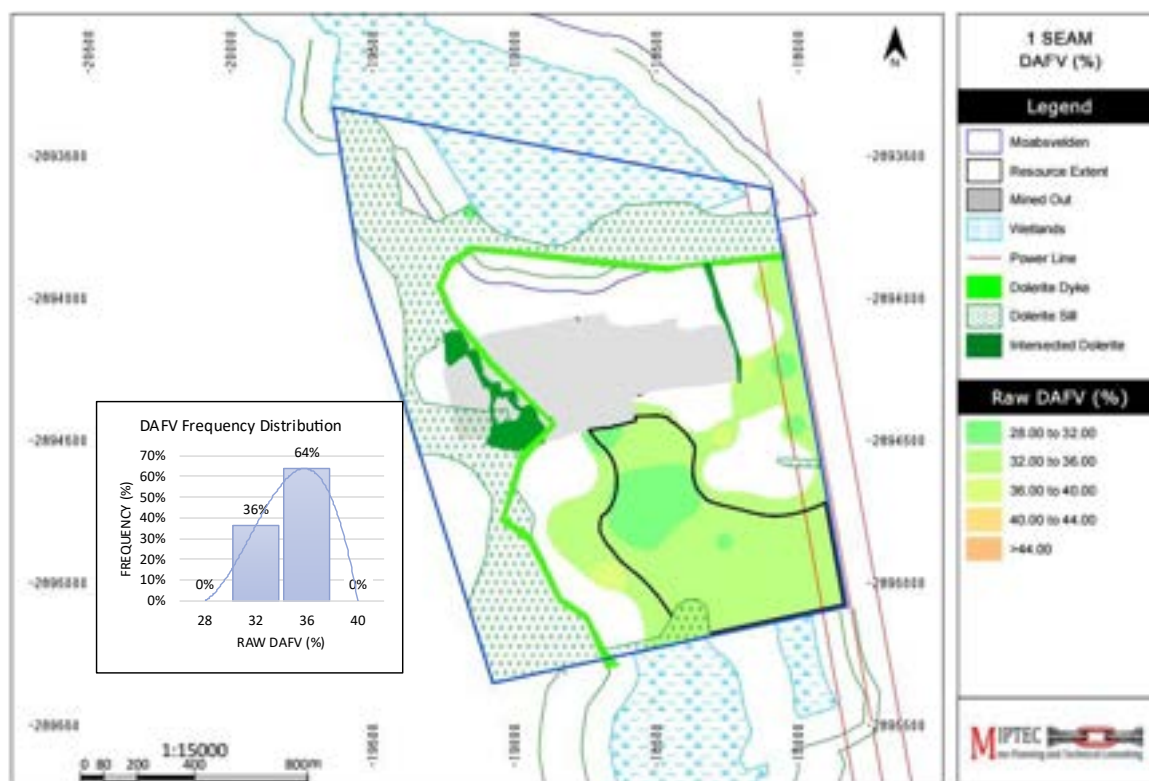


Figure 7-98. No. 1 Seam Dry, Ash-Free Volatile Matter Content (%) Distribution

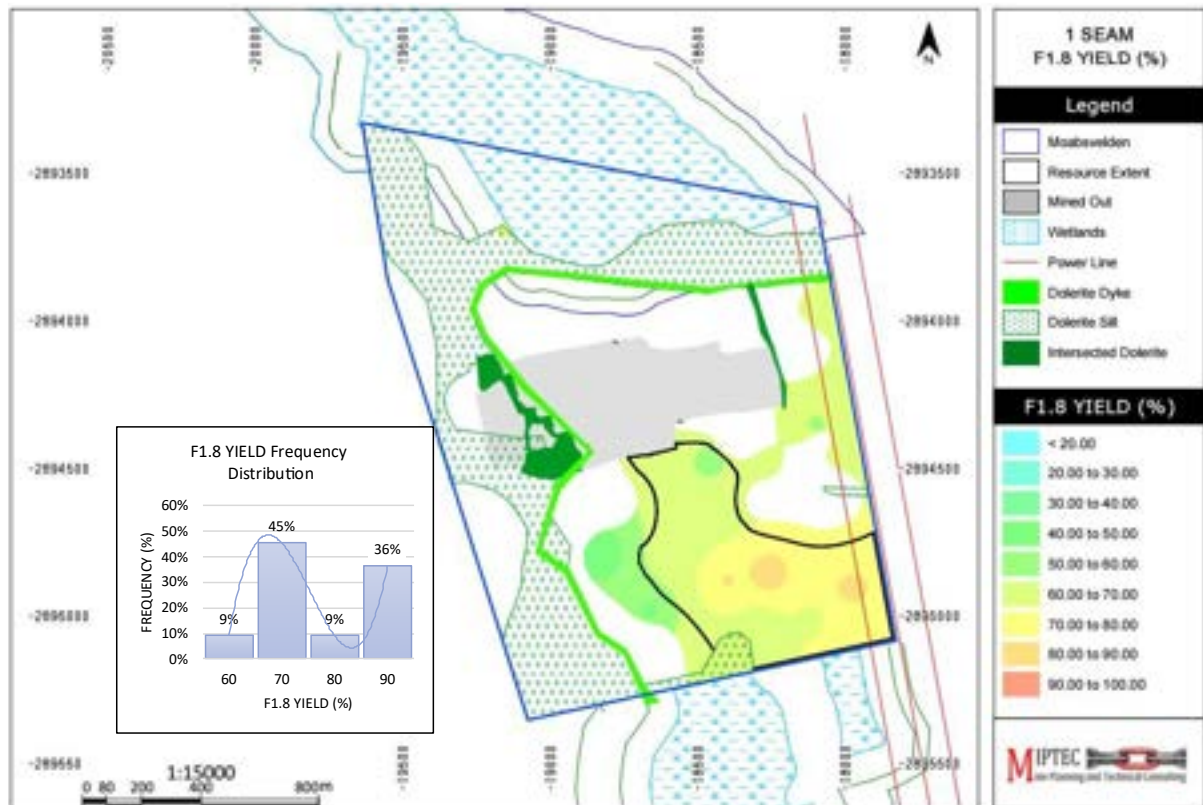


Figure 7-99. No. 1 Seam F1.8 Theoretical Yield (%) Distribution

7.17 Reasonable Prospects for Eventual Economic Extraction

[SR4.1(iv), SR4.2(ii) (iii) (iv), SR4.3, SR5.6(iii) (iv)]

Guidelines regarding the determination of Reasonable Prospects for Eventual Economic Extraction (**RPEEE**) are provided by both the SAMREC Code and SANS10320:2020. Table 1 of the SAMREC Code requires disclosure and discussion of the following items “which, in the opinion of the Competent Person, are likely to influence the prospect of economic extraction” (SAMREC Code, 2016). Briefly summarised, the factors/criteria used to determine whether a coal deposit can be economically mined and that a saleable raw or beneficiated product can be produced are discussed in Table 7-21.

Table 7-21 Factors for the Determination of Reasonable Prospects for Eventual Economic Extraction

Factor/Criteria	Issue	CP Comments
Legal	Tenure	All estimated Coal Resources are contained within the boundary of the Mining Right. The Mining Right expires in 2031. This allows sufficient time to mine the estimated resources as detailed in this report and contained within the LOMP.
Environmental and Social Parameters	Regulatory	All regulatory approvals are in place.
	Regulatory	All regulatory approvals are in place. Wetlands and their buffers have been excluded where necessary.
	Seam Thickness	Minimum seam thickness >0.5 m for OC
	Strip Ratio	SR less than 1:6 BCM:ROM Tonnes
Geological Parameters	Coal Quality	Raw ash <45% & DAFV >27.5% (raw crush and screen) Raw ash <50% & DAFV ≥27.5% (raw coal to be washed)
	Mining Method	Moabsvelden is a strip mining operation and will continue to be mined using these methods.
Infrastructure	Infrastructure	All infrastructure for Moabsvelden is currently in place.
Marketing	Market	All coal from Moabsvelden is designated for Eskom under a signed coal sales agreement.
Economic Assumptions	Economic/Commercial	Assumptions included in the financial model
Material Risks	Risks	There are no identified material risks to the project

It is important to note that, while the estimate of Coal Resources is based on the Competent Person's judgment that there are RPEEE, no assurance can be given that any or all the Coal Resources discussed in this document will eventually convert to Coal Reserves.

7.18 Data Spacing and Resource Category Classification

[SR4.4(i)]

Resource classification and reporting has been conducted in accordance with SANS10320:2020, the terms, definitions and guidelines of which have been used by Salungano's geological consultants in assessing the status of classifiable Coal Resources.

Principally, the main criterion for classification is based on the number of drill holes intersecting a particular coal seam(s) within a specified area. The confidence in projecting the coal quality across each seam is based on analysis from samples taken from the drill hole cores of the individual intersections. Classification was guided by the following:

- Drill hole density;
- Structural and coal quality continuity;
- Geological structure and its influence on mining; and
- Complexity of the geology.

Only valid Points of Observation (**PoO**) may be used to determine the Coal Resource classification categories. This is based on the number of cored drill holes that have appropriate quality data. In the case of Moabsvelden, coal from the S5, S4UU, S4U, S2U and S1 Seams is beneficiated prior to being sold to Eskom, and it is therefore necessary to classify these Coal Resources based on the availability of washed coal qualities. The S4L and S2L seams do not require washing, are sold on a raw crush and screen basis and may therefore be classified on the availability of raw coal qualities. However, both the S4L and S2L seams have sufficient wash qualities to enable them to also be classified on valid wash PoO.

Coal Resource classification is based on cored drill hole density; for coal that is of the multiple seam coal deposit-type, the classification is as follows: Measured: 8 cored drill holes per 100 ha (350 m x 350 m spacing), Indicated: four cored drill holes per 100 ha (500 m x 500 m spacing), Inferred: one cored drill hole per 100 ha (approximately 1 000 m x 1 000 m spacing). Table 7-22 details the drill hole density and resource classification for Moabsvelden on a per seam basis, and Figure 7-100 to Figure 7-106 indicate both the resource classification and resultant polygons used for the Coal Resource estimation. Evident in both Table 7-22 and diagrams Figure 7-100 through Figure 7-106, is that all of the Coal Resources at Moabsvelden are in the Measured category.

Table 7-22. Drill Hole Density at Moabsvelden

Seam	Area (Ha)	Number of PoO	PoO/100Ha	Classification
S5	83.30	32	38.42	Measured
4UU	37.53	14	37.30	Measured
4U	99.71	35	35.10	Measured
4L	107.02	40	37.38	Measured
2U	106.56	32	30.03	Measured
2L	117.88	43	36.48	Measured
S1	37.87	11	29.04	Measured



Figure 7-100. No. 5 Seam Resource Classification

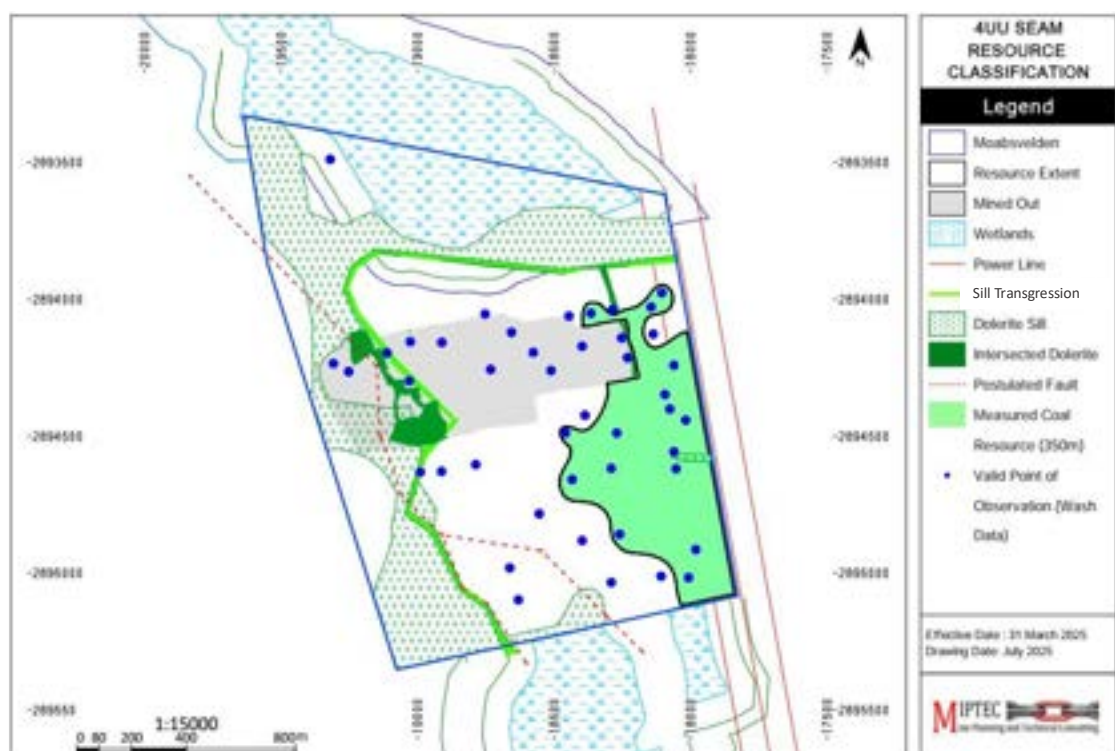


Figure 7-101. No. 4UU Seam Resource Classification



Figure 7-102. No. 4U Seam Resource Classification



Figure 7-103. No. 4L Seam Resource Classification

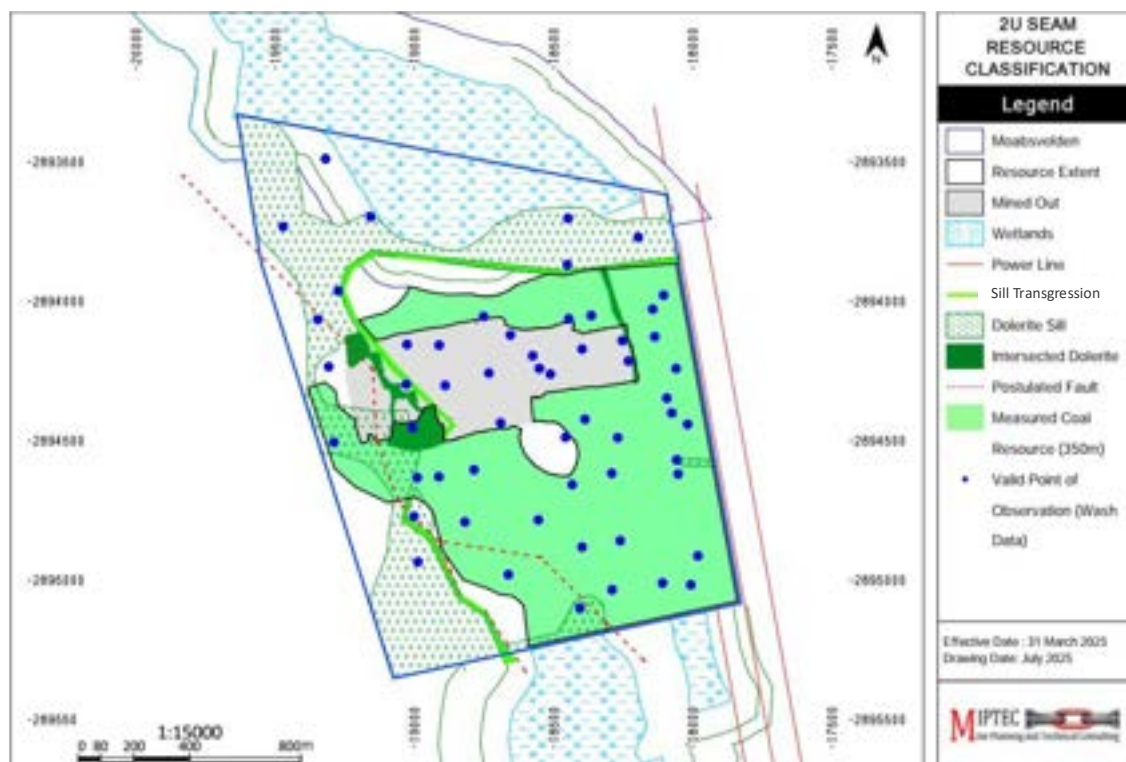


Figure 7-104. No. 2U Seam Resource Classification

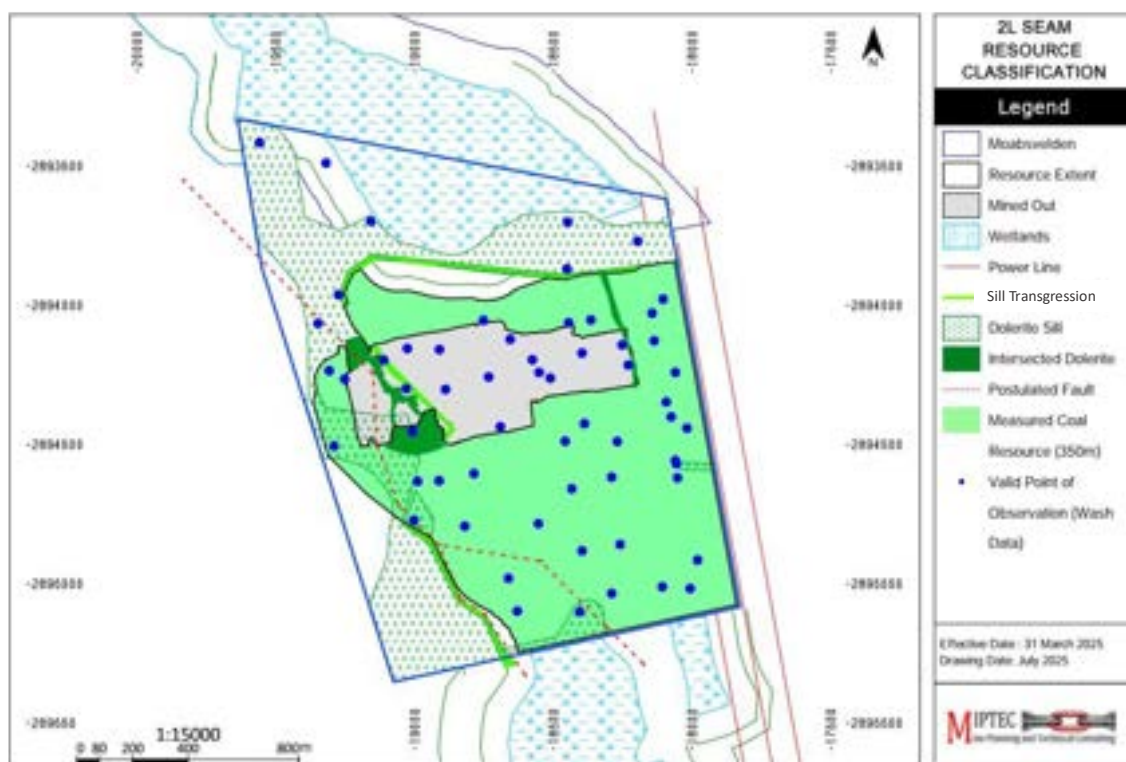


Figure 7-105. No. 2L Seam Resource Classification



Figure 7-106. No. 1 Seam Resource Classification

7.19 Reporting Definitions

The SAMREC Code (2016) requires that only the Mineable Tonnes In Situ (**MTIS**) Coal Resource estimate is reported (Clause 55). Reporting definitions as extracted from SANS0320:2020 are summarised in Table 7-23 and adhered to in this report.

Table 7-23: Summary of Reporting Definitions (SANS10320:2020)

Category	Definition
Mineable Tonnes In Situ (MTIS)	The tonnage and coal quality, at a specified moisture content, contained in the coal seam, or section of the coal seam, which is proposed to be mined, at the theoretical mining height, adjusted by the geological loss factors and de-rating factors for previous mining activities, with respect to a specific mining method and after the relevant minimum and maximum mineable thickness cut-offs, depth cut-off and relevant coal quality cut-off parameters have been applied. <i>NOTE 1 Mineable Tonnes In Situ (MTIS) Coal Resources are subdivided in order of increasing geoscientific knowledge and confidence into Inferred, Indicated or Measured Mineable Tonnes In Situ Coal Resource categories.</i> <i>NOTE 2 The geological loss factor is applied to the Gross Tonnes In Situ tonnage estimates and, therefore the impact of the geological loss is included in the Mineable Tonnes In Situ Coal Resource tonnage estimates.</i>
Measured Coal Resource	That part of a Coal Resource for which quantity, grade or quality, densities, shape, and physical characteristics are estimated with confidence sufficient to allow the application of modifying factors to support detailed mine planning and final evaluation of the economic viability of the deposit. <i>NOTE 1 Geological evidence is derived from detailed and reliable exploration, sampling and testing and is sufficient to confirm geological and grade or quality continuity between points of observation. A Measured Coal Resource has a higher level of confidence than that applying to either an Indicated Coal Resource or an Inferred Coal Resource. It may be converted to a Proved Coal Reserve or to a Probable Coal Reserve.</i> <i>NOTE 2 A Measured Coal Resource is defined by coal meeting the thickness cut-offs, depth cut-offs, and the relevant coal quality cut-offs, as defined by the competent person, which meets the criteria for reasonable prospects for eventual economic extraction.</i> <i>NOTE 3 Although a Measured Coal Resource has sufficient confidence to allow Coal Resource estimation and life of mine planning, it does not imply that further drilling and sampling would not be needed for optimization purposes prior to mining taking place.</i>
Indicated Coal Resource	That part of a Coal Resource for which quantity, grade or quality, densities, shape and physical characteristics are estimated with sufficient confidence to allow the application of modifying factors in sufficient detail to support mine planning and evaluation of the economic viability of the deposit. <i>NOTE 1 Geological evidence is derived from adequately detailed and reliable exploration, sampling and testing and is sufficient to assume geological and grade or quality continuity between points of observation. An Indicated Coal Resource has a lower level of confidence than that applying to a Measured Coal Resource and may only be converted to a Probable Coal Reserve.</i> <i>NOTE 2 An Indicated Coal Resource is defined by coal above the minimum thickness cut-off, depth cut-off, and the relevant coal quality cut-offs, as defined by the competent person, which meets the criteria for reasonable prospects for eventual economic extraction.</i> <i>NOTE 3 The level of confidence in an Indicated Coal Resource is usually sufficient to support a decision on whether a pre-feasibility study or feasibility study is warranted.</i>
Inferred Coal Resource	That part of a Coal Resource for which quantity and coal quality are estimated on the basis of limited geological evidence and sampling and shall not be converted to a Coal Reserve. <i>NOTE 1 Geological evidence is sufficient to imply but not verify geological and grade or quality continuity. An Inferred Coal Resource has a lower level of confidence than that applying to an Indicated Coal Resource. It is reasonably expected that the majority of Inferred Coal Resources could be upgraded to Indicated Coal Resources with continued exploration.</i> <i>NOTE 2 An Inferred Coal Resource is defined by coal above the minimum thickness cut-off, depth cut-off, and the relevant coal quality cut-offs, as defined by the Competent Person, which meets the criteria for reasonable prospects for eventual economic extraction.</i> <i>NOTE 3 The level of confidence in an Inferred Coal Resource is usually insufficient to justify a pre-feasibility study.</i>

7.20 Coal Resource Cut-off Parameters

[SR4.1(vi), SR4.2(i) (ii) (vi)]

The following cut-off parameters were applied when delineating the resource polygons and estimating the Coal Resources:

- Seam extent was constrained by:
 - The limit of weathering

- The mining right boundary and a 9 m pillar buffer.
 - A 500 m wetland buffer
 - Exclusions around the sill
- Quality cut-offs:
 - A DAFV cut-off of 27.5% was applied to all seams and
 - A raw ash content < 45% was used on the S4L and S2L Seams (this cut-off was not applied to the S5, S2U or S4U or S1 Seams, as they will be washed).
- Physical seam parameters:
 - Coal seams less <0.5 m were excluded from the Coal Resource Estimates.
- Mining parameters:
 - A maximum strip ratio of 1:6 BCM/ROM tonnes was applied.

7.21 Coal Resource Estimation

[12.10(a)] [SR1.4(iii), SR4.1(iv), SR4.5(ii) (iv) (v) (vii), SR6.1(i), SR6.3(vi)]

The Coal Resource estimates were conducted in accordance with the SAMREC Code, 2016 Edition, as well as SANS10320:2020.

The Coal Resource estimate has been independently estimated and signed off by Ms. K. Black of KJB GeoServices, on behalf of Miptec, and is declared as at 31 March 2025. The Moabsvelden Opencast Coal Resource Estimates comprise 27.07 Mt (MTIS) of Measured Coal Resources (Table 7-24) with raw and washed qualities as shown in Table 7-25.

All Coal Resources are inclusive of the Coal Reserves.

Provision has been made for a geological loss factor (discount). Losses may occur mainly as a result of intersection of dolerite dykes, small-scale faulting and other unforeseen geological losses.

The geological discounts applied are 10% to the Measured Coal Resources.

Miptec is confident that the logging, sampling, data density and distribution, as discussed in the sections above, are suitable for the estimation of Coal Resources.

Table 7-24. Moabsvelden Coal Resource Estimate at as 31 March 2025

MINING METHODOLOGY	RESOURCE CATEGORY	SEAM	AREA (Ha)	THICK (m)	ARD (g/cm3)	Geological Loss (%)	MTIS (Mt)
Opencast	Measured	S5	82.91	1.50	1.70	10.00	1.91
		4UU	36.25	0.55	1.67	10.00	0.30
		4U	99.65	3.06	1.83	10.00	5.02
		4L	105.73	4.81	1.58	10.00	7.23
		2U	106.55	2.01	1.72	10.00	3.32
		2L	117.69	4.73	1.61	10.00	8.07
		S1	41.31	1.97	1.68	10.00	1.23
TOTAL MEASURED			590.09	3.71	1.67	10	27.07
TOTAL MOABSVELDEN RESOURCES			590.09	3.71	1.67	10.00	27.07

Note:

1. Minimum seam thickness cut-off of 0.5 m.
2. Ash Content >45% cut-off applied to 4L and 2L Seams.
3. Dry ash-free basis (daf) >27.5% limit applied.
4. ARD – Apparent Relative Density.
5. Weighted average qualities estimated on MTIS. All seam thicknesses used are true thicknesses.
6. Coal Resources quoted on a MTIS adb basis in million tonnes.
7. Fresh coal only, and coal within Mining Right boundary.

Table 7-25. Moabsvelden Raw and F1.8 Qualities at as 31 March 2025

				RAW COAL QUALITIES (Air Dried, Uncontaminated)						F1.8 COAL QUALITIES (Air Dried, Uncontaminated)						
MINING METHODOLOGY	RESOURCE CATEGORY	SEAM	MTIS (Mt)	ASH (%)	CV (MJ/kg)	FC (%)	IM (%)	TS (%)	VM (%)	YIELD (%)	ASH (%)	CV (MJ/kg)	FC (%)	IM (%)	TS (%)	VM (%)
Opencast	Measured	S5	1.91	37.68	17.69	34.48	4.52	1.09	23.33	61.66	23.31	23.32	44.70	4.29	0.72	27.73
		4U/J	0.30	33.83	19.90	35.29	3.06	3.10	27.80	66.05	22.21	24.14	42.87	3.30	2.34	31.60
		4U	5.02	48.94	12.19	30.09	3.64	0.52	17.29	34.51	31.09	19.49	43.57	3.78	0.51	21.31
		4L	7.23	27.26	20.60	46.19	4.36	1.02	22.17	83.57	21.69	22.98	50.52	4.30	0.61	23.58
		2U	3.32	39.78	15.97	37.15	3.59	0.54	19.45	58.92	28.71	20.45	45.97	3.88	0.43	21.44
		2L	8.07	30.32	20.09	43.30	3.79	0.96	22.57	75.59	22.98	23.02	48.79	3.90	0.55	24.30
		S1	1.23	36.49	17.88	40.59	3.40	0.58	19.53	67.64	26.61	21.83	47.80	3.62	0.42	21.96
TOTAL MEASURED			27.07	34.95	17.98	40.04	3.92	0.86	21.07	66.61	25.02	22.02	47.54	3.99	0.57	21.42
TOTAL MOABSVELDEN RESOURCES			27.07	34.95	17.98	40.04	3.92	0.86	21.07	66.61	25.02	22.02	47.54	3.99	0.57	21.42

Note:

1. Weighted average qualities estimated on MTIS.
2. CV - Calorific Value, VM – Volatile Matter Content, FC - Fixed Carbon, TS - Total Sulphur, IM - Inherent Moisture, DAFV – dry, ash-free Volatile Matter Content, ARD – Apparent Relative Density.
3. Coal Qualities reported on an air-dried basis (adb).

7.22 Reconciliation with Previous Coal Resource Estimate

[SR1.4(iii), SR4.5(vi)]

The reconciliation is summarised in Table 7-26 indicates that 3.33 Mt of coal was mined at Moabsvelden during FY2025, and a gain of 1.7 Mt was realised overall. This gain was due to both the inclusion of the S1 in the south

as well as an increase in the resource footprint. There were some losses on the S2 due to the removal of the S1 where identifiable, as well as a decrease in the footprint in the west.

Table 7-26. Reconciliation between the 2024 and 2025 Coal Resource Estimates.

Moabsvelden Resource Reconciliation					
	FY 2024 Mt	FY 2025 Mt	Variance Mt	Survey Depletion	Variance Mt
Moabsvelden Total	22.00	27.07	5.08	3.33	1.75
Opencast Total	22.00	27.07	5.08	3.33	1.75
5 Seam	2.00	1.91	-0.10	0.16	-0.26
4UU Seam	0.11	0.30	0.19	0.00	0.19
4U Seam	3.53	5.02	1.49	0.61	0.88
4L Seam	5.54	7.23	1.70	1.04	0.66
2U Seam	3.18	3.32	0.14	0.61	-0.47
2L Seam	7.64	8.07	0.43	0.91	-0.48
1 Seam	-	1.23	1.23	0.00	1.23

7.23 Risks

The geological risks identified at Moabsvelden are summarised in Table 7-27, and are primarily associated with the transgressive sill and associated uplift in the west, as well as the palaeohigh in the southwest.

Table 7-27 Moabsvelden Geological Risks

Type	Risk Description	Mitigation / Recommendation	Risk Level
Geological	Mining in close proximity to the transgressive sill; potential unpredicted dolerite intersections	Losses applied in Coal Resource Estimates; geophysically log pre-split drill holes	Low
Geological	Palaeohigh in the south-west may pose eventual unplanned quality and mining constraints.	Additional drilling in this area would assist in further delineating the effect the palaeohigh has had on the coal seams.	Low
Geological	Survey information for faulting and dolerite not available to onsite geologists or included in geological model	Include survey and geophysical data in the geological model; improve prediction of structures for mine planning, tonnage estimation, and grade control	Low

7.24 Recommendations

- The mine geophysically logs pre-split drill holes as part of their short-term planning. This geophysical data should be included in the geological model, to ensure the model is as accurate as possible.
- Inclusion of survey information in the geological model to assist with the prediction of geological features. This will aid with mine planning, tonnage estimations as well as grade control.
- The neighbouring colliery to the north, Stuart Coal, have begun to mine through the wetland on their side of the boundary. As such, Salungano may seek approval to drill their adjoining area in order to assess the coal measures in that area.

7.25 Mining

SR4.1(iii); SR4.3(i-ii); SR4.5(iii,v); SR5.1(i); SR5.2(i-ix)

Moabsvelden is an operational opencast mine with an updated LOM plan. The current planning, as indicated by Mine management and included in the LOM plan, is that production will ramp up to around 400 000 RoM tonnes. This volume is higher than achieved to date, however developed pit space and working benches are favourable for such an increase. Mining intensity will reduce again with the reduction in pit length along the palaeohigh, identifies in the southwestern corner of the area.

7.25.1 Personnel

The mine has full-time employees, covering the required legal requirements. These include mine manager, engineer, chief safety officer and safety officers. In addition, the mine has administrative personnel, mainly in health and safety, admin, Human Resources and Environmental departments. The staff on mine, manage the various contractors responsible for mining, processing, security, cleaning, transport and discard management.

Salungano has shared resources that cover overarching responsibilities to the various operations.

7.25.2 Mining Method

Opencast operations are based on typical truck and shovel methodologies with push over assist. This methodology has been applied since the completion of the initial boxcut and access ramps. The pit layout is based on 100 m block lengths and 45 m wide strips to facilitate planning, execution and control.

The remaining Moabsvelden pit has an average RoM strip ratio of 1:2.75 (Waste BCM / ROM tonnes). The remaining pit shell containing the coal reserves was determined by the MR boundary and geological cut-offs in the west, and by the palaeohigh in the southwest, against which the coal thins (this area currently hosts the waste dump). On the southern side the MR boundary, safe offsets were considered, and on the east of the MR boundary,

the powerline and access road for both coal trucks and light vehicles was excluded. The eastern off-set to the mining footprint seems quite large, however it is required for the 100 m blasting permission from the powerline.

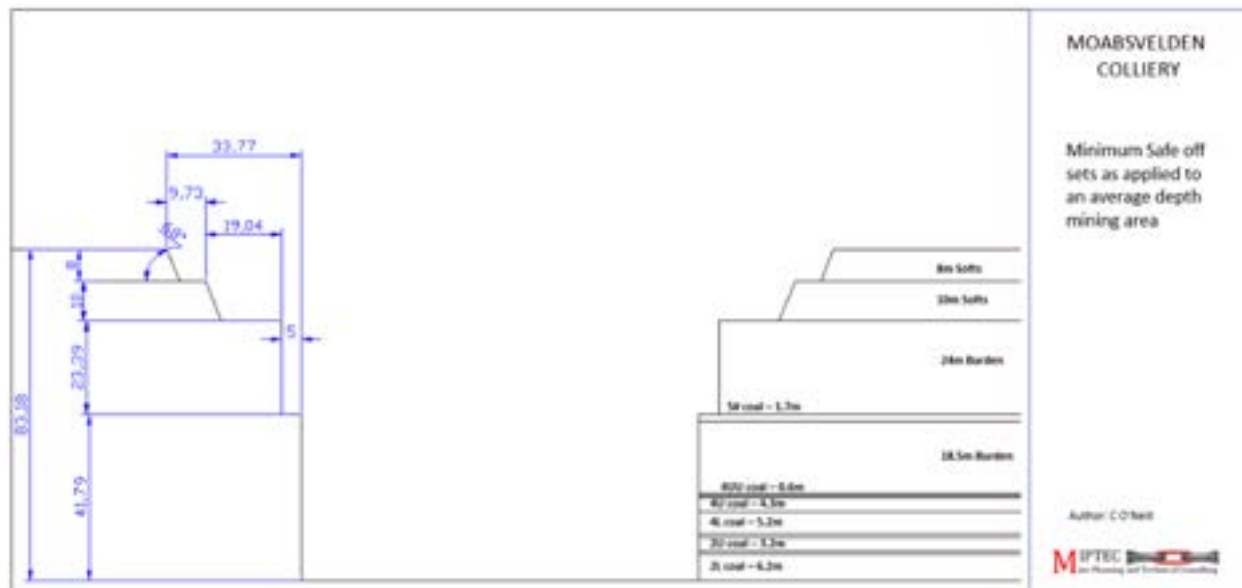


Figure 7-107. Pit configuration for roll over mining

Pit configuration in terms of a cross-sectional view plays an important factor during steady state production. Figure 7-107 provides an indication of the minimum configuration. At the effective date of this report, a large portion of the advancing pit was in this configuration.

7.25.3 Rock Engineering

JSE 12.10 (h)(vii); SR 3.1(i), SR4.1(ii), SR4.3(ii), SR5.2(ii)

Salungano has appointed Tsebo Mining Solutions (Pty) Ltd (**Tsebo**) as their independent rock engineering consultants. They provide for a legal appointee responsible for the rock engineering function, inclusive of regular audits and update to the code of practice that endeavours to combat rockfalls. Miptec has relied on Tsebo and their appointed representative to provide required input with respect to the sections below. As part of the CP's site visit, a visual review was conducted of the opencast pit at Moabsvelden. The in-pit area was opened quite extensively, with two large waste dumps, the southern dump was built on top of the palaeohigh area on surface, with the second large dump backfilled in the north-western corner of the original boxcut. The mine has kept access to both the north and south faces. The north was kept in anticipation of the possibility of mining the wetland to the north. The endwall on the eastern side has a ramp providing access to the S4 elevation. This off set was kept throughout the LOM to enable the mine to benefit from additional reserves currently sterilized under the 100 m blast off-set from the power line. When the power line is moved, this area will be unlocked and the open void available to mine this.

Tsebo conducts weekly pit inspections by a strata control officer and a monthly inspection by a qualified rock engineer who also holds the legal appointment. Both the strata control officer and rock engineer provide reports to management regarding both good practices observed, and hazards identified. The hazards are accompanied by mitigation indications, for the mine to execute.

7.25.3.1 Mandatory Codes of Practice

The mandatory Code of Practice (**CoP**) to combat rockfall and slope stability related incidents was compiled by the Company as a control document. It conforms to the DMRE guideline 7/4/118-AB4. This is mandatory in terms of sections 9(2) and 9(3) of the Mine Health and Safety Act (**MHSA**). The document is updated as per the control parameters in the control system.

The slope designs were reviewed and updated during the 2023 reporting period, mainly to confirm the minimum safe offsets for endwalls and final voids. The outcome of the updated designs was incorporated into the stipulations of the CoP and associated geotechnical reporting, as well as slope management procedures and standards.

A Tsebo Mining representative is noted as the appointed person from a rock engineering perspective that has signed off on the COP.

It must be noted that Miptec did not have sight of the actual CoP document, however the Excel based management system was presented to Miptec.

7.25.3.1 Geological structures and Geotechnical Setting

A north-south trending fault and associated sill transgression has been identified along the western side of the pit. The coal on the western side of the fault is uplifted.

Inspection of the Hazard plan shows that no structure is indicated; it was recommended by Miptec that the fault, sill and associated structures are surveyed and included on the hazard plan. Numerous requests have been made by Miptec to the mine surveyor for the structural information, in order to include it in the geological model and subsequent mine model; however, it is yet to be made available.

7.25.3.2 Opencast Geotechnical Designs

The remaining pit shell for Moabsvelden was determined based on economical strip ratio's and feasible coal qualities, together with surface limiting factors such as Powerlines, Public roads and the mining right boundary. The mined-out areas are defined by actual survey information and incorporated in the remaining pit shell design. Finally, the high wall as well as end wall configurations stipulating the minimum offsets for safe operations, were re-evaluated and confirmed by the appointed rock engineer for the mine; these stipulations contributed to the final design of the remaining pit shell.

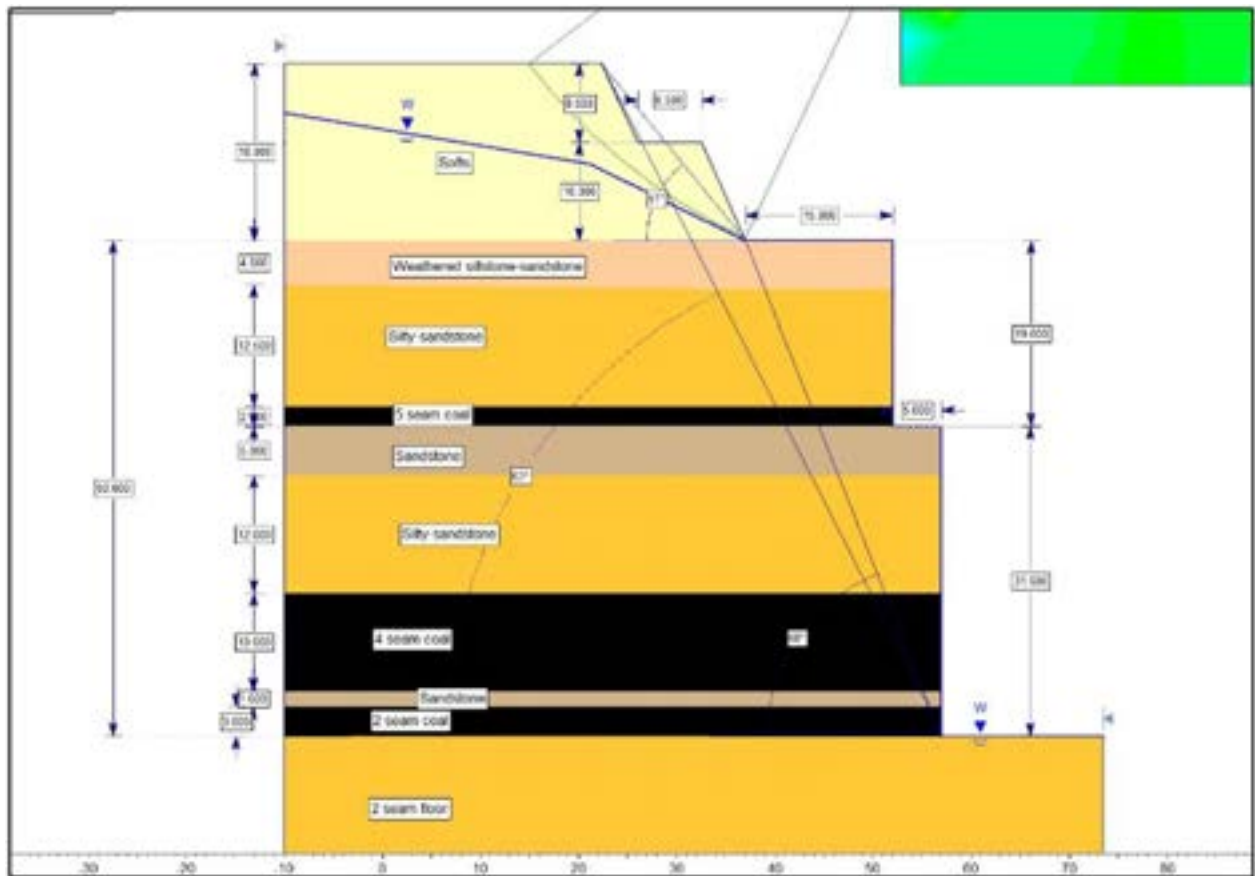


Figure 7-108. EW/HW design of the Tsebo mining solutions report ("GSA001") dated 8 May 2023

Figure 7-108 shows the highwall analysis reviewed by rock engineers from Tsebo Mining Solutions (**Tsebo**). This design for Moabsvelden correlates with that previously compiled by Middindi Consulting.

The minimum design for the Moabsvelden pit equates to a 5 m offset at the S5 level, 15 m offset on the S5 overburden level, followed by the safe benching of the estimated 18 m thick softs at an angle of 51 degrees. This angle adds another 15 m to the total offset distance from the S2 floor position.

The total minimum safe allowance from the S2 floor position is 35 m.

During the numeric modelling for Factor of Safety (**FoS**) and Probability of Stability using 2D Slide software, the FoS on softs for both pits ~1.8, S5 and S4 overburden to 3.0 with Probability of Stability on all benches greater than 99%.

An identified risk relevant to slope stability is blast vibrations; blast engineers conduct blast simulations and effective designs to mitigate the effect of vibration on opencast slopes.

In addition, water is a risk; water management is conducted, clean water is diverted around the operating pit, and water accumulations on the high walls are monitored during rainy season.

7.25.3.3 Specific Risks

As indicated in the sections above, the risk related to the slope assessments and guidelines for stability highly depend on

- Planning blasts to minimise effect of vibration damage to slopes;
- Water accumulations affecting the slope stability of softs and dumps;
- Managing blast damage and in pit controls around geological structures; and
- Updating hazard plans with structure orientations.

Managing risk in terms of slope stability is an ongoing process, whereby incidents are reviewed, and mitigation measures implemented. When applicable, the COP and associated procedures and standards were reviewed and updated.

7.25.4 Mine design

7.25.4.1 Resource Model

SR 5.2(iii)

The geological model utilised for the opencast mining model was constructed in Datamine's Stratmodel™ software and updated in 2025. The relevant structure and quality grids, covering the full extent of the resource area, were provided to the mining engineer for mine modelling purposes. This geological model was the base for both the mining models and Coal Reserve Estimates.

7.25.4.1 Optimisation

No specific Optimisation was conducted. The mine has created sufficient pit space and access to the S2, S4 and S5 horizons, allowing for ramp up as planned.

7.25.4.2 Opencast footprint

SR 5.1(ii), SR 5.2(ii), SR 5.2(iv)

The opencast footprint is based on the delineation done during the FY23 reporting period. During this update, the offsets as determined by the Rock engineer were applied to determine both the end wall, and final void configurations. This, together with the limiting factors set by the other surface structures; the powerline (100 m) and the defined wetland buffer zones, were taken into consideration for the finalisation of the mining footprint. This process essentially comprised trimming the sides of the footprint to ensure it conformed to the limiting structures and safe designs. The footprint falls within the geological cut-offs on both quality and thickness.

7.25.4.3 Seam cut off parameters

SR 5.1(ii)

The geological model quality and physical cut-offs are replicated in the mining model. In the mining model, the remainder of the modifying factors are applied based on reconciliation results.

In terms of physical and quality cut-offs on all seams, Table 7-28 summarises the relevant factors applied to the mining model.

Table 7-28. Cut-off parameters applied in the mining model.

SEAM	THICKNESS (m)	RAW ASH (%)	RAW DAFV (%)
4UU	0.3 m	50%	24%
Remainder Seams	0.5 m	50%	24%

7.25.4.4 Modifying Factors Coal Recovery

SR 5.1(ii)

For the calculation of the RoM and coal recovery, the following factors were applied to the mining model, in addition to the cut off parameters listed above;

- Total loss of 16%;
- Contamination of 3%; and
- Surface Moisture of 3%.

The following formulae summarise part of the logic in the estimation process:

GTIS = coal area * seam thickness * coal RD (conforming to seam cut off parameters)

TTIS = GTIS * geological loss factor (measured resource 10% geological loss)

MTIS = TTIS * mining loss factor (2%)

ROM (AD) = MTIS * (1+contamination) (Rom on an air-dried basis)

ROM (AR) = RoM (AD) * (1+ surface moisture) (Rom on an As Received basis)

“ROM (arb) = GTIS * (1- total loss%) * (1+ contamination%) * (1+ surface moisture %)”

The coal losses are converted back to waste volumes to allow for a representative strip ratio calculation and estimation.

The LOM mining model was constructed in the Runge Scheduling Software. Geological gridded data were provided and the mining layouts constituting the full opencast mining footprint were updated with all relevant structural and quality data through a reserving process. An extensive handshake between geology and the mining engineer confirmed the accuracy of information transfer. The mining model was updated at a mining process level, with a full quality model representing the intended Kusile Power Station supply qualities. The model was updated with the stated modifying factors to derive the RoM coal model on an AR basis. The factors applied have been proven over the years through reconciliations with actual mined volumes, to provide for accurate RoM estimations and mining RoM strip ratios.

The LOM model provides a monthly schedule for the remaining life of Moabsvelden, with the detailed coal allocation and final product qualities.

7.25.5 Production History

SR1.4(iii); SR5.2(viii)

Figure 7-109 details the waste volumes produced by the mine since construction, and Figure 7-110 shows the ROM history. The mine has progressively increased coal production as per the LOMP, with an eventual target of 400 000tpm.

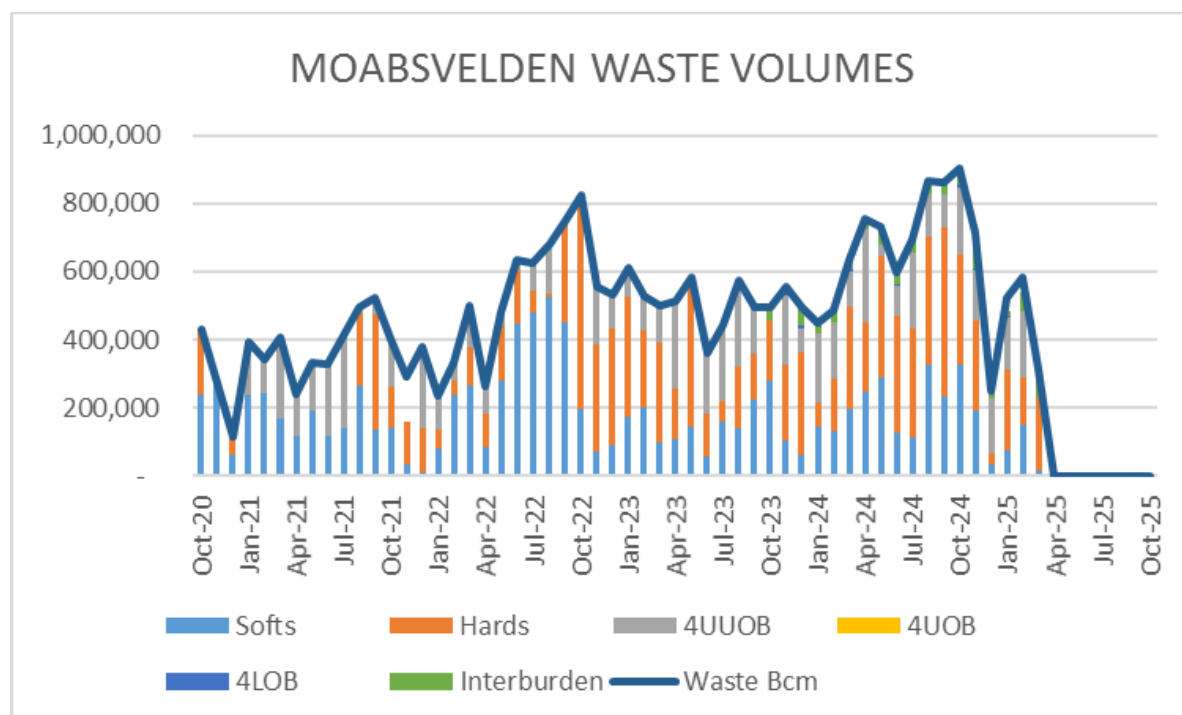


Figure 7-109. Moabsvelden Waste History

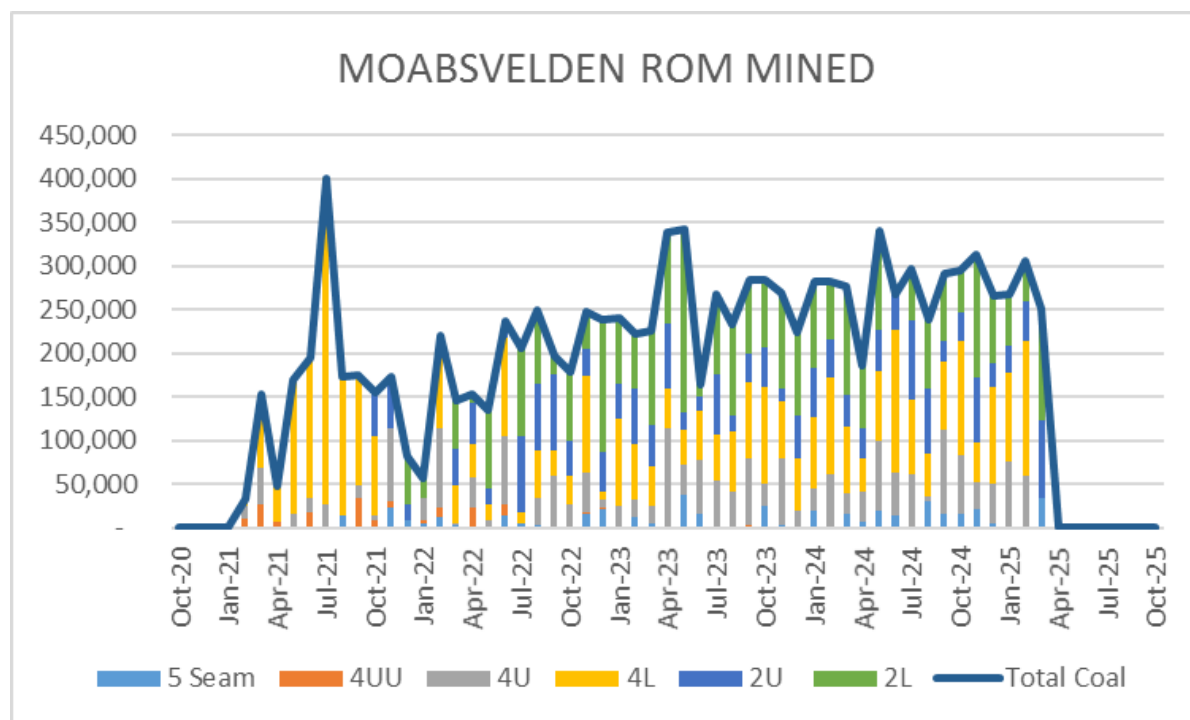


Figure 7-110. Moabsvelden ROM History

7.25.6 Future production

The mine will continue as a contractor mined operation. The mining contractor has been mining since the initial construction of the boxcut. A total of 27 Million cubic meters of waste has been removed as at the effective date and 11.3 Mt ROM extracted, at an average strip ratio of 1:3.03 BCM:ROM Tonnes. The mine has managed to produce 300 000 t and more in quite a few months, with a maximum of 342 667t produced in May 2023 and 340 958t in May 2024. As part of the mine's objectives is an increase in ROM production for the FY26 year, a target of 400 000 t per month is planned. The pit is well established and the pit length at a maximum, before it starts reducing when nearing the palaeohigh area with the waste dump.

7.25.6.1 Potential Upside

The following notes clarify the potential upside that Moabsvelden has and could realize.

Salungano, through discussions with neighbouring mines, has learned that the neighbour to the north has obtained permission to mine the wetland and off set it. Based on this, the potential exists that Salungano may therefore also acquire permission to mine the wetland on their side of the boundary.

The mine, in addition to the wetland, has learned that the same neighbour plans on mining the area to the east of Moabsvelden, between Moabsvelden and the powerline and the public road. The potential may therefore exist that both parties contribute to the moving of the powerline, thereby allowing for the inclusion of the resources currently sterilized by the 100 m blast off-set from the powerline.

7.25.7 Colliery Organization

SR5.2(viii); ESG4.1

The mine has shared personnel that have responsibility for more than one of the Salungano operations and personnel dedicated to the Moabsvelden operation. The mine has all the required legal appointments as required by the MHSA.

7.25.8 Mining Fleet and Machinery

SR5.2(viii)

The detail fleet of equipment was not made available, from the pit visit, it was evident that the numerous Hitachi 1200 excavators, adt's and rigid trucks were deployed.

The mine has been operate successful, ensuring that all required equipment are at site and operational.

7.25.9 Mine scheduling

Figure 8-78 shows the RoM split on a per seam basis, monthly RoM varies between 400 000t to 250 000t. The schedule is contractor based, where the equipment capacity is eventually driven by the required sales commitment, as per the CSA with Eskom. The old S5 processing plant at Vanggatfontein becomes the constraint for the poorer quality coal with a maximum monthly throughput of 50 000 ROM tonnes.

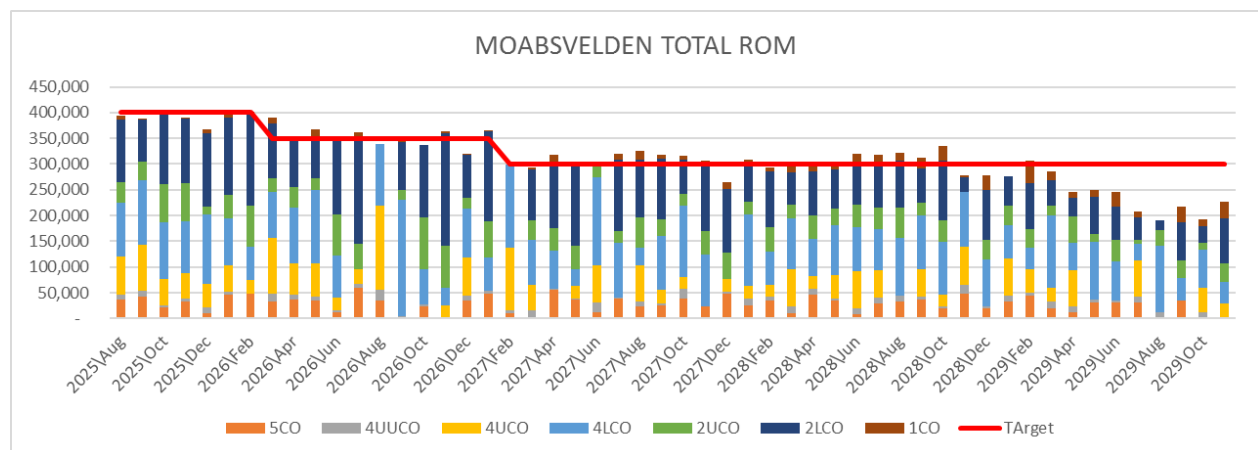


Figure 7-111. RoM Breakdown

The LOM model simulates the Kusile Power Station qualities through the onsite crush and screen plant at Moabsvelden to produce a raw coal product for Eskom as well as a wash product from the Processing Plant at Vanggatfontein. The main drivers in the quality model are based on achieving the sulphur and ash quality parameters as stipulated in the CSA. The modelled qualities can still be somewhat modified by diligent RoM stockpile management. All ROM coal modelled as a crush and screen raw feed is blended with processed product

as illustrated in Figure 7-112, which shows this split between the raw and processed product, and the resultant overall yield as shown in Figure 7-113. The wash yields vary between 40 to 60% with an average for the LOM of 50%. The base qualities targeted for Kusile Power Station, is an air-dried calorific value greater than 18.8 MJ/kg (the average for the LOM is 20.03 MJ/kg), an ash content less than 36%, (the average for the LOM is 30.11%), a volatile matter content greater than 18.8%, (the LOM average is 22.45%), and a sulphur content less than 1.1%, (the LOM average is 0.98%).

The mine will have to focus on the sulphur parameter, as the indicated 1.1% for Kusile is close to the predicted 0.98% from the schedule.

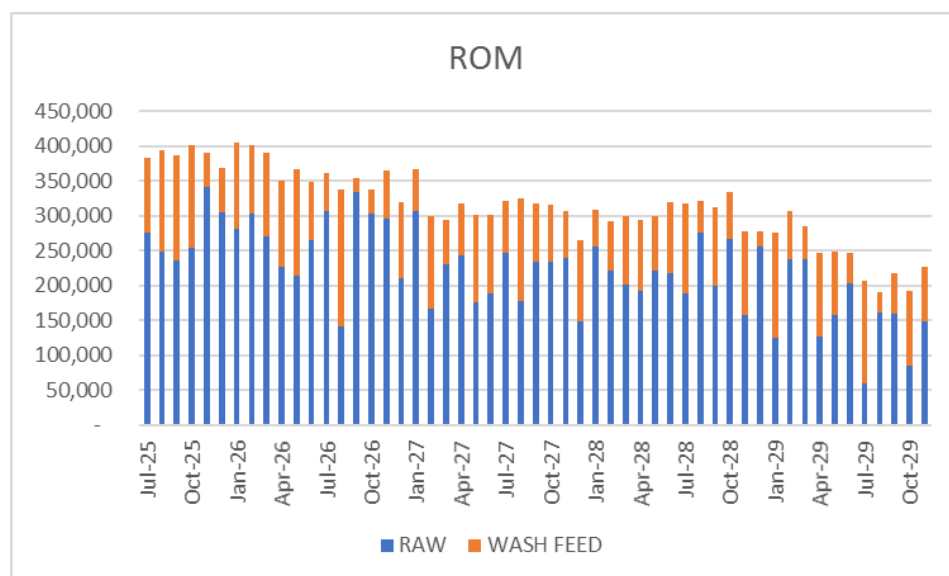


Figure 7-112. ROM split between raw and wash feed

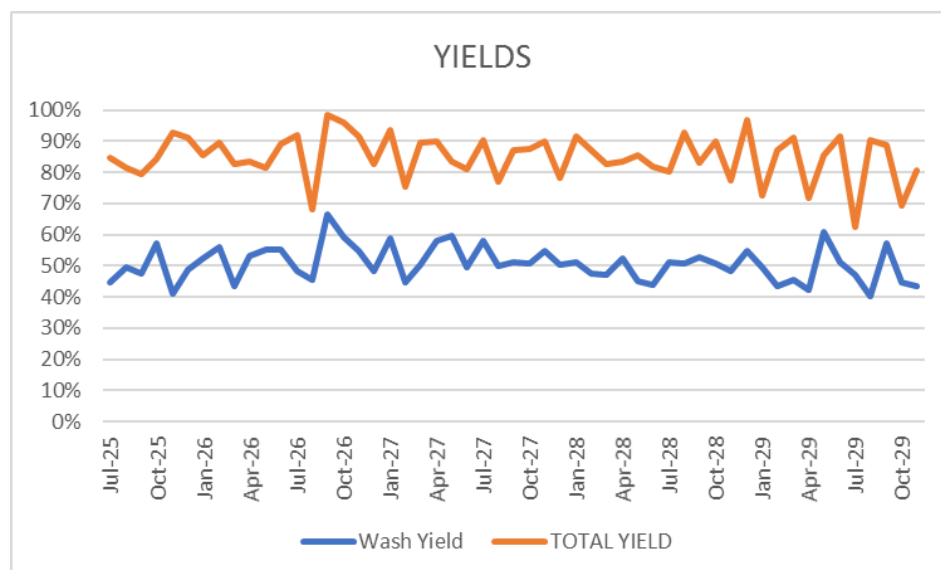


Figure 7-113. LOM total Eskom Yield

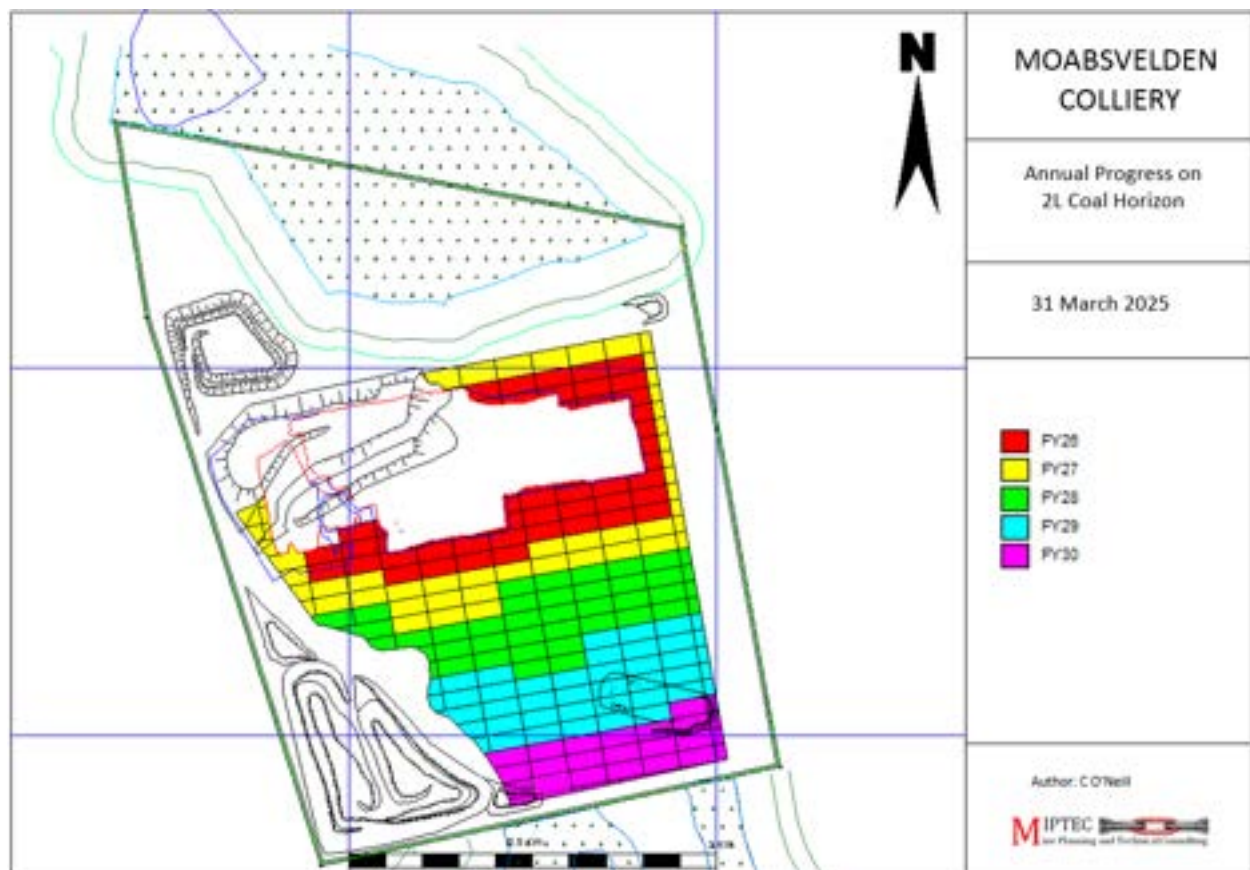


Figure 7-114.LOM 2 Seam Progress Plan

Figure 7-114 shows the LOM annual progress in financial years. As can be seen, the north stops short of the wetland; this void will be kept open in anticipation of possibly acquiring the wetland reserves.

7.25.10 Risks

The risks identified at Moabsvelden are summarised in Table 7-29.

Table 7-29. Identified Risks at Moabsvelden

TYPE OF RISK	RISK	MITIGATION	LEVEL OF RISK
Geotechnical	Current faulting structures and increasing depth.	Survey, monitor and align COP.	Medium
Production levels	Not achieving planned production levels.	Create sufficient buffers between processes to allow space for equipment to be productive	Low

TYPE OF RISK	RISK	MITIGATION	LEVEL OF RISK
Concurrent rehabilitation	Availability of plans and funds.	Implement effective concurrent rehabilitation practices. Draft an optimised closure plan for dumps and voids. Identify closure items that can be optimised, including possibility to complete as part of concurrent mining operation.	High

7.25.11 Costs

SR4.3(vii); SR5.6(iii,iv,vi,ix); SR5.8(i-iv)

7.25.11.1 Operating Costs

The Financial model as provided by Salungano was reviewed by Miptec; this section focuses on the mining costs provided for in the valuation model. The model is used for budget purposes; it was indicated that detailed mining costs are based on the current Trollope Contractor mining contract. The detailed mining costs were confirmed to be based on the LOM plan as quoted in the sections below. The review was based on key indicators which Miptec has recent statistics on. The diesel price in the model takes cognisance of the diesel rebate that the mining industry in South Africa can claim back. The price was fixed at R16.96 / litre of diesel.

Table 7-30. Moabsvelden Mining Costs

MINING COST (Nominal)		TOTAL	FY26	FY27	FY28	FY29	FY30
Mining Cost dry	R		659,547,709	850,090,202	905,000,447	974,676,067	543,332,311
Diesel	Lit	49,351,722	9,263,642	11,586,681	11,309,545	11,530,312	5,661,542
Diesel price	Price		16.97	17.73	18.53	19.37	20.24
Diesel Cost	R		157,204,005	205,474,153	209,584,691	223,291,281	114,572,855
Mining Cost Wet	R		816,751,714	1,055,564,356	1,114,585,137	1,197,967,348	657,905,166
Ratio	R/Rom		232.06	257.65	303.39	330.76	370.39
Ratio Wet basis	R/ROM/SR		99.02	104.52	105.40	109.52	147.65
Ratio Dry basis	R/ROM/SR		79.96	84.18	85.58	89.10	121.94

The base mining costs, analysed on the ratios, aligns with current statistics. Recent opencast mining quotes from three mining contractors on similar operations, provided for a dry R/ROM/SR ratio, varying from R72 to R99 per ROM per Strip ratio. The current ratio is well ranked and deemed competitive. It is Miptec's opinion that there are cheaper contractors in the market, primarily due to an oversupply of mining capacity in the industry. In terms of Moabsvelden, there has been a long-standing successful relationship between Trollope and Salungano, and given the current view, the rates and costs are reflective of an opencast operation with concurrent rehabilitation. This would not include for any significant corrections derived from an optimised rehabilitation and closure plan.

7.25.11.2 Capital Costs

The capital provided for in the model was allocated to the various operations as included in Table 7-31.

Table 7-31. Moabsvelden Operational Capital

Asset Class Code	Description	FY2026	FY2027	FY2028	FY2029	FY2030
Infrastructure	HDPE Pipes	1,000,000				
Infrastructure	Septic and Jojo tanks	0	194,995			
Infrastructure	Washing Bay	100,000				
Infrastructure	Management Offices	3,000,000				
Infrastructure	Workshop Complex Construction	4,499,812				
Infrastructure	Borehole	2,100,000				
Infrastructure	Radio Comms System (Moabs)	60,000				
Infrastructure	Mine Office Prefabs	1,000,000				
Infrastructure	Perimeter fencing and beam alarms with cameras for diesel tanks	30,000				
Mining Dev Open Cast	Handling of Burning Stockpile	15,000,000				
Mining Dev Open Cast	Moving of Softs from Stuart Coal	4,820,835				
Mining Dev Open Cast	Update of the Mining Model	200,000	241,395			
Motor Vehicles	LDV	700,000				
Motor Vehicles	Management LDV #2	4,000,000	731,500			
Plant & Equipment	Fuel Automation system	2,500,000				
Plant & Equipment	Seismograph	2,500,000				
Plant & Equipment	CAS/PDS L9 Implementation (New Entry)	17,858,848				
Plant & Equipment	Tractor Loader Backhoe (TLB)	1,000,000				
Plant & Equipment	TMM Fire Suppression	12,500,004				
Plant & Equipment	Water Bowser - 30000L	1,800,000				
Plant & Equipment	6 Lighting plantsLighting Plants	500,000				
Plant & Equipment	Proximity Detection System (PDS)	851,046				
		76,020,545	1,167,890			

Table 7-31 details the derived capital related to the opencast mining operations. Capital detail was provided up to FY27, thereafter single estimated amounts. Capital post FY27 reflects under the infrastructure section.

7.26 Coal Processing

[JSE12.10(h)(vii)] [SR4.3(ii), SR5.2(viii), SR5.3]

Vanggatfontein owns two Coal Handling and Processing Plants (**CHPPs**) with processing capacities of 100tph and 480tph, respectively. The 100tph plant used to process S5 coal only; this plant will be reserved to wash Moabsvelden S4U and S2U and contaminated coal on a toll basis.

The 100tph plant was built and commissioned in 2010, whilst the 480tph plant was built in 2010 and commissioned in May 2011. Both plants were designed and constructed by DRA Mineral Projects (**DRA**) and are currently operated by a processing contractor.

Moabsvelden has crushing and screening mobile equipment for processing good quality coal (S4L, S2L and S4UU seam if extracted). Both the raw coal and the washed coal from the Vanggatfontein plant make Power Station specification.

7.26.1 Processing Method

The S5 plant processing the Moabsvelden poorer quality S5, S4U and S2U coal is included below.

No.5 Seam CHPP

This CHPP was designed to process coal from the S5 to produce sized products for the domestic metallurgical industry. It was commissioned in November 2010 and designed with a process capacity 0.6Mtpa of RoM using a single module Dense Medium Separation (**DMS**). The plant design includes the following:

- Primary jaw and secondary double rolls crusher;
- DMS feed surge bin;
- 100tph DMS module;
- Downstream screening plant to product nuts, peas and duff;
- Discard bin;
- Thickener; and
- Water reticulation system.

The following processes are achieved in the operation of this CHPP: -

- RoM is reduced to a top size of 40mm;
- the -40mm+1mm material is fed into a surge bin, whilst the +40mm material is recycled into the secondary crusher;
- screening over a desliming screen, the oversize (-40mm+1mm) is fed to the DMS circuit;
- the -40mm+1mm material is fed into a DMS mixing box with circulating magnetite. The resulting mixture is pumped to a DMS cyclone to produce sinks (plant discards) and float streams (metallurgical coal products);
- the sinks from the DMS cyclone reports via a drain and rinse screen to the discard conveyor and bin; and
- the float streams from the DMS cyclone are dewatered and conveyed to the products stockpile, where they are screened into three main metallurgical coal size products. Nuts (-40mm+22mm), Peas (-22mm+6 mm) and Duff (-6mm+0.63mm).

A simplified Process Flow Diagram (**PFD**) for the No.5 Seam CHPP is presented in Figure 7-115 below.

Although this 5-Seam CHPP was used mainly for the processing of RoM from the S5, it is currently also used in the processing of RoM from S4 and S2 seams, as well as toll washing for the Moabsvelden. Batch washing is carried out to produce Eskom and other inland as well as export products.

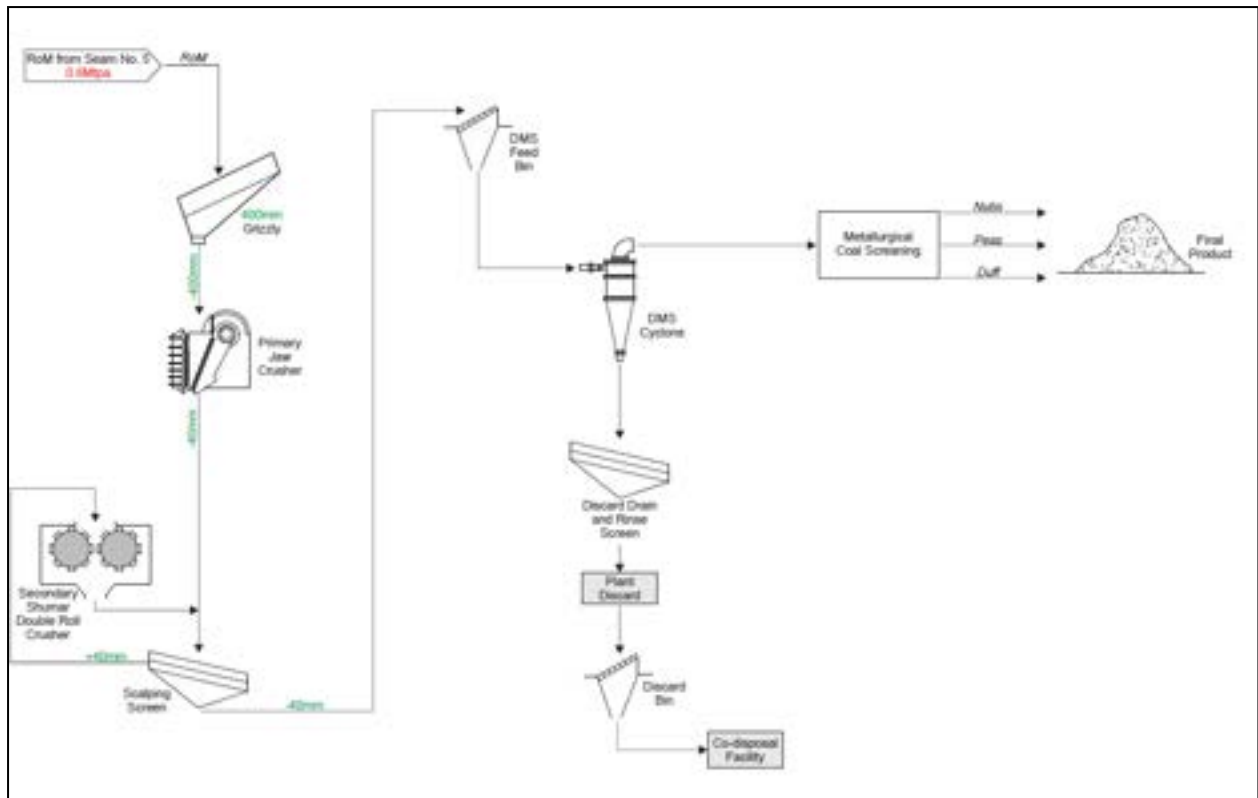


Figure 7-115. No.5 Seam CHPP process flow diagram

7.26.2 Tailings / Discard areas

SR1.1(ii)

Moabsvelde has no discard dump or in pit disposal permission. The discard from the washed product at Vanggatfontein is disposed of in the Vanggatfontein mining voids. Vanggatfontein has a waste license to dispose of discard in the mining voids. This assists Vanggatfontein with their rehabilitation backlog.

7.26.3 Condition of the plants

SR5.6(viii)

The plant is operational and in good condition. The operating contracting firm as part of their contract, maintain the plants to ensure sustainable availability and guaranteed throughput.

The crushing and screening plant are maintained to achieve required availability.

7.26.4 Risk

No material risks were identified regarding the onsite mobile crushing plant, or the toll washing at Vanggatfontein.

7.26.5 Costs

SR4.3(vii); SR5.6(iii,iv,vi,ix); SR5.8(i-iv)

7.26.5.1 Operating Cost

Table 7-32 summarises the beneficiation costs at Moabsvelden. To note, is the large percentage of raw product ~ 70% of total ROM production. This raw coal is processed on the mine, by the mobile crushing and screening plant to provide the required size distribution with the application of blending various seams to produce average qualities. Moabsvelden produces electricity through onsite diesel generators; this cost is absorbed under the onsite overheads. The average R27.3 per raw feed tonne crushed, aligns with typical outsourced crushing operations.

Table 7-32. Moabsvelden Beneficiation Operating costs

BENEFICIATION COST (Nominal)		TOTAL	FY26	FY27	FY28	FY29	FY30
TOTAL			279,820,872	334,466,399	301,204,339	324,781,315	166,775,923
Washing			202,651,787	237,145,909	207,858,019	236,511,198	114,326,410
C&S			68,253,324	84,897,863	80,364,675	74,704,298	38,273,233
Other			8,915,761	12,422,627	12,981,645	13,565,819	14,176,281
Ratio Total	R/Total Feed		79.50	81.64	81.99	89.67	93.89
Ratio C&S / Total	% Ratio C&S	70%	71%	73%	70%	71%	62%
Ratio C&S	R/C&S Feed		27.13	28.29	31.33	29.01	34.74
Ratio Wash	R/Wash Feed		201.95	216.37	187.51	225.88	169.49
Ratio Other	R/Other Feed		2.53	3.03	3.53	3.75	7.98

The average 30% ROM that is fully processed at the nearby Vanggatfontein operation, shows an average R187.25 per wash feed tonne. This cost is considered high for a toll wash operation, included is the transport from Moabsvelden to Vanggatfontein, as well as the cost of discard management on the Vanggatfontein operation, where this rising discard is placed in the mines open voids as per the waste licence obtained.

The other costs indicated, reflect the cost of quality management, inclusive of laboratory costs and the weigh bridge section.

7.26.6 Capital Costs

The capital items for the Processing section were selected based their significance, for example, the replacement generators and electrification have to do mostly with the crushing and screening section with the weigh bridge operations, and the offices and workshops requirement as secondary. Table 7-33 details the Processing Capital contained in the financial model.

Table 7-33. Moabsvelden Processing Capital

Asset Class Code	Description	FY2026	FY2027	FY2028	FY2029	FY2030
Infrastructure	New Tarpaulin	1,500,000				
Infrastructure	Weighbridge toilet and kitchen	700,000				
Infrastructure	Main Access road (Sales hauling)	700,000				
Infrastructure	Carpot shelter (security check point 2, weigh)	1,000,000				
Infrastructure	Tarpaulin structure	1,000,000				
Infrastructure	Weighbridge	3,400,000				
Plant & Equipment	Semi fixed plant on a BOOT	32,428,188	17,112,962			
Plant & Equipment	Replacement of generators (New entry)	600,000				
Plant & Equipment	Electrification of Moabs	5,000,000				
Plant & Equipment	Bobcat		836,000			
		46,328,188	17,948,962			

7.27 Coal Market

SR4.1(iii); SR4.3(vi); SR5.6(i-iv)

Salungano secured an Eskom CSA for Moabsvelden together with the VG6 S4 underground project (under the Vanggatfontein MR), for a total of 34 Mt ROM, equating to 28.3 Mt saleable, at the initial Kusile specification of 18.8 MJ/kg, this concluded contract related to 520 MGJ of energy. Of this 520 MGJ, the VG6 contribution was 3.6 Mt at a 100% crush and screen yield, relating to 67 MGJ and Moabsvelden 24.6 Mt. saleable, relating to 462 MGJ in the original CSA with Eskom.

The remaining saleable tonnes from Moabsvelden was estimated at the effective date to be 14.9 Mt. To date, Moabsvelden has supplied a total of 367 MGJ, of the total 529 MGJ on the current joint CSA for both Moabsvelden and VG6. Excluding the 66 MGJ assigned to VG6, 96 MGJ remains for Moabsvelden. Based on a 20 MJ/kg product quality, that relates to 4.8 Mt remaining in the contract for Moabsvelden. In terms of the total Saleable Coal Reserve Estimation for Moabsvelden totalling some 14.9 Mt; this equates to approximately 10 Mt of potential saleable still to be contracted.

Salungano has progressed significantly in the extension of the current contract, for the remainder of the reserve not contracted.

The price is guided by the CSA between Salungano Moabsvelden and Eskom.

7.27.1 Costs

SR4.3(vii); SR5.6(iii,iv,vi,ix); SR5.8(i-iv)

7.27.1.1 Operating Costs

It is normal in an Eskom contract for the mines to manage the transport of the saleable coal from the mine to the relevant Eskom Power Station. The mine has a profit margin on this service. The margin reflects under additional revenue, whereas the cost is reflected separately under cost of sales.

Table 7-34. Moabsvelden Product Distribution Cost

PRODUCT DISTRIBUTION COST (Nominal)		TOTAL	FY26	FY27	FY28	FY29	FY30
Transport Cost	R		346,290,710	428,222,582	401,456,203	395,565,896	196,052,330
Sales tonnage	Ton	13,764,935	2,916,875	3,451,236	3,095,782	2,918,780	1,382,261
Ratio	R/Saleable		118.72	124.08	129.68	135.52	141.83

Table 7-34 shows the product distribution cost provided for in the Salungano valuation model. As indicated, the ratio rand/saleable tonne reflects the transport cost and a margin to transport the product from the mine to the relevant Power Station. At an approximate R/ton/km transport rate of R1.75, the average inclusive of a margin relates to a 68 km haul, providing for Kusile quite easily, to which the mine's current contract applies.

7.28 Historical Coal Reserve estimates

SR1.4(iii)

Table 7-35. Historical Coal Reserve Estimates

MOABSVELDEN RESERVE HISTORY								
DATE	MTIS (AD) Mt	ROM (AR) Mt	SALEABLE (AR) Mt	YIELD (%)	CV (MJ/kg) AD	ASH (%) AD	VOL (%) AD	TS (%) AD
FY2020	28.38	29.01	24.47	0.84	20.18	29.32	22.47	0.90
FY2021	28.09	28.72	24.49	0.85	20.15	29.41	22.46	0.90
FY2022	24.29	24.84	21.30	0.86	20.14	29.47	22.44	0.89
FY2023	22.88	23.40	19.38	0.83	20.07	29.59	22.41	0.86
FY2024	19.71	20.15	16.66	0.83	20.06	29.75	22.32	0.89
FY2025	17.46	17.85	14.98	0.84	20.04	30.61	22.76	0.91

Table 7-35 shows the historical Coal Reserve Estimates for Moabsvelden from 2020 to current 2025. In general, the mine showed gains year on year. Through the years slight adjustment was made to the mining footprint, with some minor adjustment resulting from geological model updates.

7.29 Previous Coal Reserve Estimate (31 March 2024)

SR1.4(i-ii); SR5.6(V); 6.1(iii); SR6.2(i); SR6.3(i-iii); JSE12.10(h)(ix)

Table 7-36 includes the previous Coal Reserve Estimate for Moabsvelden, with an effective date of 31 March 2024.

This update was based on the survey polygons as at the effective date, geological model that has not changed from the previous estimation, FY23 and a mining model with the same mining footprint and modifying factors as was applied for the previous FY23 estimate, adjusted with depletion.

Table 7-36. Previous Coal Reserve Estimate - 31 March 2024

MOABSVELDEN RESERVE ESTIMATE 31 Mar 2024 (100% Wescoal)											
PROJECT		RESERVE CATEGORY	SEAM	MTIS (AD) Mt	ROM (AR) Mt	SALEABLE (AR) Mt	YIELD (%)	CV (Mj/kg) (AD)	ASH (%) AD	VOL (%) AD	TS (%) AD
MOABSVELDEN COLLIERY	PROVEN	S5		1.81	1.85	1.50	81%	19.03	34.38	24.59	0.94
		S4UU		0.06	0.06	0.06	99%	20.26	32.91	28.15	2.83
		S4U		3.27	3.34	1.14	34%	19.00	32.04	20.09	0.53
		S4L		5.37	5.49	5.49	100%	20.94	26.42	22.55	1.04
		S2U		2.65	2.70	1.76	65%	19.00	32.04	20.49	0.44
		S2L		6.56	6.71	6.71	100%	20.03	30.42	22.44	0.90
		TOTAL		19.71	20.15	16.66	83%	20.06	29.75	22.32	0.89
	100% basis	MINE		19.71	20.15	16.66	83%	20.06	29.75	22.32	0.89

7.30 Current Coal Reserve Estimate (31 March 2025)

SR5.1(i); SR5.2(ii-iv); SR5.6(V); SR6.1(i-ii); SR6.2(i); SR6.3(i,iii,v,vi); SR10.6(i-ii); SV1.9; JSE12.10(h)(ix)

7.30.1 Coal Reserve Classification

For the classification of reserves, the Measured Coal Resource was used as a guide, together with the historical mining statistics. All seams for the reserve were classified in the proven category.

7.30.2 Coal Reserve Estimate

SR5.1(i);SR5.2(ii-iv); SR5.6(V); SR6.1(i-ii); SR6.2(i); SR6.3(i,iii,v,vi); SR10.6(i-ii); SV1.9; JSE12.10(h)(ix)

The Coal Reserve Estimate has been independently Estimated and signed-off by Mr L. Raaths of Miptec. The Coal Reserve Estimate is declared as at 31 March 2025.

The Coal Reserves for Moabsvelden as at 31 March 2025 are summarised in Table 7-37 below.

This reserve update is based on the 2025 updated geological model, that generated the Coal Resource Estimation in the sections above. Similar coal cut-offs were applied in the mining model to simulate the resource estimation principle.

The ROM estimated below is mined to the ROM stockpiles, from where it feeds the crushing and screening plant at Moabsvelden and full processing plant at Vanggatfontein. The saleable estimation is based on the raw product and realistic yield factors for plant processed product streams.

Table 7-37. Current Coal Reserve Estimate For Moabsvelden Colliery - 31 March 2025

MOABSVELDEN RESEVE ESTIMATE 31 March 2025 (100% Salungano attributable)										
PROJECT	RESERVE CATEGORY	SEAM	MTIS (AD) Mt.	ROM (AR) Mt.	SALEABLE (AR) Mt.	YIELD (%)	CV (Mj/kg) AD	ASH (%) AD	VOL (%) AD	TS (%) AD
MOABSVELDEN	PROVEN	S5	1.46	1.49	1.32	88%	19.30	34.35	24.05	1.04
		S4UU	0.19	0.19	0.19	96%	19.82	34.05	27.54	2.94
		S4U	2.89	2.95	1.03	35%	19.00	32.65	21.12	0.52
		S4L	4.93	5.04	5.04	100%	20.97	27.32	22.87	1.02
		S2U	2.21	2.26	1.49	66%	19.00	32.74	20.87	0.51
		S2L	5.27	5.39	5.39	100%	19.95	31.31	22.97	0.90
		S1	0.52	0.53	0.53	100%	19.05	34.34	23.25	0.85
	100% Basis	MINE	17.46	17.85	14.98	84%	20.04	30.61	22.76	0.91

Note:

1. CV = Calorific Value air dried, contaminated.
2. RoM (AR) = Run of Mine on an as received basis
3. Saleable (AR) = Coal sales on an as received basis
4. All coal quality data reported as air-dried contaminated basis

This update was based on the survey polygons as at the effective date, and a geological model updated with drilling in 2025. The mining model has the same mining footprint (adjusted for depletion) and modifying factors as was applied for the previous FY24 estimate.

7.30.3 Risks

- Low quality in excess of plant capacity, accumulating on stock, with potential to burn. Manage low quality coal and product quality to minimise these possibilities.
- Coal recovery less than reconciled average, resulting in increasing SR and reserve shrinkage. Manage Strip Ratio aspects during mining.

7.31 Reconciliation of Coal Reserve Estimates

Table 7-38 shows reserve reconciliation from the reported FY24 reserves to the current reporting period.

As for the opencast areas, a nett gain of 1.03 Mt is shown, this has the area up to the wetland buffer in the north included. In anticipation of the possible permission to mine the wetland, the designs were changed to extract optimally up to the wetland defined buffer zones. The total mined RoM was 3.33 Mt for the year. The estimated reserves changed from 20.15 Mt in FY24 to 17.85 Mt at the end of March 2025.

Table 7-38. Reserve Estimation Reconciliation FY24 to FY25

MOABSVELDEN RESERVE RECONCILIATION 31 March 2024 to 31 March 2025					
	RESERVES 31 March 2024	SURVEY DEPLETION FY25	CALCULATED 31 March 2025	RESERVE ESTIMATE 31 March 2025	Net Gain
S5	1.85	0.16	1.69	1.49	-0.20
S4UU	0.06	0	0.06	0.19	0.13
S4U	3.34	0.61	2.73	2.95	0.22
S4L	5.49	1.04	4.45	5.04	0.59
S2U	2.7	0.61	2.09	2.26	0.17
S2L	6.71	0.91	5.8	5.39	-0.41
S1			0	0.53	0.53
TOTAL	20.15	3.33	16.82	17.85	1.03

7.32 Environmental, Social and Governance (ESG)

7.32.1 Sensitive receptors

SR5.5(iii)

Moabsvelden has a wetland to the north, which is cut off from the mining area, clean water is diverted around the mine. There is work conducted by neighbours to potentially mine this wetland through an offset agreement. If this is done, Moabsvelden will be applying for permission to mine their side of the wetland. This will require additional exploration to confirm the resource to be converted to reserves.

7.32.1.1 Surface water resources

No resources that are utilised by the mine, except for ground water that is replenished during wet seasons.

7.32.1.2 Wetland systems

The defined wetlands can be seen in the Figure 7-116. The wetlands were identified in both the north and the south of the Moabsvelden mining area. All mining is restricted to the 500 m wetland buffer as illustrated below.

The mine has incorporated the compliance aspects with regard to wetland system in their management system, through the required internal and external audits, mine management are kept focussed on the findings, non conformances and progress with regard mitigation measures.



Figure 7-116. Wetland Systems associated with Moabsvelden

7.32.2 Costs

SR5.6(ix)

A detailed breakdown of the Moabsvelden operating cost was provided, for Environmental Health and Safety, an annual amount of R8.7 Mil. is provided for. This budget is for compliance, monitoring and required mitigation measures.

7.32.3 Environmental parameters

SR4.1(iii); SR4.3(v); JSE12.10h(viii)

The environmental parameters are encapsulated in the IWUL, EA and EMP for Moabsvelden. The external audits as required by such parameters stipulated in the licenses were done in accordance with the requirements. The mine keeps a live action plan document in excel to track the findings and progress the required actions.

7.32.4 Conformance and compliance audits

SR7.1(i-ii)

WSP completed a compliance audit in November 2024, with main findings listed below:

- Water usage, wastage from spillage at the gooseneck filling point, this was rectified.
- Dirty water containment, water run-off from wash bay was observed, contaminated water must be contained and directed to the PCD.
- Dust, dust at the stockpile and crushing areas to be suppressed, frequency of suppression to be increased.
- Closure liability assessment, Salungano to assess the closure liability in terms of the Financial Provision Regulations (as amended) in 2018.
- Align rehab guarantee with the closure liability assessments.
- Alien vegetation, Alien vegetation management plan to be implemented.

The following aspect were extracted from the mine's action plan related to external audits on the EMP and EA, to ensure compliance. Those actions not closed out are highlighted in the section below:

- Daily inspections to be instituted to prevent mixing of soils during stripping and dumping operations. Such reports were requested from the Geologist.
- It was found that plant do not have concrete floors, Although the comment was made that mobile plants are utilised, the action state that all mobile plant will conform to this requirement.
- It was found that stormwater channels do not exist at the plant and that dirty water finds it way into the clean environment. The corrective projects are on hold due to financial constraints.

In addition, inspections by DWS finding and corrective actions are tracked, the aspects not closed out are listed in the section below:

- Storm water channels at the workshop area is not sufficient, ponding of water occur. The mine suggested that the grader level and slope the area to drain effectively.
- Alien vegetation was observed on rehabilitated areas, the mine has halted the project to eradicate due to financial constraints
- Flow meters were installed but not calibrated due to financial constraints, the mine still has to comply.

7.32.5 Liability

SR1.7(i); SR5.6(ix)

The Moabsvelden rehabilitation liability was calculated by Zyntha Consulting using both the DMRE guidelines and a volume-based assessment methodology. The volume-based assessment provides for a more realistic estimate of immediate closure liabilities, compared to the DMRE methodology. The DMRE methodology amounted to a calculated liability of R83.3 Million. The volume-based assessment amounted to R742.3 Million; which has been reduced from the previous estimate of R1081.5 Million, based on preliminary work conducted by Ukwazi Mining Services, with regard to an optimised closure plan, which still needs to be finalised. Figure 7-117 details the rehabilitation plan from the survey contractor and depicts the main drivers for the volume-based assessment. The

dumps above OGL contain 11.6 Million cubic meters, with voids amounting to 23.5 Million cubic meters. There is a considerable deficit in the volume of material required; the mine experienced out of pit dumping space and moved material to the neighbouring mine voids. As part of the closure optimisation study, the backfill will endeavour to achieve minimum drainage levels, thus eliminating the need to backfill to OGL levels.



Figure 7-117. MoabsvelDEN rehabilitation plan (African Soil)

7.32.5.1 Closure Costs

The rehabilitation quantum calculated by Zyntha consulting amounts to R742.3 Million Inclusive of Vat. The Salungano calculation as indicated by the Salungano valuator was checked and approved during a previous audit by PWC, as well as KPMG.

The future values, indicated in the table below, were discounted at the calculated Weighted Average Cost of Capital (WACC) of 15.75%.

Undiscounted total costs that make up the main inputs to the rehab quantum, water treatment capital and operational costs are as follows:

- Rehab Quantum – R728 084 888
- Water Treatment Capital – R7 771 490

- Operations cost – R1 163 078

Table 7-39 details the Moabsvelden closure timeframe after the end of the mines life; i.e. the closure process will continue for an estimated 6 years. The cost for each year has been escalated by inflation at 4.5% and then discounted at WACC of 15.75% to a PV. Following this they deduct the accumulated tax loss (this is based on future assumptions which may or may not happen). The explanation of the logic used by Salungano in the financial model is included as Table 7-40.

Miptec has reviewed the process by which Salungano provides for closure and has concluded that it is a very high-risk methodology. The current Centriq/Nedbank fund holds approximately R60 million, which when compared to the current closure liability of R742.3 Million, is totally underfunded. In place of a net present value (NPV) provision, the mine should consider a periodical contribution to the Centriq/Nedbank fund, which at the average fund growth rate would sufficiently provide for the future cost of closure, with an annual adjustment to the fund contribution based on the fund growth rate and the updated liability estimation.

Table 7-39. Moabsvelden Closure Provision at an NPV level

Life of Mine (REF)	Inflation Rate (REF)	Risk Free Rate (REF) @ 31 March 2024	Life of Mine (REF)	Undiscounted Liability	Future value (FORMU)	Discounted at Nominal WACC (Note 1)
6,50	4,50%	10,55%	6,00	121 347 481	158 025 986	(65 692 491)
7,50	4,50%	10,55%	7,00	121 347 481	165 137 156	(59 305 716)
8,50	4,50%	10,55%	8,00	121 347 481	172 568 328	(53 539 879)
9,50	4,50%	10,55%	9,00	121 347 481	180 333 902	(48 334 609)
10,50	4,50%	10,55%	10,00	121 347 481	188 448 928	(43 635 408)
11,50	4,50%	10,55%	11,00	121 347 481	196 929 130	(39 393 073)
9,00	4,50%	10,55%	15,00	7 771 490	15 040 029	(1 675 779)
50,00	4,50%	10,55%	50,00	1 163 078	10 505 662	(6 993)
					1 086 989 120	(311 583 947)
Less 28% Company Tax						(224 340 442)

Table 7-40. Salungano Explanation of Logic used in the Financial Model.

Explanation of logic	
Current cost to rehab the mine	728 084 888
Total cashflows to rehab the mine from 1st year after closure till rehab completed	1 086 989 120
PV of Total Rehab Liability	(311 583 947)
PV of Total Rehab Liability (after tax)	(224 340 442)

7.32.5.2 Sufficiency of Funding

For immediate closure, Moabsvelden has an R85.83 Million guarantee in place for the R83.3 Million quantum calculated by Zyntha Consulting. The guarantee as provided is sufficient for the 31 March 2025 valuation.

For mine closure, Salungano has a current fund value of (Centriq) R17 556 208.83 and (Nedbank) R42 233 880.24, for an approximate total of R60 Million. The tax adjusted present value (PV) as per Table 7-39 equates to R224.3 Million. In total, with a PV of R284 Million, Moabsvelden has a reasonable remaining life with upside potential. There is enough opportunity to sufficiently provide for the closure of Moabsvelden

Based on the provisional optimised closure quantum of R742.3 Million, the total PV provided for, amounting to R284 Million is deemed insufficient, and will require an adjustment to the Salungano approach in providing for closure activities.

7.32.6 Risk analysis

SR4.1(iii); SR5.7(i)

Moabsvelden has a low risk in terms of providing for final closure, as the mine still has significant reserves remaining with some additional upside that could still increase the reserve base. The mine must endeavour to provide sufficiently and proportionally over economic life to ensure sufficient funding. The current methodology to provide at NPV level of a valuation model for final mine closure, is not deemed effective. It would be suggested that the mine aligns current funds to the closure quantum and revise both on an annual basis.

7.33 Mineral Asset Valuation

SR5.8(i-iv); SV1.12; SV1.13; JSE12.10(f); JSE12.10(h)(xii)

7.33.1 Previous Valuations

None received, apart from previous Salungano valuation models.

7.33.2 Current Valuation Income Approach

SV1.14; JSE12.10(h)(xii)

The valuation of Moabsvelden has been undertaken in accordance with the SAMVAL Code, which prescribes internationally aligned standards for the valuation of mineral assets. As per the code, Salungano used the Income Approach to prepare the valuation model. The Valuation Model was prepared by Zaheer Saloojee, a full time Associate of Salungano.

The valuation model was reviewed by Miptec, with all required amendments communicated to the Client. Miptec considers the Income Approach to be the most appropriate method for valuing the Moabsvelden operation, as the value derived under this approach is based on projected cash flows generated from a detailed LOM schedule. The underlying operating and capital cost assumptions are well understood and supported by historical performance data and current operational knowledge, providing a robust basis for the valuation.

7.33.2.1 Coal prices

Moabsvelden has a current CSA with Eskom; this has a limited life and does not cover the full remaining reserve. Salungano is in an advanced stage to finalise an additional contract with Eskom that will cover the current available reserves as per the updated LOM plan. If the potential upside is realized on the Moabsvelden resources (coal resources under the wetland and coal under the powerline), and these areas successfully being converted to reserves, additional contracts will have to be concluded for this upside potential.

Moabsvelden has applied a price of R613 / saleable tonne in the valuation model. The indicated reserve average quality is 20.04 MJ/kg (as per the Coal Reserve Estimate). As the contracted price with Eskom, R/GJ is not known, due to the sensitive nature thereof, the exact risk cannot be established. In general terms, Miptec is of the opinion that the price utilised is more reflective of a higher quality coal; this would then affect the ratio of raw coal to washed coal thereby overstating the overall yield.

7.33.2.2 Discount Rate

Salungano included the detailed calculation, assumptions and statistics used for the calculation of their mine specific WACC. In summary, the WACC (Nominal) = 15.75% and the WACC (Real) = 10.77%

7.33.2.3 Taxation And Royalties

Taxation is calculated at the company rate on a positive cash flow. Government royalties are calculated based on the formula discussed in the sections above.

7.33.2.4 Operating Expenditure, Capital Expenditure And Technical Assumptions

Table 7-41 shows the additional operational costs not covered in the sections above. The off-mine cost is high due to the fact that currently Moabsvelden carries the head office and off mine costs for the Group as a whole, as Wescoal are under business rescue and Vanggatfontein is under a Section 155 compromise agreement. In both these cases, the entities are struggling with revenue generation. In the case of Vanggatfontein, the awarding of an Eskom Contract will assist, but given the life remaining and the rehabilitation liability, it is not envisaged that the head office contributions will be supplemented.

Table 7-41. Moabsvelden Other Operational Cost

OPERATING COST (Nominal)		TOTAL	FY26	FY27	FY28	FY29	FY30
TOTAL	R		186,651,204	232,200,678	242,649,708	253,568,945	264,979,548
ROM	Ton	16,688,438	3,519,621	4,096,846	3,673,808	3,621,897	1,770,267
Ratio	R/ROM		47.35	56.68	66.05	70.01	149.18
Other Cost of Sales	R		3,977,775	5,542,367	5,791,773	6,052,403	6,324,761
Repair and Maintenance	R						
Fixed and overheads	R		162,673,429	226,658,311	236,857,935	247,516,542	258,654,787
On Mine	R		27,304,997	38,044,963	39,756,986	41,546,051	43,415,623
Off Mine	R		90,388,521	125,941,340	131,608,700	137,531,091	143,719,990
HSEC	R		6,426,852	8,954,747	9,357,711	9,778,808	10,218,854
Fuel	R		1,125,000	1,567,500	1,638,038	1,711,749	1,788,778
Other	R		17,428,059	52,149,762	54,496,501	56,948,843	59,511,541

Table 7-42. Moabsvelden General And Unallocated Capital

Asset Class Code	Description	FY2026	FY2027	FY2028	FY2029	FY2030
Computer Hardware	New laptops X4 - new recruits @15k	60,000				
Computer Hardware	Laptops x 4	90,000				
Computer Hardware	Alarm system installation	12,500				
Computer Hardware	Alarm system with armed response for office	30,000				
Computer Hardware	Night vision camera	60,000				
Computer Hardware	Spare WB Printers 5 x 4000	40,000				
		292,500				
Unallocated				56,622,637	58,298,004	30,149,144

The capital detail exists for FY26, with much less for FY27 and none for the remaining years. The detailed Capital provided provides under Mining, Processing, Infrastructure and this General Section. As indicated in Table 7-42, R292 500 was budgeted for FY26 under computer hardware. With the remaining LOM unallocated, FY28 (R47.5 Million), FY29 (R44.8 Million) and the last year FY30 (R21.2 Million)

No details were provided with regard to the capital for years FY27 to FY30.

7.33.2.5 Income Approach Valuation Results

Table 7-43 summarises the main drivers in terms of ROM, Strip ratio and sales, with the total cost summary and revenue for the Moabsvelden LOM. The Free Cashflow is shown with NPV calculated on the free cash flow. The rehabilitation Liability is accounted for at NPV level, with the relevant detail with regard to the Total PV of R224.3 Mil. in Table 7-39 All sections of the summarised valuation were discussed in the sections above. The (NPV) before rehabilitation adjustment amounts to R588.6 Mil. After accounting for the closure provision noted above of R224.3 Mil. the value for Moabsvelden is estimated at R365.2 Mil.

This valuation excludes the potential upside if the mine manages to obtain permissions to mine the wetland and move the powerline to the east.

Table 7-43. Moabsvelden Valuation Basis

VALUATION BASIS (NOMINAL)		TOTAL	FY26	FY27	FY28	FY29	FY30
ROM	Ton	16,688,438	3,519,621	4,096,846	3,673,808	3,621,897	1,776,267
SR	Ratio	2.86	2.34	2.47	2.88	3.02	2.51
SALES	Ton	13,764,935	2,916,875	3,451,236	3,095,782	2,918,780	1,382,261
TOTAL COST	ZAR	-	1,609,514,501	2,050,454,015	2,059,895,387	2,171,883,504	1,285,712,967
OPERATIONS	ZAR		816,751,714	1,055,564,356	1,114,585,137	1,197,967,348	657,905,166
Mining Cost	ZAR		659,547,709	850,090,202	905,000,447	974,676,067	543,132,311
Diesel	ZAR		157,204,005	205,474,153	209,584,691	223,291,281	114,572,855
PROCESSING	ZAR		279,820,872	334,466,399	301,204,339	324,781,315	166,775,923
PRODUCT DISTRIBUTION	ZAR		346,290,710	428,222,582	401,456,203	395,565,896	196,052,330
OTHER COST OF SALES	ZAR		3,977,775	5,542,367	5,791,773	6,052,403	6,324,761
REPAIR AND MAINTENANCE	ZAR		-	-	-	-	-
FIXED OVERHEADS	ZAR		162,673,429	226,658,311	236,857,935	247,516,542	258,654,787
REVENUE	ZAR		2,169,659,329	2,682,654,164	2,514,644,663	2,477,558,567	1,226,108,602
Sales Revenue	ZAR		1,789,502,976	2,212,613,540	2,074,041,785	2,043,433,721	1,011,276,270
Transport revenue	ZAR		380,156,353	470,040,624	440,602,878	434,104,847	214,832,333
EBIT	ZAR		560,144,828	632,200,149	454,749,276	305,675,064	(59,604,365)
Changes in Working capital	ZAR		117,694,484	9,431,598	(11,860,506)	(6,970,331)	(57,784,010)
Royalty Tax	ZAR		62,242,942	80,953,082	56,809,517	39,874,133	6,130,543
Tax	ZAR		134,433,509	148,836,708	107,443,735	71,766,251	(17,748,425)
Capital Expenditure	ZAR		146,991,229	24,341,852	56,622,637	58,298,004	30,149,144
Free Cash Flow	ZAR		98,782,664	368,636,910	245,733,893	142,707,007	(20,151,616)
WACC		15.75%	1.16	1.34	1.55	1.80	2.08
PV Factor							
PV of Free Cash Flow			85,338,552	275,123,628	158,437,752	79,488,343	(9,793,132)
Valuation Date : 1 Apr 2025							
NPV			588,595,144				
NPV Of Rehab Provision			224,340,442				
NPV Post Rehab Provision			364,254,702				

The following adjustments were made to the Salungano Valuation model:

3. Removed coal buy in – this is not deemed relevant as Moabsvelden has contracted all reserves to Eskom. During the life to date, the mine provided ~11 Mt under rectification from external sources. Moabsvelden is in the process to secure an additional contract for the remaining Eskom reserves.
4. A change in the Rehabilitation Liability inflation from 3% to 4.5% to align with that used for the WACC calculation.

Concerns with regard to the valuation model:

3. Moabsvelden is the main revenue generating asset for the Salungano Group. This asset is responsible for almost all total contributions to the Group. The Group debt of ~R300 Mil has reduced to less than R200 Mil at the time of the report. The Salungano group contribution is reflected in the high off mine costs provided for in the valuation model.
4. The Rehabilitation Liability calculated by Salungano under-provides for the current estimated closure liability. The Group should be sufficiently contributing to a fund for closure. The risk, with the provision at NPV level is that no real mechanism is in place to provide for the final rehabilitation. The current fund with Centriq and Nedbank amounting to ~R60 Mil. should form the basis for providing towards closure activities at the end of the mine's life. The current NPV contribution, if left to the end of the mine's life, would require approximately 40% of the free cash from FY28 and all that is projected to be generated over the last two years of the mine.

Table 7-44. Moabsvelden Capital Summary

Section	FY2026	FY2027	FY2028	FY2029	FY2030
Mining Operations	76,020,545	1,167,890	-	-	-
Process Operations	46,328,188	17,948,962	-	-	-
Infrastructure	19,349,996	-	-	-	-
Exploration	5,000,000	5,225,000	-	-	-
General	292,500	-	-	-	-
Unallocated	0	-	56,622,637	58,298,004	30,149,144
	146,991,229	24,341,852	56,622,637	58,298,004	30,149,144

Table 7-44 shows the total capital planned for Moabsvelden, the detailed FY26 year amounts to R147 Million. The last three years have unallocated amounts provided for changes to the access to the mine, associated infrastructure and possible relocation of the Eskom powerline to the east of the mine.

7.33.2.6 Sensitivity analysis

No sensitivity analysis was included with the Salungano financial valuation model.

7.34 Audits and reviews

SR7.1(i-11)

None that Miptec are aware of.

7.35 Project Risks

SR4.3(viii); SR5.7(i); JSE12.9(h)(x)

Table 7-45 details the main identified project risks at Moabsvelden.

It is evident that the area of highest concern relates to mine closure and financial provisions for closure.

Table 7-45. Moabsvelden Project Risks

TYPE OF RISK	RISK	MITIGATION	LEVEL OF RISK
Operational - safety	Accident and Injury due to the pits not being in a steady state.	Establish working benches with enough work in progress before committing to full production tonnages.	Medium
Closure Rehabilitation	Current high closure assessment	Implement effective concurrent rehabilitation practices. Draft an optimised closure plan for dumps and voids. Identify closure items that	High

TYPE OF RISK	RISK	MITIGATION	LEVEL OF RISK
		can be optimised, including possibility to complete as part of concurrent mining operation	
Closure finance	Not having available funds at the end of mine's productive life	Schedule closure activities as part of current LOMP. Reduce backlog and provide through financial and investment instruments for closure post productive life of the colliery	High

7.36 Conclusions

The Moabsvelden Colliery hosts a Coal Resource base of approximately 27.07 Mt, all classified as Measured, with additional upside potential contingent upon obtaining approvals to mine within the wetland area and to relocate the nearby powerline. The operation benefits from established infrastructure, valid mining and environmental licences, and a secured coal supply agreement with Eskom, all of which support its ongoing production and planned expansion activities.

The geological and resource models are underpinned by extensive drilling, sampling, and geological interpretation, demonstrating consistent seam continuity and coal quality suitable for thermal coal production. Current Resource and Reserve Estimates provide a robust basis for continued economic extraction within the existing licence period, which extends to 2031.

Nevertheless, effective risk management remains essential, particularly with respect to geological variability, water management, and closure liabilities. Financial modelling indicates that the operation is sustainable and economically viable, with potential for increased production and resource conversion subject to successful negotiations regarding wetland mining and infrastructure realignment.

Overall, Moabsvelden represents a viable and strategically significant long-term coal asset, provided that the Company continues to manage geological, environmental, and closure-related risks prudently while pursuing opportunities to unlock the identified upside potential.

8 VANGGATFONTEIN COLLIERY

8.1 Property Description

SR1.1(i); SR5.1(i); JSE12.9(h)(ii)

Vanggatfontein is an opencast coal mining operation, situated just outside Delmas, in the Mpumalanga Province of South Africa (Figure 8-2). Vanggatfontein mines the S5, S4 and S2 Seams from two operating opencast pits (VG4 and VG5) using truck and shovel roll-over mining methods. Additionally, there are two underground projects (VG6 and VG7), situated to the west of the public road, which dissects Vanggatfontein into an East and West Resource Block, termed the ERB and WRB, respectively (Figure 8-1). The coal within the ERB is shallower than in the WRB, and thus the remaining opencast pits, VG4 and VG5, are located there, targeting all three coal seams. The WRB currently contains the planned underground VG6 and a portion of the indicated resource VG7. The VG6 underground section targets a select portion of the S4 only, namely the S4M, as the S2 is largely heat-affected in the west. The S4 within VG6 has been subject to a pre-feasibility study and is therefore included within the Coal Reserve Estimation. Within the planned VG7 underground section, only a select horizon within the S2, namely the S2M, is considered as an economic target. As no feasibility studies have been conducted on this area, VG7 is included as part of the Coal Resource Estimate only.

The original CSA with Eskom for supply to Tutuka Power Station ended, and the mine was placed on care and maintenance from March to August 2022. Currently, Vanggatfontein is supplying coal to Eskom as part of rectification opportunities on an interim supply agreement, however they are currently in the advanced stages of securing a CSA with Eskom for the remainder of the LOM reserves.

Apart from Eskom, the mine supplies limited quantities to other inland and export markets.

Vanggatfontein has two operational DMS processing plants; one has a 100 tph capacity while the other has a 480 tph capacity.

The mine is 100% owned by Salungano and currently under a section 155 JSE compromise, in which the creditors are involved in rescuing/restructuring the operation. The mine did not produce at full capacity for some period, this is mainly attributed to the lack of a coal sales agreement for the full remaining reserve. Vanggatfontein is in the process of securing a new contract with Eskom, to deliver to the Duvha Power Station. Until a CSA is concluded, the mine will be producing and delivering coal under rectification to various Power Station's and available opportunities, provided the coal meets the client specifications. The strip ratio is favourable as well as the inherent coal quality for technically achievable economics. The current mining right is ending 22 February 2030.

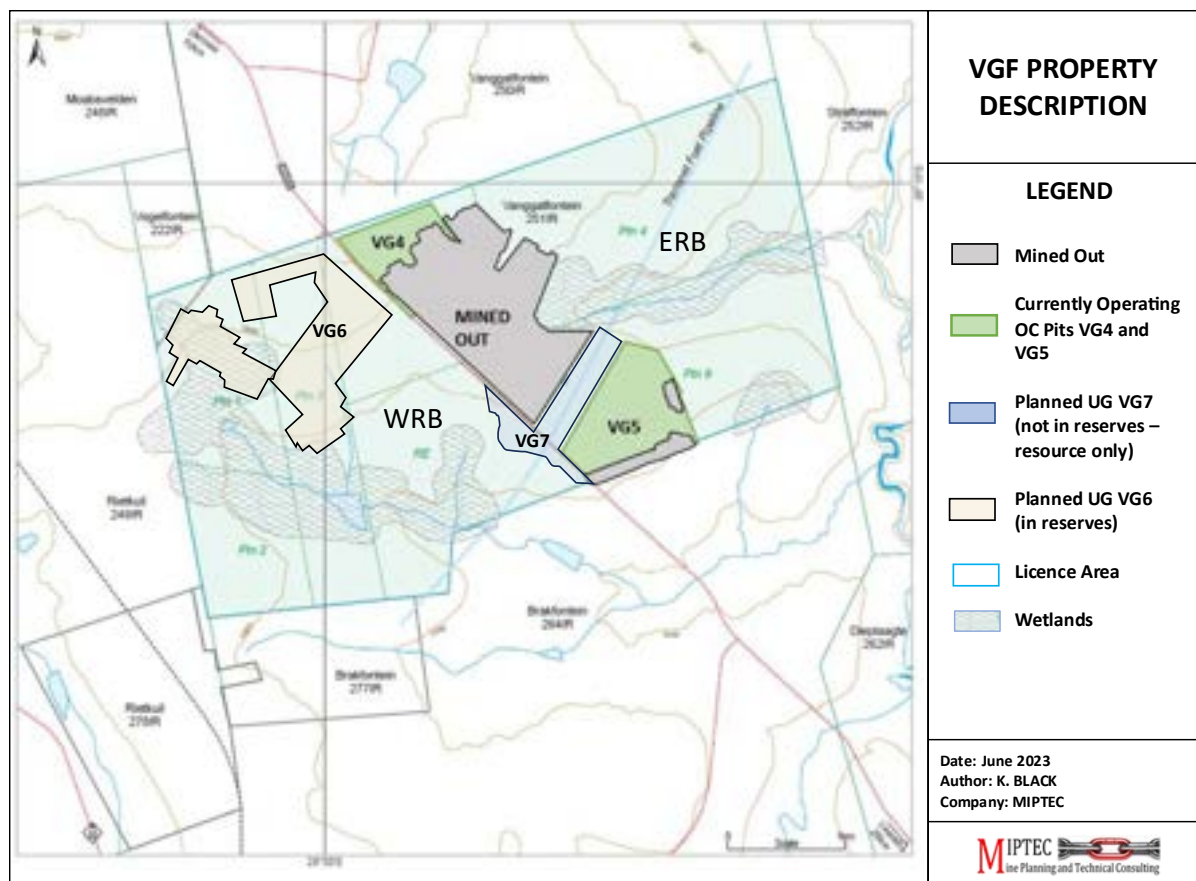


Figure 8-1. A plan illustrating the Location of the Opencast Pits and the Planned Underground Areas.

8.2 Recent Work

The Vanggatfontein Geological Model was last updated from 1st Principals in 2023, as no recent exploration has taken place at site, and no updates to the data contained in the model was required. The model is however updated annually with the latest mining face positions as provided by the mine surveyors. These updated face positions are used during the delineation and estimation of the Coal Resources.

8.3 Location

SR1.1(ii); SR1.2(i,iii); SV1.5

Vanggatfontein Colliery is located approximately 16km east southeast of the town of Delmas in the Mpumalanga Province of South Africa, approximately 65km southwest of Emalahleni and approximately 94km east of Johannesburg.

The mine can be accessed from the tarred R50 off the R555 road linking the towns of Delmas and Ogies. The R555 can be accessed from the N12 highway between Johannesburg and Witbank. Alternatively, a tarred road, which links the R555 provincial road with the town of Leandra, runs northwest-southeast through the centre of the property.

The Colliery is situated on farm Vanggatfontein 251IR and covers an area of 1,651.98ha with an extension of 421.00ha for a total area of 2,072.98ha. The approximate location of the farm is 26.179°S latitude and 28.846°E longitude.

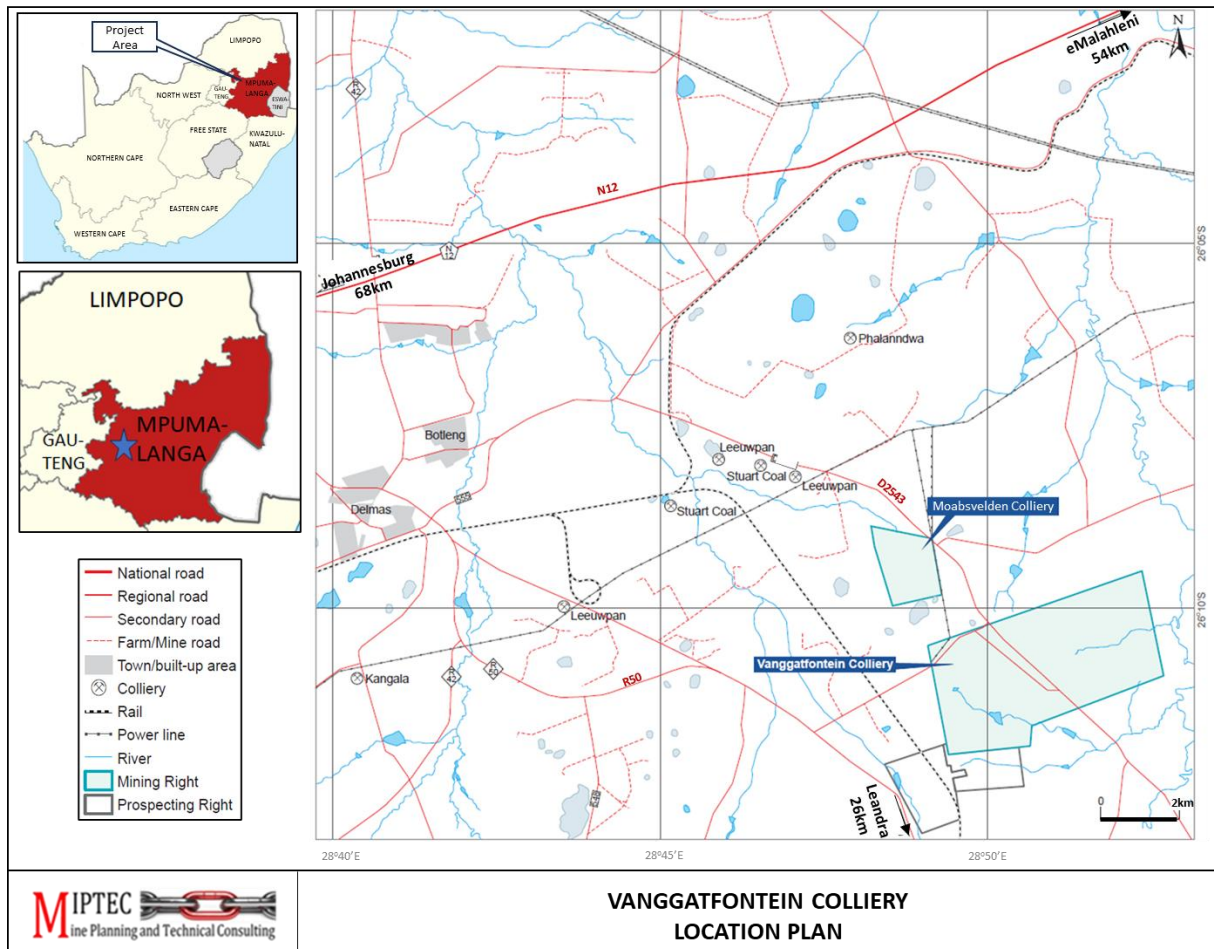


Figure 8-2. Vanggatfontein Locality Plan.

8.4 Coordinate System

The Vanggatfontein coordinate system is the World Geodetic System 1984 (WGS84) datum which uses the Hartebeesthoek94 geographic 2D Coordinate Reference System (CRS) as its base and the South African Survey Grid zone 29 (Transverse Mercator (South Orientated)) as its projection. The mine had a survey done for the establishment of the original ground levels (OGL). This OGL is currently in use for planning, control and design work.

8.5 Title and Rights

8.5.1 Mining and Prospecting Rights

JSE12.10(h)(SR1.1(ii); SR1.5(i); SV1.5; ESG4.1

In June 2009, Prospecting Right (MP/30/5/1/1/2/1/416PR) was successfully converted into a 20-year MR (MP/30/5/1/1/2/2/309MR), which is held by Keaton Mining.

The MR was executed on 23 February 2010, and unless cancelled or suspended in terms of clause 13 of the MR, or section 47 of the MPRDA (Act 28 of 2002), will continue to be in force for a period of 20 years, ending on 22 February 2030. A period of 4.9 years remains as at the effective date.

8.5.2 Surface rights

SR1.1(ii); SR1.5(i-ii)

Salungano, through its subsidiary, Keaton Mining owns the surface rights to Portions 1,2,3, 4, 5, 8 and 9 (a portion of portion 8), which covers the full MR area of the farm Vanggatfontein 251IR.

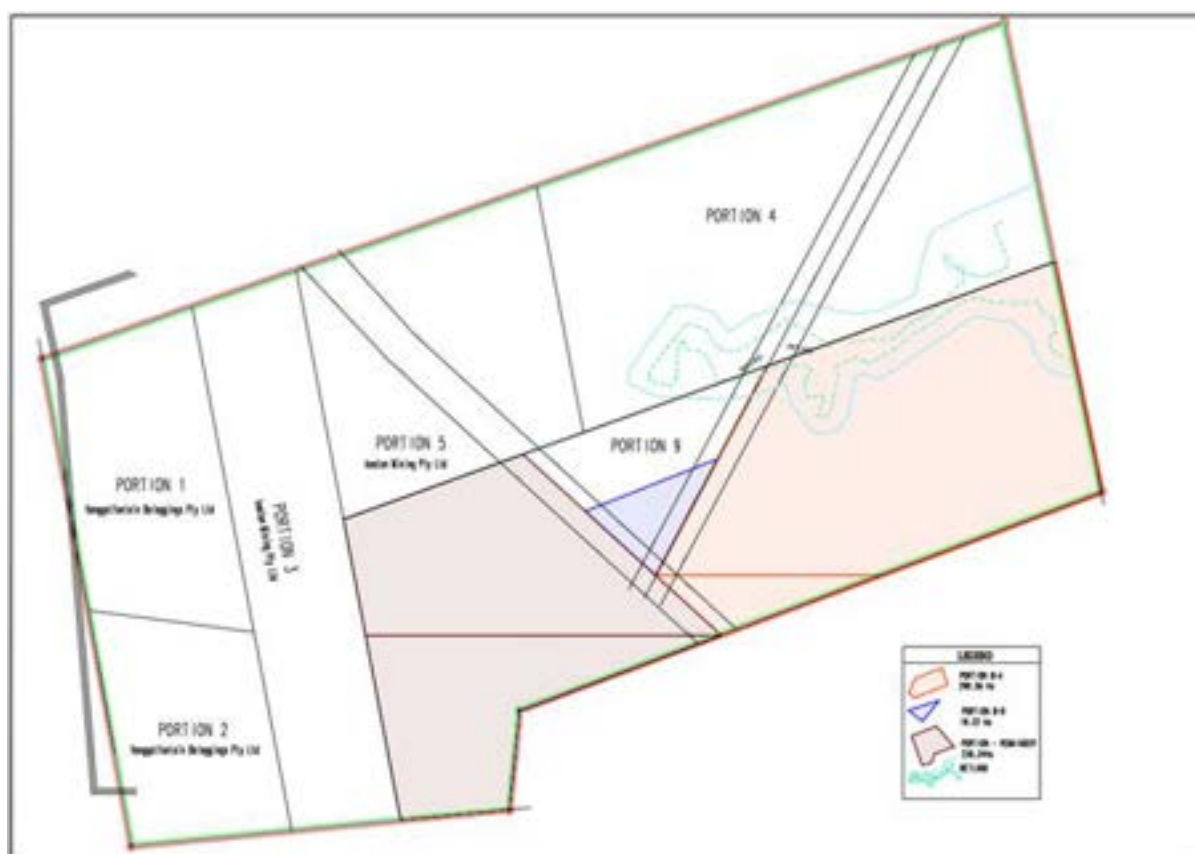


Figure 8-3. Vanggatfontein Surface Rights.

8.5.3 Sufficiency of Rights

JSE12.9(e); JSE12.10(h)(iv); SR1.1(ii);

Miptec did not have sight of the approved Mining Licence, a license summary from the mine was provided. The licence details correspond to previous CPR's and technical reports reviewed.

The Mining Right covers the full area planned for the remaining LOM with regard to both underground and opencast mining.

8.6 Legal Aspects and Permitting

8.6.1 Environmental Authorizations and Licenses

SR1.5(ii)(v); SR5.5(i-ii); ESG4.3

Table 7-1 and Table 7-2 below detail the Environmental Authorisations and approved water uses for Vanggatfontein as provided by the company's Environmental Officer.

Table 8-1. Vanggatfontein Approved Water Use Licences

Licence / Registration Number	Description	Approved Date	Expiry date
VANGGATFONTEIN			
04/B20F/ABCGIJ/2788	Section 21 (a), (b), (c), (g), (i) and (j) for Portions 4, 5 and 8 of the farm Vanggatfontein 251 IR	11/1/2015	2035
06/B20F/ACGIJ/11352	VG06 infrastructure section 21 (a),(c),(g),(i) and (j)	2/23/2022	2037

The mine has an approved discard dump that is at capacity, in addition, the mine has obtained a waste licence to dispose of the plant discard material in pit.

8.6.2 Environmental and Social approvals

SR1.2(ii); SR1.5(ii)(iv)(v); ESG4.3

The environmental superintendent provided the summary below, Miptec did not have sight of the actual licences.

Table 8-2. Vanggatfontein Environmental Authorisations

Authorisation Type	Reference No.	Scope of Authorisation /Description of Activities	Date Issued	Valid Until	Issued To
Environmental Authorisation	17/2/3N-371	Activities Listed in GN R544 associated with the proposed construction of a coal processing plant and filter press plant infrastructure on the farm Vanggatfontein 251 IR Portion 4, Victor Khanye Local Municipality, Mpumalanga Province	4/20/2016	2026	Keaton Mining (Pty) Ltd
Environmental Authorisation	17/2/2/2 MP-79	Environmental Authorisation for the Proposed Vanggatfontein Mining Project on various portions of Vogelfontein 222 IR, Brakfontein 277 IR, Rietkuil 249 IR and Vanggatfontein 251 IR, Delmas, Mpumalanga	9/25/2009	2011	Keaton Mining (Pty) Ltd
Water Use Licence	04/B20F/ABCGIJ/2788	Section 21 (a), (b), (c), (g), (i) and (j) for Portions 4, 5 and 8 of the farm Vanggatfontein 251 IR	11/1/2015	2035	Keaton Mining (Pty) Ltd
IWUL-VG06	06/B20F/ACGIJ/11352	VG06 infrastructure section 21 (a),(c),(g),(i) and (j)	2/23/2022	2037	Keaton Mining (Pty) Ltd
Environmental Management Plan	MP 30/5/1/2/2/309 MR and 17/2/3N-371 (DEDET)	Environmental Management Programme for Keaton Mining (Pty) Ltd in respect of the Farm Vanggatfontein 255 IR, Magisterial District of Delmas - February 2010	2/23/2010	LOM	Keaton Mining (Pty) Ltd
Environmental Management Plan	MP 30/5/1/2/2/309 MR and 17/2/3N-371 (DEDET)	Environmental Management Programme for Keaton Mining (Pty) Ltd in respect of the Farm Vanggatfontein 251 IR, Magisterial District of Delmas - February 2017	3/9/2015	LOM	Keaton Mining (Pty) Ltd

GNR 704 exemption was approved on 10 January 2018 for the backfilling with discard into pits (Licence no: 06/B20E/G/6700).

Table 7-2 lists the approved water uses for the Vanggatfontein Colliery opencast areas as detailed in Licence 04/B20F/ABCGIJ/2788, whereas Table 8-4 summaries the approved water uses for the VG6 underground infrastructure as detailed in Licence 04/B20F/ABCGIJ/11352.

Table 8-3. Vanggatfontein Approved Water Uses for the Opencast Areas

Section	Water Use Description	Properties
21(a)	Taking water from a water resource	Farm Vanggatfontein 251 IR 04,05 and 08
21(b)	Storing water	Farm Vanggatfontein 251 IR 04
21(c')	Impeding or diverting the flow of water in a watercourse	Farm Vanggatfontein 251 IR 04 and 08
21(g)	Disposing of waste in a manner that may detrimentally impact a water resource	Farm Vanggatfontein 251 IR 04
21(i)	Altering the bed, banks, course or characteristics of a watercourse	Farm Vanggatfontein 251 IR 04 and 08
21(j)	Removing, discharging or disposing of water found underground if it requires treatment	Farm Vanggatfontein 251 IR 04,05 and 08

Table 8-4. Vanggatfontein Approved Water Uses for VG6 Underground Infrastructure

Section	Water Use Description	Properties
21(a)	Taking water from a water resource	Farm Vanggatfontein 251 IR
21©	Impeding or diverting the flow of water in a watercourse	Farm Vanggatfontein 251 IR
21(i)	Altering the bed, banks, course or characteristics of a watercourse	Farm Vanggatfontein 251 IR
21(g)	Disposing of waste in a manner that may detrimentally impact a water resource	Farm Vanggatfontein 251 IR

Social and Labour Plan (SLP)

From a Group perspective, the following internal stakeholder engagement and communication structures are in place:

- Employment Equity and skills development forum. This forum convenes on a quarterly basis and discuss issues pertaining to employment equity and skills development;
- Union / Management forum. This forum convenes on a monthly basis, this provide an opportunity for management to deal with the workers union that has dominance, there are a current concern where the dominant union membership is falling below the required threshold;
- Future Forum. This forum convenes on a quarterly basis, the main focus to communicate on the future of the mines and the measures to avoid retrenchments;
- BBBEE tracking meetings. This is implemented on a monthly basis, with the focus to track all BBBEE initiatives; and
- WIM Forum. Planned quarterly. This forum should be re-constituted after the restructuring of the company. Neosho Women In Mining Forum has already been reconstituted.

The Vanggatfontein SLP for the period 2019 to 2023 has expired, with no outstanding projects. The new SLP for the next period, 2024 to 2028, has made limited progress. Delivery on these SLP requirements are hampered by financial constraints as the business is in distress and under a JSE section 155 compromise agreement. This poses a risk to the Mining Right, as the DMRE can revoke the MR due to non-performance of the SLP commitments.

In terms of the expired SLP, the mine has delivered on all of the following LED projects:

- Farming projects;
- Delmas development centre for training of community beneficiaries on the Agricultural programme; and
- Education Programme: Agricultural learnership.

The estimated SLP budget commitment for the planned LED projects amounted to R 5 000 000.00

The current approved SLP for the period 2024 to 2028 is in progress, with the following LED projects:

- Implementation of HRD programs (in progress); and
- Construction of Victor Khanye Local Municipality fire station in consultation with other mining houses (not started).

The estimated SLP budget commitment for the new planned LED projects amounted to R 5 000 000. Current expenditure amounts to R0, with an estimated R 5000 0000 to complete the remainder of the SLP commitments.

The Vanggatfontein SLP – external stakeholder engagement and communication structures.

- The Victor Khanye Community forum exists; this forum normally convenes on a quarterly basis or when required, with the purpose to discuss community issues.

Vanggatfontein statutory and regulatory compliance:

- Employment equity return (**EE**) was submitted 15 January 2025, with an acknowledgement receipt;
- Mining Charter annual report submitted 31 May 2025;
- Annual SLP progress report submitted 31 March 2025;
- Letter of good standing for Vanggatfontein submitted 31 December 2025;
- Level 5 BBBEE certificate for Vanggatfontein valid until 2026; and
- The Workplace Skills Plan (**WSP**) and Annual Training Report (**ATR**) for Wescoal Mining submitted 31 May 2025 and is valid until April 2026.

8.6.3 Material contracts

SR1.5(ii)

8.6.3.1 Coal supply agreements

Salungano is in process with Eskom to secure a CSA to provide coal to Duvha Power Station from the Vanggatfontein opencast operational pits, VG4 and VG5.

The mine has provided saleable coal under rectification agreements with Eskom on the Neosho CSA, as well as to other small opportunistic markets.

VG6 has a joint CSA with Moabsvelden to supply Kusile Power Station.

8.6.3.2 Mining

The mining is administered through a Section 155 agreement. In this agreement, the price for mining and coal processing, inclusive of diesel, is all encapsulated in a current R531 per saleable tonne for the creditor consortium.

8.6.3.3 Coal Processing

SR5.4(ii-iii)

As per the Mining, the processing is included in the JSE Section 155 agreement with creditor consortium.

8.6.3.4 Other contractual legal issues

SR1.5(iii-iv); SR4.1(iii)

Miptec is not aware of any.

8.7 Access, Infrastructure, Climate, Physiography and Vegetation

[SR1.1(ii)] [SR5.4(i)(ii)]

8.7.1 Accessibility

[SR1.1(ii)]

Vanggatfontein can be accessed from the tarred R50 off the R555 road linking the towns of Delmas and Ogies. The R555 can be accessed from the N12 highway between Johannesburg and Witbank. Alternatively, a tarred road, which links the R555 provincial road with the town of Leandra, runs northwest-southeast through the centre of the property.

8.7.2 Climate

SR1.1(ii); ESG4.4

Relatively high rainfall maintains the grasslands during the summer months, with the mean annual range between 400 to 900 mm. Frequent fires, frost, and heavy grazing - formerly by wild animals and now by cattle and sheep - suppress the presence of shrubs and trees. Mean maximum temperatures range from 21 to 24°C, and mean minimums range from 3 to 6°C, with temperatures sometimes reaching 38°C in the summer and -11°C in the winter. Summer rainfall is not evenly distributed throughout the region, resulting in several different habitat types. Differences in habitat types are further accentuated by the variable soil characteristics of the region. Over most of the area sandstones and shales of the Karoo sequence are dominant. Deep red sand-loam soils dominate towards the cooler and wetter northeast, and transition to shallower lithosols in the extreme northeast (Low and Rebelo 1998).

8.7.3 Topography

SR1.1(ii); SR1.2(iii); ESG4.4

The mine is situated within the gently undulating hills of the Highveld at an average elevation of 1,569m above mean sea level (amsl). The elevation in the entire Delmas region ranges from 1,400mamsl to 1,700mamsl, with most of the region being in the range of 1,500mamsl to 1,600mamsl, with flat (0° to 3°) to moderately dipping (4° to 15°) slopes.

The surface topography is scattered with occasional dams, wetlands, pans and marshy areas. The primary drainages in the region are the Olifants, Wilge and Suikerbosrand rivers.

An updated wetland study undertaken by Scientific Aquatic Services in April 2014 (Aphane and Cloete, 2014) significantly changed the wetland delineation, with three wetland systems being delineated within the Mining Right. These include a tributary of the Wilge River, a wetland situated on the western section of the project area, and a depression on the southeast section of the study area. According to these authors the project area falls within the Highveld Aquatic Ecoregion, being located between the B20A and B20E quaternary catchments.

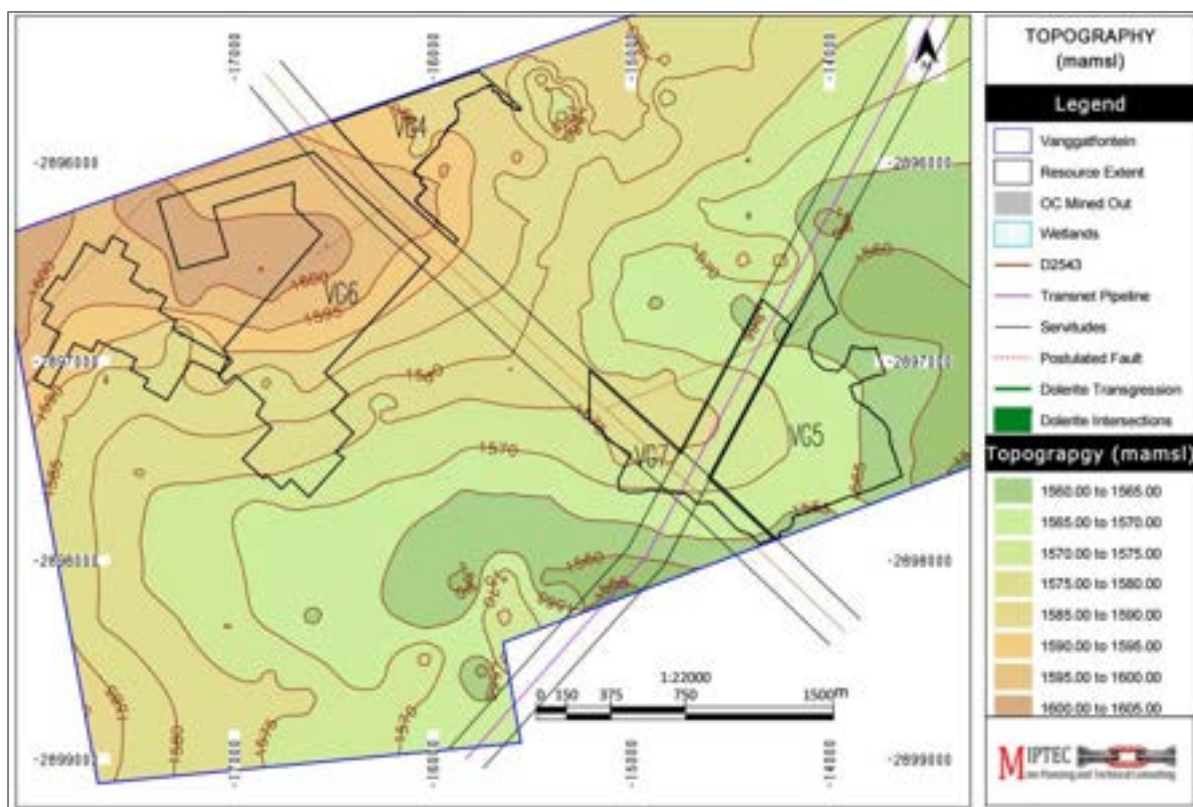


Figure 8-4. Vangatfontein Topography Plan

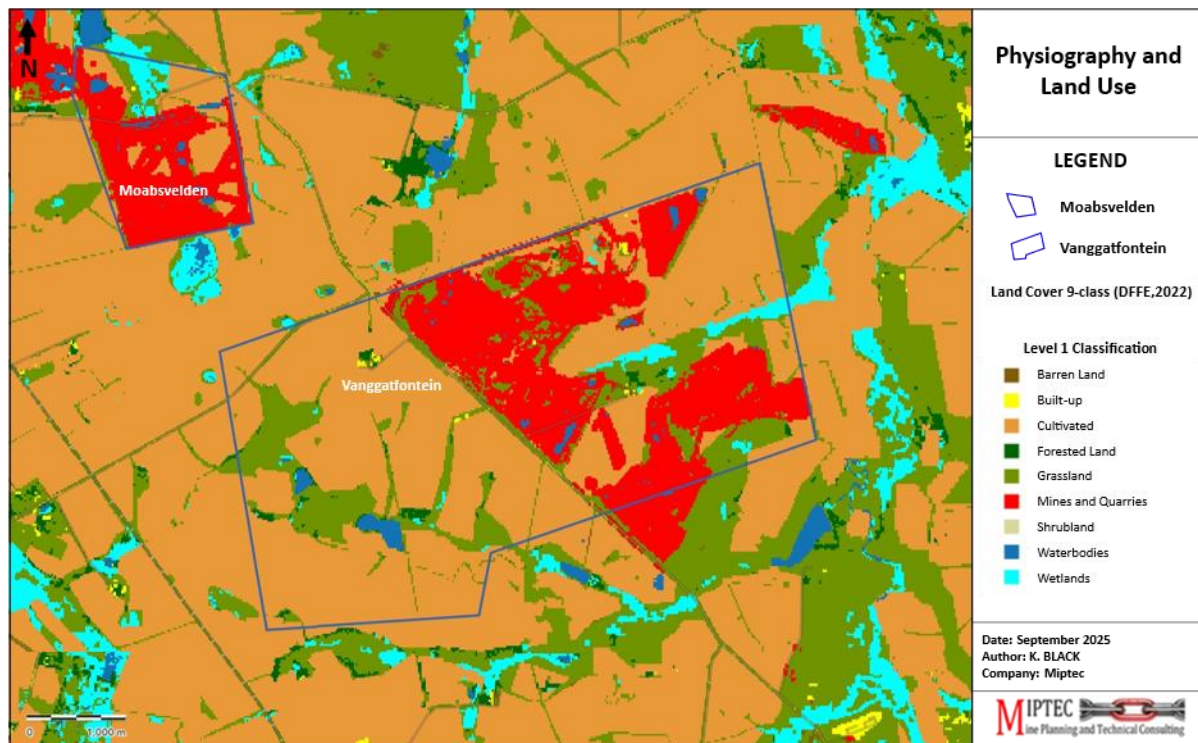


Figure 8-5. Moabsvelden Physiography and Land Use

8.7.4 Vegetation

SR1.1(ii)

From a vegetation aspect, the Vanggatfontein Colliery area falls within the remaining extent of the Vulnerable Mesic Highveld Grassland Group 4 vegetation type (Mucina and Rutherford, 2006). Much of the project area had previously been cleared to make way for mixed farming, with cattle and sheep the major livestock, and maize as the major crop.

8.8 Local Resources

SR1.1(ii)

The mine is located central to various towns and cities. Labour is sourced from immediate surrounding townships, if skills are unavailable, labour is sourced from the greater area, including Witbank, Middelburg, and Bronkhorstspuit.

In terms of materials, equipment and maintenance parts, various suppliers are situated from Johannesburg to the town of Middelburg, where most of the sourcing is done.

8.9 Infrastructure

SR1.1(ii); SR4.1(iii); SR4.3(iii); SR4.5(iii); SR5.4(i-iii)

Regional infrastructure includes roads, railway lines, water and power supply, whereas the Mine-specific infrastructure includes offices, storerooms, changerooms, workshops, road, conveyors, beneficiation plants etc. Site power is sourced from the Eskom national grid. The site mini substation is fed via a 22kV overhead supply. The feed voltage is stepped down to 525V via transformers local to the respective No.5 Seam and Eskom plants.

A smaller transformer provides 220V power to the offices, workshops and weighbridge. Diesel generators are used for in-pit lighting during night operations.

The infrastructure plan Figure 8-6 below, shows the major infrastructure impacting aspects relating to the estimation of resources and reserves as well as mine schedules and environmental related features like the wetlands, pollution control dams and waste disposal dumps.

The wetlands shown were defined during the Environmental Assessment process and associated studies. The east of the public road hosts all opencast mining and planned underground on the western section of the road. The wetlands to the east were protected by historical mining and current activities. On the west, permission was obtained to undermine the indicated wetlands.

The discard dump shown in the north-east, was approved, constructed and now at capacity.

The mining right boundary is indicated as the almost rectangular area, this form part of the limiting factors to reserve footprints and resource estimations. The Transnet pipeline, dividing most of the area east of the public road, limits the reserve areas to the 100m buffer zone on each side of the pipeline.

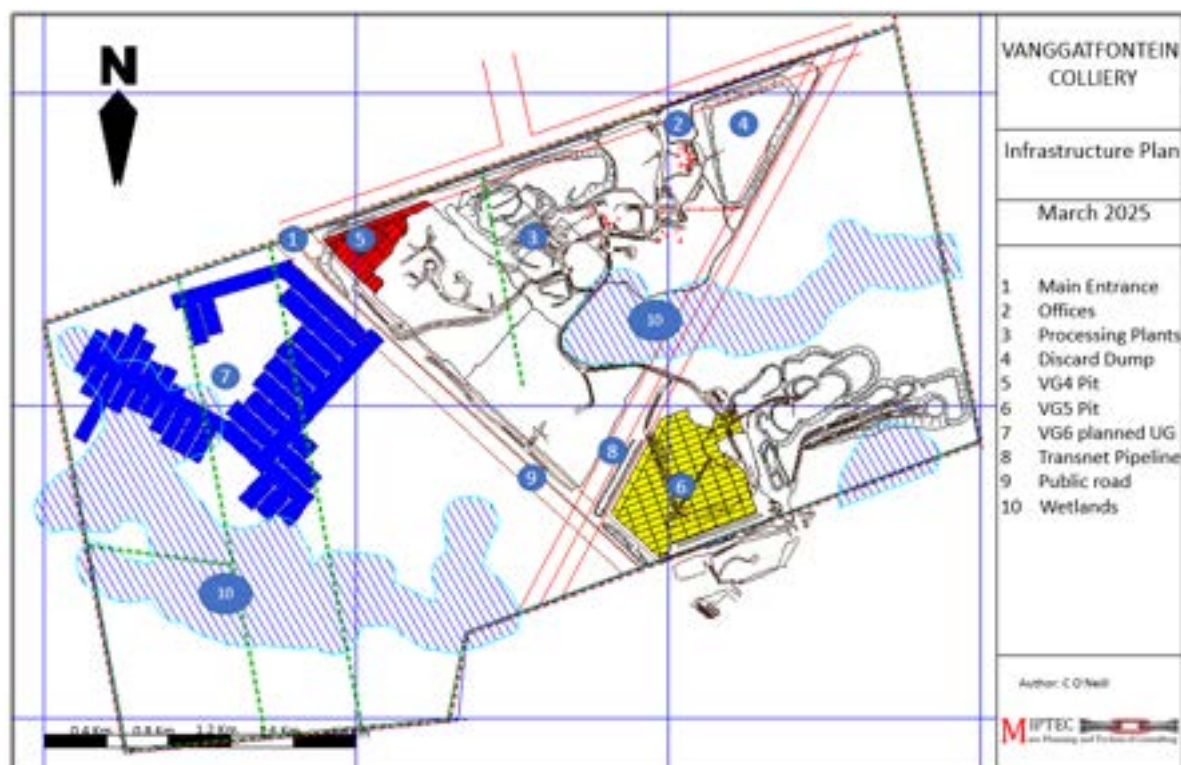


Figure 8-6. Vanggatfontein infrastructure plan

8.10 Adjacent properties

SR1.3(i)

The Vanggatfontein Colliery is bordered by several active collieries. Where available in the public domain, coal qualities are presented.

Canyon Coal owns and operates the Phalanndwa Colliery located approximately 7km north northwest of Vanggatfontein. Mining commenced in October 2013 with a 300 tph DMS processing plant for beneficiation. Phalanndwa extracts 120 000 t/m of RoM coal of No: 2 upper, 2 Main and 2 Lower Seams with RoM top size of 500 mm.

Stuart Coal is a privately held coal company operating two pits located approximately 10km west of Vanggatfontein, producing both thermal and domestic boiler products from the No.2 and No 4 Seams. Little information is publicly available, and this mine is therefore not discussed in any further detail.

To the west of Vanggatfontein lies Sable Mining's Rietkuil Property, which is an undeveloped coal project with a current SAMREC compliant GTIS Coal Resource of 199Mt, 157Mt in Measured Coal Resource and 42Mt in the Indicated Coal Resource categories. Whilst targeting the same seams, this project lies in a totally different coal block to the ERB and the seam qualities are not therefore directly comparable. Sable Mining is similarly privately held and therefore full details on coal quality are not available.

Universal Coal Plc holds 50.29% of the Brakfontein thermal coal project, known as the Ubuntu project, located immediately south of Vanggatfontein colliery. The company has been awarded a Mining Right and Environmental Authorisation. The project hosts a 75.8Mt GTIS JORC compliant Coal Resource including a 9.6Mt Coal Reserve. Qualities for the Brakfontein Coal Resource are unfortunately not available publicly.

The Leeuwpan Colliery is located along the R50, west of Vanggatfontein. It produces thermal and metallurgical coal for both the domestic and export markets. The colliery has about 128 Mt of Coal Resources, inclusive of 52.9 Mt of Coal Reserves. The mine produces 6 Mt RoM on an annual basis. Both the 4 Seam and 2 Seam are processed in a DMS plant.

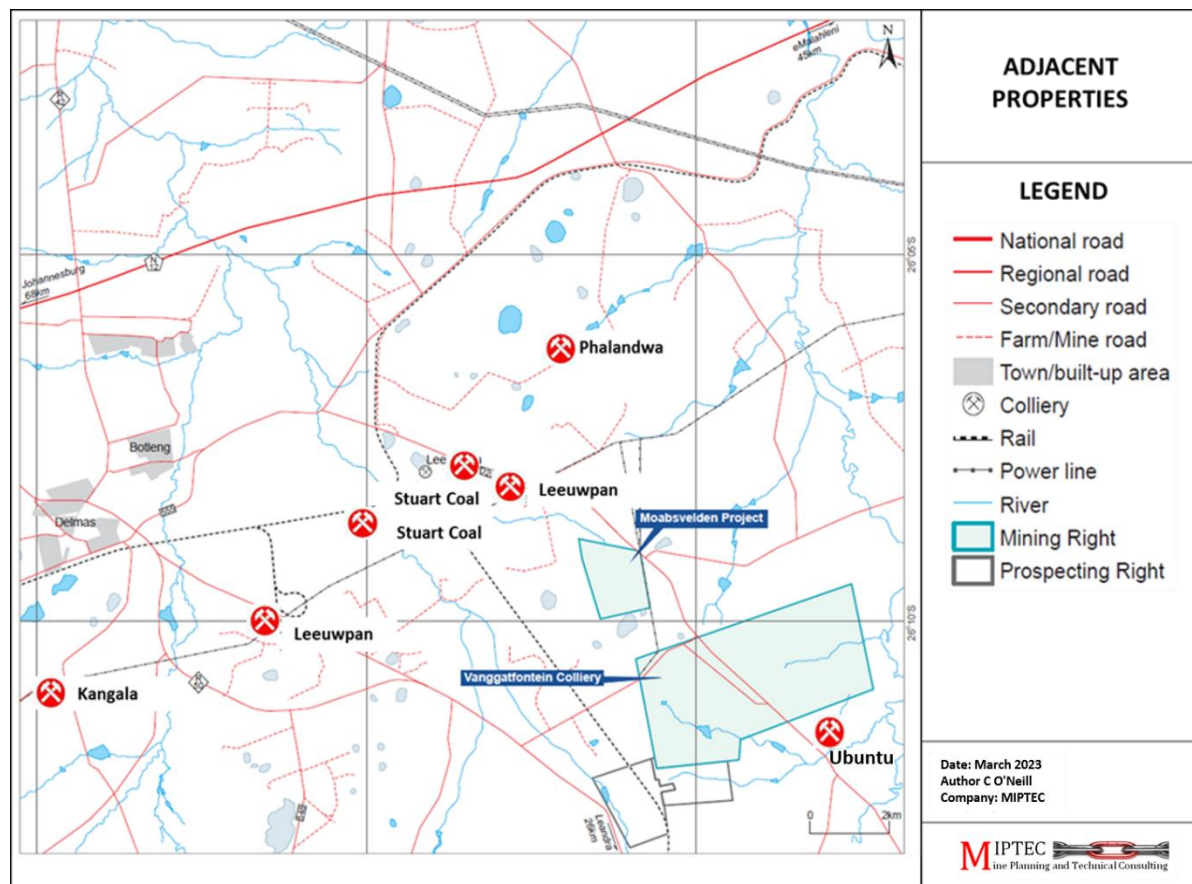


Figure 8-7. Vangatfontein adjacent properties

8.11 Historical ownership

SR1.4(i-ii); SR3.1(iii)

Table 8-5 details the historical ownership and associated activities at Vangatfontein. Prior to Keaton obtaining the licence in 2006, Brakfontein Navigation Steam Collieries drilled 40 boreholes across the area. Coal intersections identified the presence of coal, however no historical reports detailing this exploration is available. No mining took place prior to Keaton's ownership.

Keaton has owned the mineral rights for almost 20 years, and all relevant work and mining activities have been completed by them.

Table 8-5 A summary of the Historical Ownership of Vangatfontein

DATE	COMPANY	ACTIVITY
1962 - 1963	Brakfontein Navigation Steam Collieries	Drilled 40 boreholes
Unknown	Council for geoscience	Drilled one borehole

DATE	COMPANY	ACTIVITY
2006	Keaton Mining	Awarded prospecting right 416PR
2007 - 2010	Keaton Mining (Managed by CCIC Coal)	LUND ground resistivity geophysical survey Three phases of drilling with a total of 230 boreholes drilled
2008	Coffey Mining (South Africa) (Pty) Limited (Coffee Mining0	Prepares an independent Competent Persons report on the Sterkfontein and Delmas Coal Projects as part of the JSE listing of KEHL
2009	Keaton Mining	Awarded Mining Right 309MR
2010		Commenced mining in the east block using opencast methods
		First plant commissioned
2011		Drilled 12 boreholes in Phase 4 drilling programme
	CCIC Coal	Second Eskom plant commissioned
		Remodelling of all boreholes for ERB and issue Coal resource estimate. Estimates updated annually since this date
2013	Xcalibur Airborne Geophysics & GAP Geophysics (Pty0 Limited	Airborne aeromagnetic and radiometric geophysical survey
2014	Science Aquatic Services	Wetland area delineation
2015	Keaton Mining (Managed by CCIC Coal)	Drilled six boreholes in Phase 5 drilling programme
	Venmyn Deloitte	Prepared an Independent Competent Persons Report on the Vanggatfontein and Sterkfontein Coal assets of KEHL.
	CCIC MinRes	Assessment of the range of spatial continuity for Ash in the No. 2,4 and 5 seams
2016	CCIC Coal	Prepare a short form technical report and Coal Resource estimate as of 31 March 2016
	Miptec	Prepared a Coal reserve Estimate as of 31 March 2016
2017	Miptec	Prepared a Coal resource and Reserve update technical report with summarised IAR section
	Wescoal	Purchase Keaton Energy Holdings
2018 - 2024	Miptec	Prepared Coal resource and Reserve update technical report with summarised IAR section annually

8.12 Local Geology

[SR 2.1(ii) (iii) (vi); SR 3.1(vii); SR 10.2(i)]

The Vanggatfontein local surface geology is shown in Figure 8-8. The area generally comprises Vryheid Formation rocks of the Eccca Group, with some Quaternary cover in the vicinity of the wetlands in the west.

Locally, three coal seams are developed across the licence area – namely the S5, S4 and S2. Within the opencast resource areas of the ERB, the S2 and S4 Seams are the primary economic targets, with the addition of the S5 where present (VG4). Within the WRB, only a select portion of the S2, the S2M is considered economic in the underground VG7 area, as a select portion of the S4, the S4M, within the underground VG6 area.

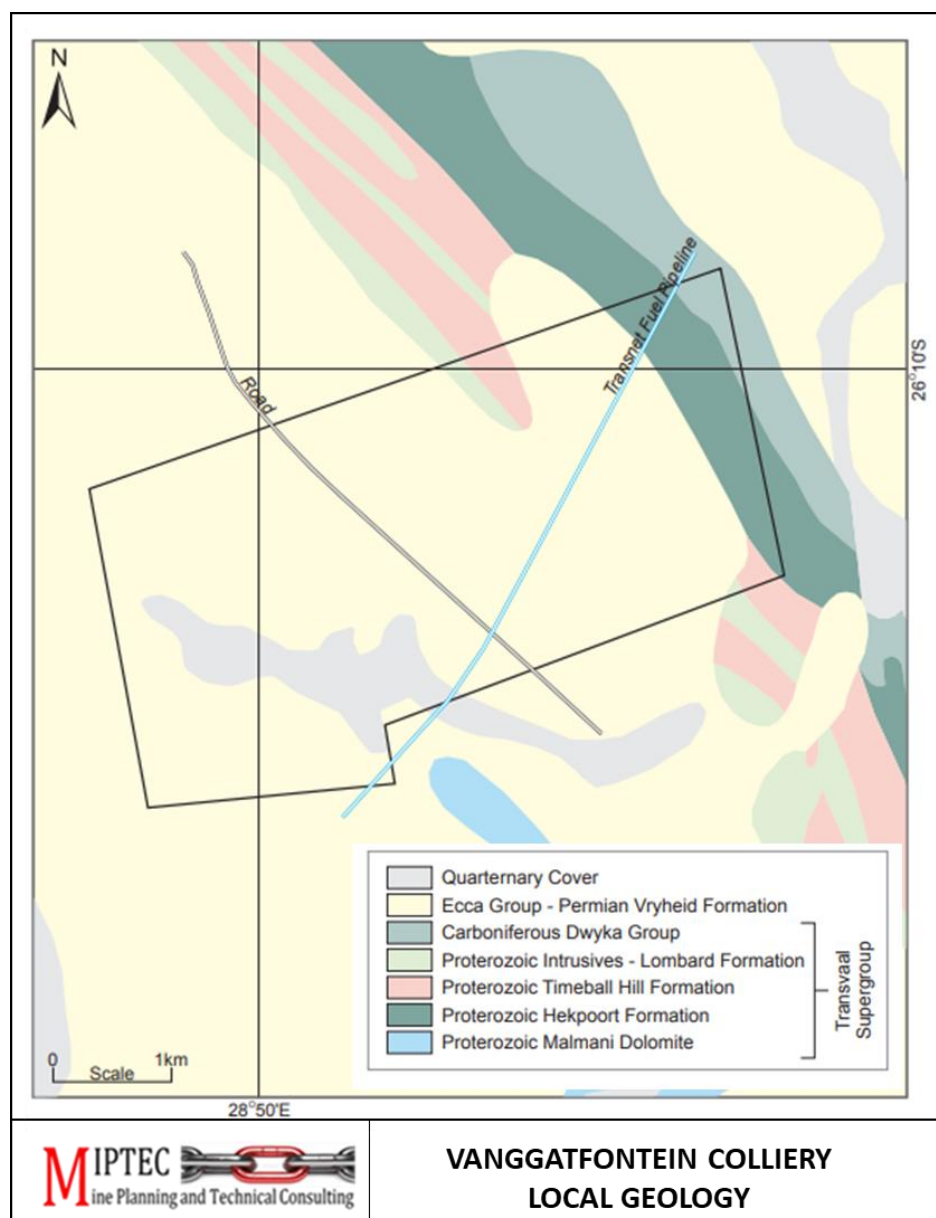


Figure 8-8. Vanggatfontein Local Geology

8.12.1 Surface Geology

The surface geology over Vanggatfontein is dominated by outcrops and subcrops of sedimentary rocks of the Eccca Group (Vryheid Formation), with Transvaal Supergroup (Hekpoort Formation) outcrops also present at the surface in the far east of the project area.

8.12.2 Weathering

The depth of weathering ranges between 15 – 25 m across most of the area, with notably deeper weathering in VG5 and the northern extent of VG6. The limit of weathering (**LOW**) is modelled as surface against which the coal seams are truncated.

8.12.3 Sub-surface Geology

Pre-Karoo Basement

The glacially sculpted pre-Karoo basement comprises rocks of the Transvaal Supergroup. Drill holes drilled deep enough through the Dwyka Group into the underlying basement predominantly intersect Malmani Group dolomites, chert and quartzite, as well as metasedimentary rocks and lavas of the Hekpoort Formation of the Transvaal Supergroup.

Dwyka Group

Over the majority of Vanggatfontein, the rocks of the Transvaal Supergroup are discordantly overlain by sedimentary rocks of the Dwyka Group. Many drill holes intersected the Dwyka Group rocks, predominantly consisting of diamictites of glacial origin (tillite), but also as better-worked fluvio-glacial outwash deposits (including reworked dolomitic breccia) and glacio-lacustrine varves.

Eccca Group

Within the Eccca Group, the Vryheid Formation comprises zones of alternating conglomerates, sandstone and mudstones within which the coal seams are located. The stratigraphy of the Vryheid Formation may be divided into three main sequences at Vanggatfontein: a basal No. 2 Seam Sequence, overlain by the No. 4 Seam Sequence, which in turn is overlain by the No. 5 Seam Sequence.

No. 2 Seam Sequence

The No. 2 Seam sequence includes the succession from the top of the pre-Karoo basement or Dwyka Formation to the top of the S2 roof (Cairncross and Cadle, 1987), and includes coarse-grained arkosic sandstones, granulestones and conglomerates, with some minor amounts of siltstones and mudstones.

The S2 is well developed over Vanggatfontein, until it subcrops against the LOW towards the east. The seam comprises zones of alternating bright and dull coal, with occasional shaley coal bands in places. On average the

seam is 6.5 m thick. The floor of the seam is variable, ranging from a mudstone to a highly silty sandstone, and in places to a medium-grained sandstone. The roof of the seam is also variable, generally consisting of a coarse-grained sandstone grading to granulestone; however, in some areas it comprises a carbonaceous mudstone. Within the opencast VG4 and VG5 pits, the entire S2 is mined; however, within the planned VG7 underground, the mining horizon has been limited to a maximum of 4.8 m from the roof of the seam downwards and is referred to as the S2M.

The average depth to the S2 is around 81 m in VG4, 60 m in VG5, and 64 m in VG7.

The parting between the S2 and S4 above varies greatly in thickness between VG4 in the north and VG5 in the south. In VG4, the parting ranges between 4 – 8 m, whereas in VG5 it ranges between 14 – 20 m. The parting material comprises a basal, highly carbonaceous siltstone, interbedded siltstone, and fine-grained sandstone, which is frequently bioturbated and that grades upwards into a medium to coarse-grained arkosic sandstone. In many places this succession is truncated by an erosively based channel sandstone, which forms a fining-upwards sequence to the base of the S4.

No. 4 Seam Sequence

The No. 4 Seam Sequence comprises a predominantly sandstone succession from the roof of the S2 to the top of the S4. The S4 contains zones of dull coal with bands of shaley coal increasing towards the top. Based on the presence and degree of the shaly parting material, the S4 is divided into an S4U and an S4L ply. The S4U contains most of the dull coal and shaly bands, whereas the S4L is the better-quality lower portion of the seam.

The average depth to the S4 roof is 63 m in VG4 and around 43 m in VG5. The floor of the seam is variable, ranging from a carbonaceous siltstone, a bioturbated fine- to medium-grained sandstone, or a well-developed medium- to coarse-grained and gritty sandstone.

The sequence between the S4 and the base of the S5 is formed by a thick succession of interbedded sandstones and carbonaceous siltstones, culminating in the rocks that form the immediate floor to the S5. This parting is consistently between 16 – 20 m thick.

No. 5 Seam Sequence

The S5 is only present across the remaining portion of VG4; it has been removed by erosion in VG5, and the north-central portion of the WRB. The seam averages 1.3 m thick, and comprises bright coal, interbedded with thin stringers of carbonaceous siltstone.

The immediate roof of the S5 is formed by a succession of interbedded siltstones and sandstones or coarse-grained glauconitic sandstone, commonly referred to as the “Glauconite Marker”. This marker horizon is an important marker when logging the coal, as well as during mining, as it forms an easily recognisable unit immediately above the S5 coal. The sequence above the S5 is often located close to the weathering zone due to its proximity to surface.

The S5 only accounts for 2% of the total Coal Resource Estimate.

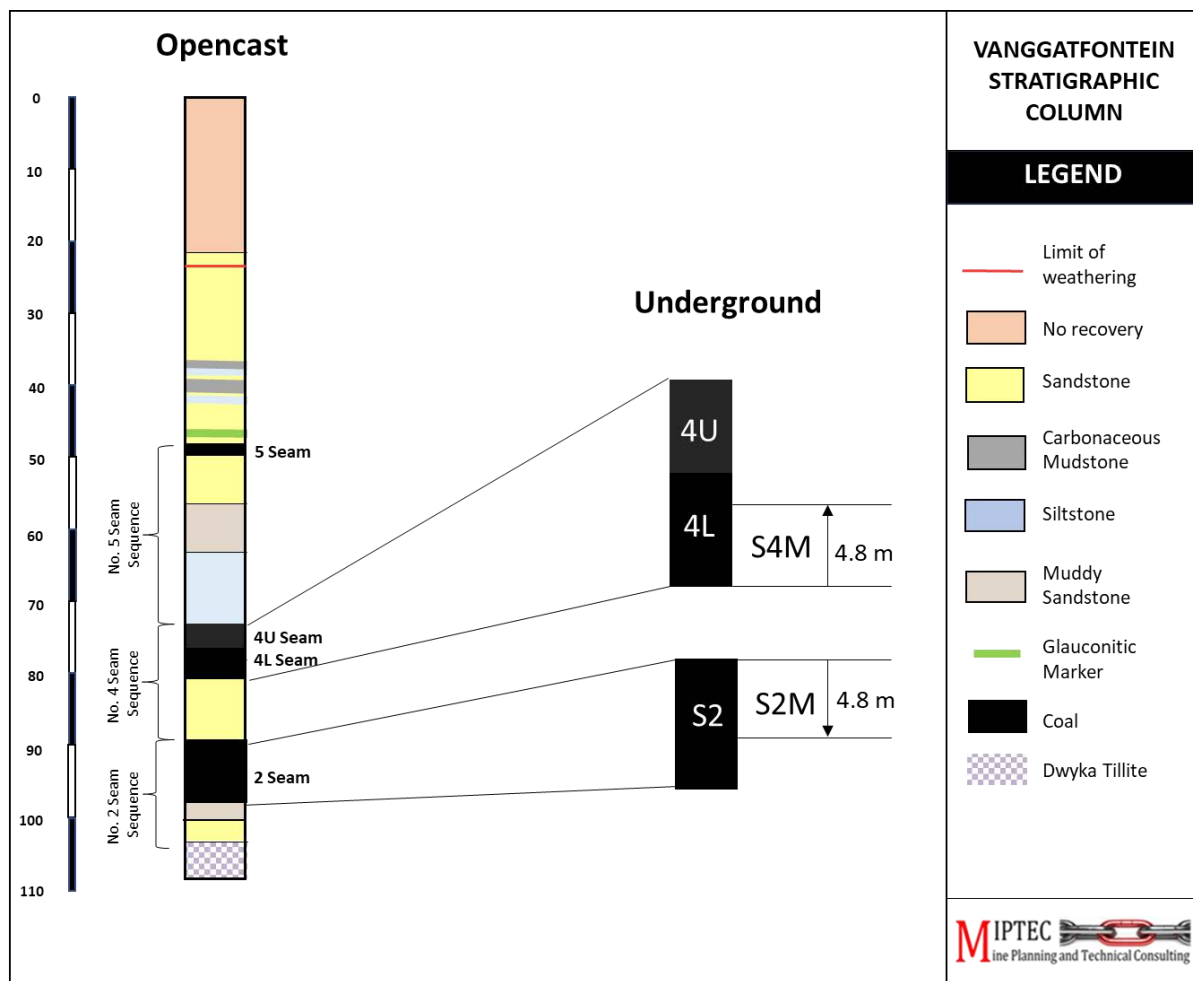


Figure 8-9. Generalised Stratigraphic Column and Underground Seam Delineations.

8.12.4 Faults and Igneous Intrusions

Evidence of faulting and displacement (besides differences in floor elevation) have not been intersected in any of the drill holes; however, minor displacement has been intersected during mining in VG4. No major coal losses were associated with this displacement.

Dolerite has been intersected on a small scale in VG4 and the mined-out VG3, and on a much larger scale in VG5. In VG5, a transgressive dolerite sill has been identified from airborne geophysics as well as drill hole intersections. The sill is transgressive in nature and has had a notable effect on the S4. As the sill is located above the S4, the S4U is largely heat-affected across VG5, with the S4L affected when the sill transgresses down into the seam. Along the eastern extent of VG5, the sill transgresses down through both the S4 and the S2.

A major fault has been intersected in the WRB, in the vicinity of VG6. The fault is associated with a dolerite sill transgression, and uplift is in the region of 15 – 20 m. Dolerite dykes have been interpreted to occur in VG6

(airborne survey), with a few drill holes actually intersecting dolerite. Additional drilling is required throughout VG6 to confirm the extent and effect the faulting and transgressive sill may have on the planned mining footprint.

8.13 Exploration and Drilling, Sampling Techniques and Data

[JSE12.10(e)(iii), JSE12.10(h)(vi)] [SR2.1(iii), SR3.1, SR3.2]

8.13.1 Exploration

[SR2.1(iii), SR3.1]

8.13.1.1 Historical Exploration

Data from the Council of Geoscience's (CGS) Geode spatial coal database show that between 1962 and 1963 a total of 40 drill holes were drilled on the property by Brakfontein Navigation Steam Collieries; with an additional drill hole drilled by the CGS itself (no date is given). The S5, S4 and S2 seams were intersected in the historical drilling programmes, and all of the drill holes, with the exception of one in the east, intersected coal. Only drill hole collar co-ordinates and coal intersections were made available to Keaton Mining, and no analytical results were included in the information received from the CGS. Due to the lack of detail regarding this information, these drill holes were not used in the construction of the current geological model.

8.13.1.2 Recent Exploration

Recent exploration refers to all exploration carried out since the project was acquired by Keaton Mining in 2006.

Between 2007 and 2015 five phases of exploration drilling were undertaken by Keaton Mining on Vanggatfontein, with a total of 248 drill holes drilled, including seven twin holes, and five orientated geotechnical holes across the entire Vanggatfontein licence area. CCIC was responsible for the management and logging of these drilling programmes.

In 2017, 16 fully-cored drill holes were drilled across the western portion of the property, as well as across VG4, VG3 and VG5; and in 2018, 32 drill holes were drilled over both VG5 and VG6. The 2017 and 2018 drill programmes were designed and managed by Miptec. All drill holes were geophysically logged (also called wireline logged); in addition, a portion of those included geotechnical logging.

The location of the drill holes is shown in Figure 8-10, whilst a summarised list of the drill holes is presented in Table 8-6.

No additional drilling has been conducted at Vanggatfontein subsequent to the 2018 drilling

Table 8-6. Summary of the Exploration at Vanggatfontein.

YEAR	Drill Hole PREFIX	TYPE	NO. OF DRILL HOLES	TOTAL METRES	WIRELINE LOGGED	DRILLING SUPERVISED BY
2007	VG07	Core	80	4990.63	11	CCIC
2008	VG08	Core	117	7098.87	-	CCIC
2009	VG09	Core	21	774.41	21	CCIC
2011	VG11	Core	12	950.79	-	Keaton Mining
2011	KE	Open Drill Hole	5	206.13	5	Keaton Mining
2015	VG15	Core	6	608.66	5	CCIC/Keaton Mining
2017	VG17	Core	16	1290.33	16	Miptec
2018	VG18	Core	32	2839.43	32	Miptec
TOTAL			289	18759.25	90	

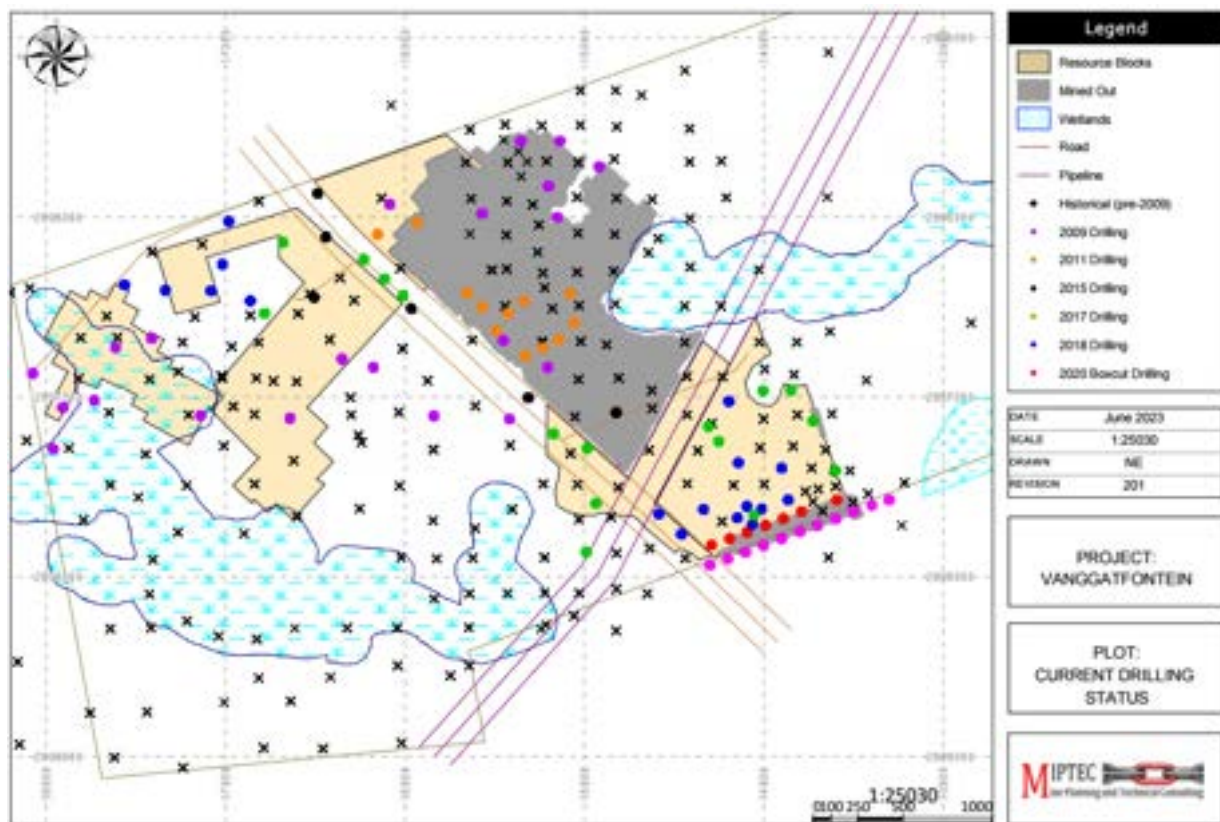


Figure 8-10 Vanggatfontein Drilling Status.

8.13.1.3 Future Planned Exploration

Miptec has recommended that fully cored drill holes be drilled within the VG7 underground area, as well as in VG6, to confirm the seam extent and qualities in light of the identified faults and transgressive sill. At the time of this report, there was no budget or timeframe allocated for the suggested drilling.

8.13.2 Surface Drilling Techniques

[SR3.2(i), SR5.3(i)]

8.13.2.1 Cored Diamond Drilling

Two primary drilling contractors were used to complete the 2007 - 2009 drilling programmes, these being Partners Drilling and Hall Core Drilling, who completed 126 and 99 drill holes, respectively. The 2011 drilling was completed in-house by Keaton, and no information regarding the drilling contractors was made available. The 2015 drilling was undertaken by Discovery Drilling. CCIC, who managed these drilling programmes, commented in a 2017 CPR entitled "Independent Competent Persons' Report on the coal assets of Keaton Energy Holdings Limited", that they have worked with all three mining companies and the presentation of core has always been of high quality.

The drilling conducted in 2017 and 2018 was undertaken by Professional Drilling Services and managed by Miptec. Miptec found the standard of drilling to be of very high quality, with only one drill hole requiring a redrill.

A truck-mounted drill machine is used to diamond core the drill holes. Depending on the drilling programme, the drill produced core with a diameter of 60.5 mm (TNW) or 47.6 mm (NQ). The overall core recovery should be at least 95% in both the coal and non-coal material, or a redrill is contractually required. All of the drill hole core recoveries were considered adequate and the quality of drilling acceptable.

During the initial phases of drilling, it was decided to drill all of the drill holes into the Dwyka Group in order to allow for an accurate assessment of the floor lithologies. Additionally, approximately 10% of the drill holes at the time were drilled into the basement below the Dwyka Group to understand the nature of the Transvaal Supergroup.

Due to the shallow nature of the drilling, all drill holes are considered to be vertical, with no deviation. The intersected seam thicknesses are therefore considered an accurate representation of the true thickness.

8.13.2.2 Percussion (open hole) Drilling

Five percussion holes were drilled in 2011 in order to understand the variability in the basement topography of the VG4 Pit. These holes were wireline logged, and this information included in the structural model. The area where these holes were drilled has since been mined out.

8.13.2.3 Drill Hole Survey

[SR3.1(v)]

All drill hole collars at Vanggatfontein have been surveyed by independent registered land surveyors.

2007 – 2009 and 2015 drill hole collars were surveyed by Trevor and Michael Cufflin Surveys cc using a Leica 1200 Dual Frequency GPS with Base Station. Certified co-ordinates and elevations were submitted in hard and soft copy to CCIC and the signed survey certificates provided to the mine.

2017 and 2018 drill hole collars were surveyed by Martin Jooste of Survey & Resource Management (**SRM**).

The accuracy of the drill hole collar surveys is considered to be of a sufficient standard. All available drill hole collars were checked against the current DTM supplied by SRM, and all fall within a few centimetres of this surface.

No recent drill holes were omitted from the geological model based on collar coordinate discrepancies.

8.13.2.4 Geological Logging

[SR3.2(iii)(iv)]

Digital photographs of the drill holes were taken prior to geological logging. These photographs can be viewed at the Mines offices, located at the Vanggatfontein Colliery, just outside Delmas.

The core was placed in core trays and transported to the core shed located at Vanggatfontein where they were stacked on a level concrete floor. Once at the core logging area, the drill hole cores were laid out for logging. The core was then metre-marked with depths using reliable drilling breaks and correcting the depths through the core runs considering any over- or under-recovery of core. The wireline logs were used to verify the depths in every drill hole. The different lithological types were identified and correlated to the wireline logs. The detailed sections of these logs were used to distinguish between coal and mudstone, as well as other different lithological types.

All cores were logged onto handwritten, coded logging sheets, following the company's standard logging procedures, which are aligned with industry best practice. The handwritten logs are then captured into MS Excel™ spreadsheets and interrogated for errors.

The logging sheet typically included information on the following:

- date of drilling;
- responsible geologist;
- drill hole number;
- collar coordinates;
- interval from and to depths;
- weathering;

-
- lithology;
 - colour;
 - grain size;
 - contact; and
 - comments.

For the coal zones, the core was closely examined, noting zones of various coal lithotypes; e.g. bright coal, dull coal, carbonaceous mudstone and grey mudstone. The geophysical logs were used to distinguish between dull coal, coaly mudstone and carbonaceous mudstone. Where bright and dull coal occurred as thin alternating bands, these bands were logged as mixed coal. Core trays were placed in the sunlight to assist with distinguishing bright and dull coal.

The nature and detail of the geological logging undertaken at VG4, VG5, VG6 and VG7 was of a sufficient standard to support the classification of Coal Resources.

As part of Miptec's inhouse quality assurance/quality control (**QA/QC**) procedures, there is continuous checking between the seam correlations in any newly drilled drill holes and those in the historical drill holes. This process is used to flag any irregularities between the new and old data.

8.13.2.5 Core Recovery

[SR3.2(i)(v)]

The logging geologist is responsible for calculating the core recoveries for all of the cored drill holes.

After each drill run, the driller calculates the depth of the hole by adding together the lengths of each of the drill strings, from the base of the drilling bit to the top of the quill rod and then subtracting the portion of the drill string protruding above surface. The measurement from ground level to the top of the quill rod is known as the "stick-up". The driller records the calculated depths onto wooden or plastic blocks and places it at the base of the last piece of core extracted from the core barrel. As well as recording the depths on blocks within the sequence of core, the driller also captures the depth calculations on the driller's daily report sheet.

The responsible geologist performs depth checks on each hole. The standard procedure during the 2017 and 2018 drilling was to use the wireline log to confirm the core recoveries, determine where the losses/gains occurred and to ultimately confirm that the core recovery within the coal seams was greater than 95%; if this was found not to be the case, a re-drill was requested. Drill holes that were weathered or burnt were exempt from this stipulation.

8.13.2.6 Geophysical Logging

SR3.1(vii); SR3.2(iii-v); SR10.3(i)

Downhole geophysical logging was undertaken on certain pre-2009 holes in order to allow for stratigraphic correlation, for core recovery calculations and to aid in the interpretation and sampling of the various coal zones.

The KE suite of open holes and all 2015 drill holes had a full suite of wireline logs. For the 2015 drill holes these were used for seam correlation, recovery estimation and as an aid in sampling.

Geoline Logging Services were the dedicated contractor for wireline surveys for the 2009 - 2015 drilling campaigns.

For the 2017/2018 drilling campaign, Wireline Workshop conducted the logging on all 32 drill holes.

Drill holes were geophysically logged for the following:

- Long- and short-spaced density;
- Natural gamma ;and
- Three-armed Caliper.

Currently, some of the pre-split holes at VG5 are wireline logged to assist with the short-term planning. There is a transgressive sill present over much of VG5 and wireline logging the pre-split holes aids in determining its location in relation to the coal seams and assists with the in-pit planning. The wireline intersections from the pre-split data are not shared with Miptec and are therefore not included in the geological model. It has been suggested to Salungano that the pre-split information be made available for future inclusion in the model to assist with the mine planning process.

8.13.3 Coal Sampling and Analysis

[SR3.3]

8.13.3.1 Coal Sampling Methodology

Detailed sampling of the coal seams was undertaken once the cores had been accurately logged and photographed. The samples are typically determined based on the intra-seam lithological boundaries. The minimum length of the sample was 30 cm. Partings greater than 30 cm were sampled separately, but where partings were less than 30 cm, these were included with the poorer-quality coal sample. Where thin intra-seam clastic partings were noted, these were duly sampled together with the coal seam to ensure representability. All intersected coal seams were sampled.

At Vanggatfontein it was possible to identify a consistent sequence of samples, using a combination of the geological and wireline logs. This greatly facilitates later correlation, compositing and modelling of the coal seams.

All samples were bagged, labelled (one label inside and one outside the bag) and sealed. Sample handling throughout the sampling, bagging and transport process was done in such a way as to ensure minimal change to the original sample. Once the samples were bagged, and the sample data recorded, the samples were transported to the laboratory as soon as possible. A sample list was completed in duplicate; one to accompany the samples to the laboratory and the other filed for future reference.

Due to the fact that the core recovery was good, and minimal fines material was lost during the drilling process, the samples and subsequent quality results are considered representative of the actual coal intersection.

In order to provide sufficient sample mass for the required proximate and total sulphur (**TS**) content analysis, a minimum sample weight of ~2 kg sample was targeted.

8.13.3.2 Coal Sampling Preparation and Laboratory Analysis

[SR3.4, SR5.3(i)]

Upon delivery of the samples, the laboratory checks the samples received against the sample submission sheet emailed by the responsible geologist. The samples are then weighed, air-dried (under controlled, prescribed atmospheric conditions) and conditioned before being crushed and screened to produce a -25 mm +0.5 mm sample fraction for analysis. For those samples requiring raw density analysis, the -0.5 mm fraction is screened out before analysis. The mass percentages of the two size fractions are determined and reported. The samples are then analysed.

The first ten drill holes samples were analysed at N-Tec Laboratory Services (**N-Tec**) in Middelburg, according to ISO standards. N-Tec was not accredited during that time. The rest of the holes drilled in 2011 were analysed at Noko Analytical Services (**Noko**) in Witbank. Noko received accreditation from the South African National Accreditation System (**SANAS**) in August 2011.

All of the sampled drill core seam intersections for the 2009 to 2015 drilling were analysed at the Commodity Services division of Inspectorate M&L (Pty) Ltd (**Inspectorate**). Inspectorate was established in 1930 as an affiliate of Inspectorate International - consulting industrial chemists, analysts and samplers. The company operated specialised coal laboratories in Middelburg and Durban, which were ISO/IEC 17025:2005 accredited. During 2007 - 2013 various inspections of the Inspectorate's laboratory in Middelburg were made, by both CCIC representatives and the Competent Person. During this time the Inspectorate also ran the on-mine laboratories for quality control purposes.

In 2013 Inspectorate became part of the global Bureau Veritas Group (**BV**), a world leader in testing, inspection and certification services. BV operates to the same high standards and continues to operate the on-mine laboratories for quality control purposes.

Coal samples were analysed for proximate analyses; Ash Content (**AS**), Inherent Moisture (**IM**) and Volatile Matter (**VM**) as well as for Calorific Value (**CV**), TS and Total Phosphorus in coal (**TP**).

This was done on a raw air-dried basis (adb) for all samples. Apparent relative densities (**ARDs**) were determined for each sample.

Initially, washability analyses were conducted on all samples at float density fractions (in grammes per cubic centimetre (g/cm³)) 1.40, 1.45, 1.50, 1.55, 1.60, 1.65, 1.70, 1.75, 1.80 and S1.80 (sink fraction), and later this was cut down to 1.4, 1.5, 1.6, 1.7, 1.8 and S1.8 sink fraction.

Washability analyses for the 12 cored holes drilled in 2011 were conducted on all samples at float density fractions (in g/cm³) 1.35, 1.45, 1.55, 1.65, 1.75, 1.85; and a 1.85 sink fraction

For the 2017/2018 exploration programme, the first three drill holes were analysed at BV in Middelburg, and the remainder at Noko. The change in laboratories was due to the fact that BV could not commit to completing the samples by the date required, whereas Noko confirmed their capacity. Both laboratories are SANAS-accredited, are utilised by other major South African coal mining companies and are subjected to regular laboratory audits. They frequently participate in recognized "round robin" quality control procedures, both locally and internationally, and the results and certificates thereof are available.

All of the coal samples were analysed for proximate analyses: AS, IM and VM, as well as for CV, TS and TP on selected samples only. This was done on a raw air-dried basis for all samples. ARDs were determined for each sample (raw RD). Washability tests were conducted for following float densities 1.4, 1.5, 1.6, 1.7, 1.8 and 1.9 g/cm³ and for the sinks at a 1.9 g/cm³ density.

Upon completion of the analysis, an official signed laboratory certificate with the reported raw, fractional and cumulative results is emailed to the client.

No bulk sampling work was done.

It is standard practice for laboratories to keep sample remains and pulps for approximately six months after analysis to allow for any re-analysis if required.

South African laboratories use a standard preparation method for coal samples.

8.13.3.3 Laboratory Quality Assurance/Quality Control

[SR3.5(i)(iii), SR3.6(i)]

Laboratories are required to calibrate their coal analytical equipment daily as well as participate in round robin proficiency tests to ensure a high standard of results as part of their quality assurance/quality control (**QA/QC**) process.

All result reports were verified by the laboratory manager and any inconsistencies or variations regarding the laboratory's specifications are re-analysed.

8.13.4 Data Management and Validation

SR 3.1(i); SR 3.1(ii) SR 2.1(iv); SR 3.1(vi); SR 4.1(i); SR 4.1(ii); SR 4.2(iii)

All drill hole collar and lithology information as well as the laboratory results are currently housed within an MS Excel™ database, managed and maintained by Miptec

Copies of the original drill hole logs, photographs, laboratory certificates, as well as the digital data, are available for viewing at the Vanggatfontein offices near Delmas.

8.13.4.1 Drill Hole Data Validation

All drill hole collar and lithology information as well as the laboratory results are currently housed within an MS Excel™ database, managed and maintained by Miptec. Copies of the original drill hole logs, photographs, laboratory certificates, as well as the digital data is available for viewing at the Vanggatfontein offices.

All historical exploration results are included in this database and are identified accordingly.

All paper logs were captured into the MS Excel™ database at the time of drilling by Miptec and verified by the responsible geologist.

All technical information has been verified by Miptec.

The majority of the drill holes included in the recent model have been individually checked for physical data errors including overlapping intervals, missing intervals, etc. as well as quality verifications including increasing cumulative ash values, decreasing cumulative volatile values and ensuring that proximate analyses sum to 100%, etc.

Any errors identified were investigated by the responsible person. All drill holes were presented graphically as well as plotted on plans for additional verification.

- **Drill Hole Collar Validation:** The most recent drill hole collars (2017/2018) were surveyed by Martiens Jooste of Survey and Resource Management, who are registered surveyors. A flown digital terrain model (DTM) surface was added to the model in 2020; this surface was used to check the collar elevations of the surveyed holes. All drill holes were checked against this surface for validation. No holes were omitted from the model based on any drill hole collar inconsistencies.
- **Seam Validation:** Drill holes are checked to ensure that the seams have been correctly correlated, that the lithographic intervals are in the correct sequence, that there are no negative thicknesses or anomalously thick intervals and that there are no inconsistencies in general. During the verification of the older drill holes, it was determined that the lithology of two drill holes did not fit those of the surrounding drill holes. On further investigation based on the original scanned logs, it was determined that in a couple of instances the drill holes names were mixed up, resulting in the drill holes being assigned incorrect coordinates. Additionally, these two holes were twinned, and based on the new information it was

determined that these holes were in fact swapped. These two drill holes were removed from the model. There are currently a few drill holes within the model which are slightly different (seam elevation or thickness) from the surrounding drill holes, thereby creating unexpected inconsistencies. It is well understood that there is a large transgressive sill, with associated uplift, that has affected the coal seams, so anomalies are not unexpected. It would, however, be advisable to drill additional drill holes in these areas to aid in understanding the differences noted, particularly in VG6.

- **Quality Validation:** Quality results were evaluated for inconsistent relationships. Checks to confirm that the sum of IM, AS, VM and FC contents (the proximate analyses) add up to 100% were performed, plots of AS versus CV, as well as AS vs. RD were also plotted in order to determine if there were any anomalous data points. Any such points were identified and investigated. If it was determined that the samples pertained to weathered and burnt samples, they were left in the database and included in the model. It is always good practice to include all weathered and burnt sample data to ensure the model does not interpolate the drill holes as unaffected and thus potentially erroneously increase the estimated Coal Resources. Weathered coal is excluded from the Coal Resources since the coal seams are set to truncate against the LOW surface, and the burnt coal is removed firstly, by creating exclusion polygons and secondly, by including a dry ash-free volatile matter (**DAFV**) cut-off condition during the estimation process (double check process).

Unsampled intervals were identified and standard values used (based on the available lithological descriptions, or proximity to dolerite), to ensure that the qualities were not over- or under-estimated.

It must be noted that CCIC was involved in all stages of the 2007, 2008, 2009 and 2015 drilling; and that the CP at the time, Dr PJ Hancox, personally either logged or check-logged more than half of the drill holes, satisfying himself as to the quality of the exploration data.

Subsequent to Miptec's involvement with the exploration and modelling at Vanggatfontein, the Exploration and Resource CP, Ms. KJ Black, has personally been involved in the logging and sampling of drill holes drilled during 2017/2018, as well as being involved in the on-site QA/QC procedures

Pervious external audits were undertaken on the project; however, this was prior to Miptec's involvement, and Miptec have not had sight of the results of these reviews.

Based on the verification techniques applied, the author and CP are satisfied that the data is valid and fit for purpose for the construction of a geological model which accurately reflects the original drill hole data, as well as the estimation of Coal Resources over the Vanggatfontein Resource area.

8.14 Coal Resources

[JSE12.10(h)(ix)]

8.14.1 Target Coal Seams

The target coal seams at Vanggatfontein include the S2, S4U, S4L and S5. Within the ERB, the S2, S4L, S4U and S5 are the economic coal seams within the opencast VG4 and VG5 pits. Within the planned underground VG7, the S2M is the only target seam, and within the planned VG6 underground, the S4M is considered the only economic target.

8.14.2 Geological Modelling

SR 2.1(iii); SR 4.2 (i); SR 4.2 (iv); SR 4.2(v)

The current geological modelling was undertaken by Ms. K. Black (Pri. Sci. Nat) of KJB GeoServices. Ms. Black is a registered member of SACNASP (Reg. no. 400295/12). The model was created using Datamine's StratModel™ (**Stratmodel**) software, which is a specialist software package designed for 3D modelling of tabular ore deposits such as coal. The model was peer reviewed by Mr L. Raaths based on the geological grids supplied from Stratmodel.

8.14.2.1 Modelling Process and Validation

[SR2.1(iii)]

The database was validated and the necessary input files for the model created in MS Excel™ format. These files, namely, a drill hole collar and lithology file (including the seam from and to depths and the LOW), along with the topography file were uploaded directly into StratModel. The modelling software includes a user-generated Schema, where the interpolators are set, modelled units are listed in downhole stratigraphic order (a form of model control), the relationships between parent and daughter seams defined and the nature of each unit set (e.g., conformable/non-conformable, transgressive, contiguous) specified. Should the input lithology file contain seams that are in the incorrect stratigraphic sequence, the model will report an error (logged as an error report) upon loading. This is the first level of data verification while modelling.

The structural model is built by first creating a table model with the information from the uploaded drill hole data, controlled by the set of rules contained in the Schema. The construction of the table model also produces an error report, that is checked by the modeller, and the data corrected accordingly.

Once the table model has been built, a 3D grid model is constructed. The grid modelling process interpolates the table data onto the grid block nodes. The grids' spatial orientation is determined by the centre point coordinates of the project area and the grid cell size is determined by the user, based on the drill hole spacing. The interpolators used to model the data are specified by the modeller and can vary from project to project depending on the data. For this project, the Inverse Distance Cubed interpolator was used to ensure close honouring of the actual data.

Various checks were done to compare the model data with the drill hole data in order to ensure accurate data honouring.

Three hundred and twenty six fully cored drill holes were used to create the geological model. The average spacing of the drill holes across the licence area is 151 m; based on this, a grid cell size of 30 m was used. The structural model is set to truncate the coal seams where they intersect the LOW, ensuring Coal Resources for only unweathered coal are estimated. Extrapolation of data was constrained to 250 m beyond the last known data point.

Besides lithological verifications, the quality data were checked against the drill hole intervals to ensure that there were no missing or overlapping samples. If it was found that partings within coal seams were not sampled, then appropriate standard values (based on lithology) were assigned, to reflect the quality of the coal more accurately. However, very few standard values were required, and predominantly pertain to mudstone/sandstone partings that were not sampled.

Verification routines regarding the import of quality data are also built into StratModel. Should any inconsistencies between the modelled lithology and imported sample depths be detected, these are reported in a Quality Load error report. This report is then interrogated, the listed errors corrected, and the edited quality file reloaded.

The quality model is created similarly to the structural model – first by loading the quality data into a table file, interrogating the error log, compositing the individual ply data, and lastly, creating the grid model.

The resultant grid model is interrogated by creating data value posts, statistical reports, contour plots, various grid arithmetic plots and posts, and both two- and three-dimensional cross sections.

The following surfaces were modelled for each of the mineable coal seams, as well as for the dolerite:

- Topography;
- Limit of weathering;
- Seam roof and floor elevations;
- Seam thickness;
- Interburden thicknesses;
- Raw air-dried qualities; and
- Washed qualities.

In addition, the interburden thicknesses, the dolerite roof and floor elevations and thickness were also modelled.

The resource boundaries are based on the sub-outcrops of the seams, cut-off seam thicknesses and qualities, the licence boundary, the road and pipeline servitudes as well as the environmental buffers.

The model is an established model, which undergoes annual scrutiny during the annual Coal Resource and Reserve reporting process, whereby the actual coal mined is reconciled against the model, and any necessary adjustments made. This is therefore also an indirect check on the lithological and quality data. The results of the reconciliations confirm that the data included in the geological model accurately reflects the coal in the ground.

8.14.2.2 Physical Results

For each seam, the physical parameters of the seam elevation and the depth from surface of the seam floor and roof were modelled; the LOW was similarly modelled. The thickness of each seam was also modelled and used as the basis for the estimation of the Coal Resource volumes. Although all these parameters were modelled, only the floor elevation, depth from surface and the seam thickness results are presented in Figure 8-11 to Figure 8-22, along with a brief description of the results. In addition, classical statistics for the modelled seams are compared with similar statistics derived from the drill hole data. The purpose for this comparison is to determine whether the model is a true reflection of the data or if the modelling algorithm has changed the apparent nature of the deposit.

Regarding the S2 plots, within VG4 and VG5, the full S2 as mined and included in the Coal Resource Estimate is illustrated, whereas in VG7, the S2M select horizon is illustrated. Likewise, the S4L plots illustrate the full S4L in VG4 and VG5, but only the S4M select horizon within VG6.

No. 2 Seam

The S2 is present over the majority of Vangatfontein; however, due to devolatilisation of the seam in the WRB by an underlying sill, the S2 is only considered economic in the ERB, within VG4, VG5 and VG7. As VG7 is a planned underground section, a select portion of the seam, with a maximum mining height of 4.8 m (from the roof down), has been designated as the target mining horizon, and termed the S2M. In the section below, discussions regarding VG4 and VG5 refer to the full S2 characteristics, whereas the characteristics of only the S2M are referenced for VG7.

Physical statistics for the S2 and S2M are presented Table 8-7 (drill hole statistics) and Table 8-8 (model statistics) and illustrated in Figure 8-11 to Figure 8-13.

The comparison between the drill hole and model statistics generally indicates a good correlation between the drill hole data and resultant model; however, in areas such as VG4 where only a few (four) drill holes are present, the model statistics differ from the drill hole statistics more notably, as due to the limited drill hole distribution, the model grids are affected by drill holes outside of the resource polygon. The better the drill hole distribution throughout a resource area (limited clustering, sufficient drill holes along the boundary and in structurally different areas), the more representative are the grids. As VG4 is nearing the end of its life, no additional drill holes will be drilled in this area.

Table 8-7. No. 2 Seam Drill Hole Statistics

No. S2 Seam Borehole Statistics											
Resource Area	Seam	Parameter	Number	Average	Minimum Hole Name	Value	Maximum Hole Name	Standard Deviation	Skewness	Kurtosis	
VG4	S2	Thick (m)	4	7.97	VG07_14	5.76	VG15_05	10.05	2.02	1.06	-0.75
		Depth to Roof (m)	4	88.13	VG07_14	75.67	VG15_05	112.68	16.66	1.83	-0.75
		Floor Elevation (mamsl)	4	1500.93	VG15_05	1471.38	VG07_14	1510.54	19.12	-1.15	-0.67
VG5	S2	Thick (m)	31	6.47	VG07_55	2.59	VG08_105	8.66	1.58	-0.67	-0.32
		Depth to Roof (m)	31	62.72	VG07_55	29.14	VG08_94	77.48	12.81	-1.27	0.81
		Floor Elevation (mamsl)	31	1497.45	VG18_02	1484.07	VG17_12	1530.17	12.99	1.07	0.35
VG7	S2M	Thick (m)	10	4.8	VG08_95	4.8	VG07_33	4.8	0	-2.667	5.111
		Depth to Roof (m)	10	66.992	VG08_96	45.633	VG17_07	77.377	10.002	-0.679	-0.311
		Floor Elevation (mamsl)	10	1501.67	VG17_06	1493.53	VG08_96	1514.72	7.816	0.726	-0.92

Table 8-8. No. 2 Seam Model Statistics

No. S2 Seam Model Statistics									
Resource Area	Seam	Parameter	Number	Average	Minimum	Maximum	Standard Deviation	Skewness	Kurtosis
VG4	S2	Thick (m)	233	7.77	2.31	10.14	1.33	-0.62	0.64
		Depth to Roof (m)	233	80.76	57.93	111.85	11.39	0.40	-0.01
		Floor Elevation (mamsl)	233	1502.74	1472.20	1523.52	10.59	-0.67	0.38
VG5	S2	Thick (m)	659	6.16	2.34	8.54	1.40	-0.66	-0.26
		Depth to Roof (m)	659	60.17	23.00	77.67	12.76	-0.74	-0.34
		Floor Elevation (mamsl)	659	1501.05	1482.47	1538.48	12.32	0.65	-0.36
VG7	S2M	Thick (m)	412	4.686	2.45	4.8	0.371	-3.938	15.749
		Depth to Roof (m)	412	63.539	39.12	77.262	8.723	-0.916	0.19
		Floor Elevation (mamsl)	412	1503.807	1493.828	1522.677	6.184	0.795	-0.042

The S2 ranges in thickness from 4 – 9 m across the ERB, averaging 7.8 m in VG4 and 6.2 m in VG5. Within VG7, the S2M is limited to a maximum thickness of 4.8 m, reflected in the average thickness of 4.7 m (Figure 8-11). The seam is thickest in VG4, increasing towards the west where the seam reaches almost 10 m in thickness. Within VG5, the S2 is thickest in the central portion of the resource area, thinning outwards towards the east where the seam subcrops.

The depth to the S2 roof, as illustrated in Figure 8-12, is deepest in VG4, where it increases from less than 60 m in the east to over 100 m in the west (a function of the dipping nature of the seam floor, and possible seam displacement not identified in the drill holes). VG5 and VG7 have a depth to seam roof less than 50 m in the east and west, increasing to around 70 m in the centre. The depth to seam roof within VG7 ranges between 60 and 80 m.

The S2 floor dips towards the west (Figure 8-13), ranging from less than 1 540 mamsl in the east to less than 1 480 mamsl in the northwest of VG4. Within VG5, the actual synformal nature of the seam is evident, with the lowest elevations in the centre, increasing in both the east and west.

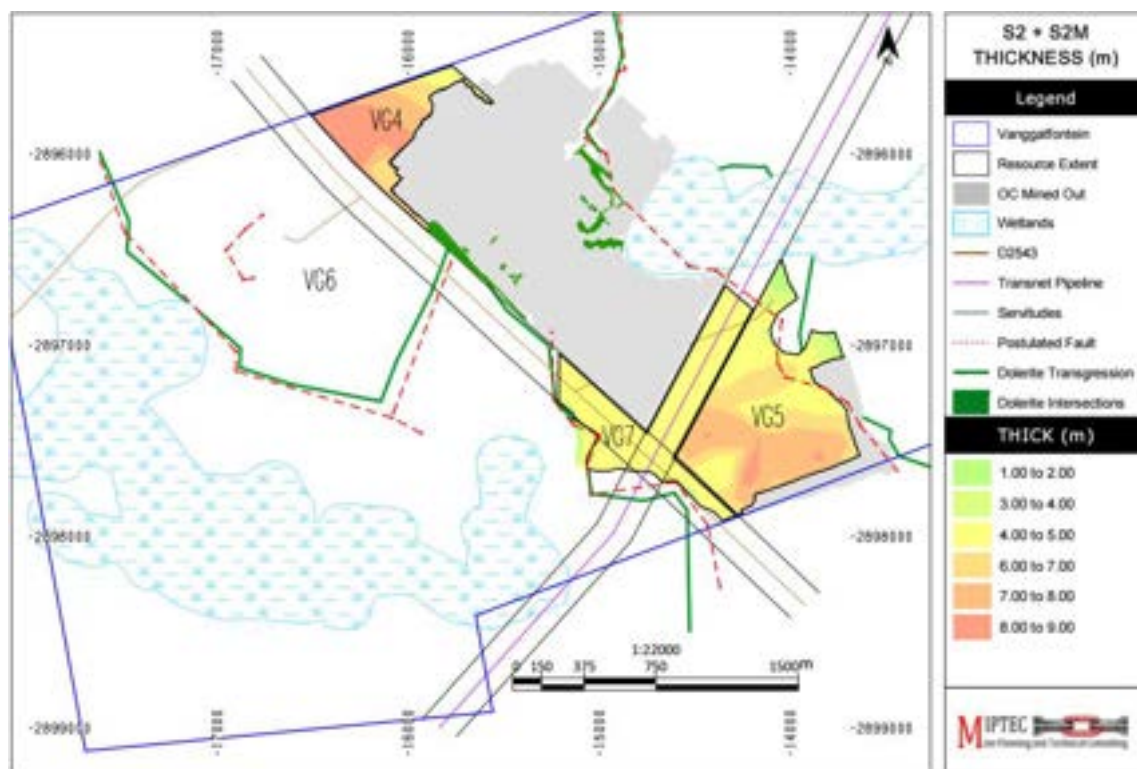


Figure 8-11. No. 2 and No. 2M Seam Thickness (m).

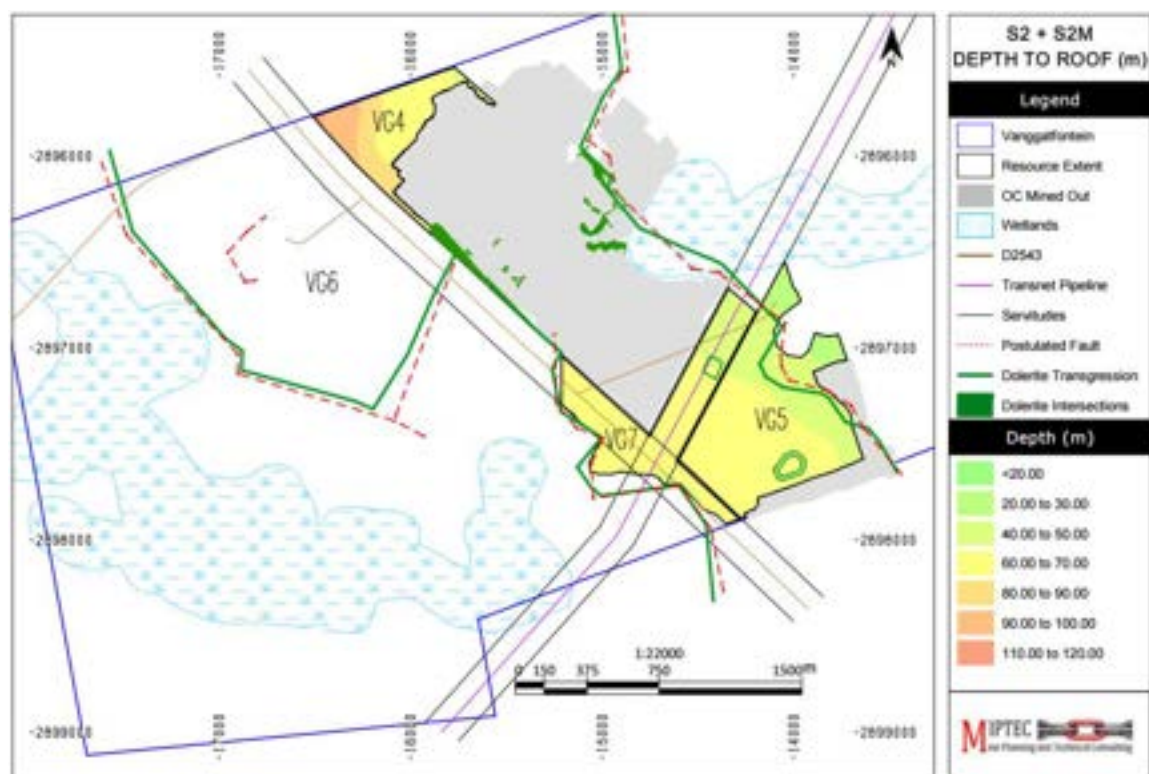


Figure 8-12 No. 2 and No. 2M Seam Depth to Roof (m).

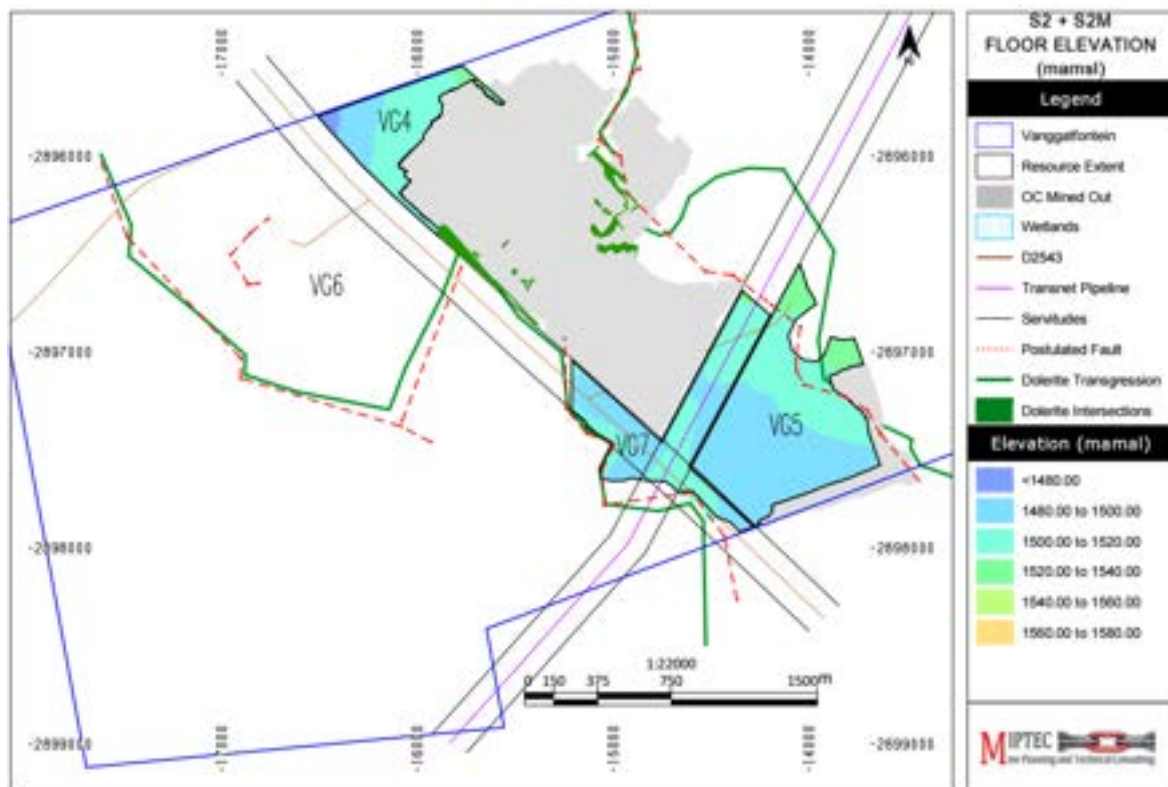


Figure 8-13. No. 2 and No. 2M Seam Floor Elevation (mamsl).

No. 4 Seam

The S4 is present across the majority of Vanggatfontein; within the ERB, the S4 is mined via opencast methods, whereas in the WRB, namely VG6, it is planned as an underground operation. The S4 has been split into an upper and lower ply based on the coal lithology. The S4U is the poorer quality upper ply, whereas the S4L is the better-quality bottom portion of the seam. Within VG4, the S4U and S4L are mined and processed for Eskom, whereas within VG5, the S4U is heat-affected by the overlying sill, and is therefore stockpiled separately for sale to an alternative market. Within VG6, a select portion of the S4L has been designated as the target mining horizon, termed the S4M, with a maximum mining height of 4.8 m from the floor of the S4L up. Should the S4L be less than 4.8 m thick, the S4M will not extent up into the S4U above, as the S4U qualities are too poor. As the S4M is the only portion of the S4L considered economic in the WRB, it is therefore the only portion of the S4L discussed in relation to VG6.

S4L Seam

Physical statistics for the S4L and S4M are presented in Table 8-9 (drill hole statistics) and Table 8-10 (model statistics) and illustrated in Figure 8-14 to Figure 8-16.

Table 8-9. No. 4 Seam Drill Hole Statistics

S4L + S4M Borehole Statistics											
Resource Area	Seam	Parameter	Number	Average	Minimum		Maximum		Standard Deviation	Skewness	Kurtosis
					Hole Name	Value	Hole Name	Value			
VG4	S4L	Thick (m)	4	4.32	VG07_14	3.86	VG07_62	4.87	0.42	0.39	-0.86
		Depth to Roof (m)	4	75.14	VG07_14	64.76	VG15_05	94.96	13.48	1.02	-0.75
		Floor Elevation (mamsl)	4	1515.77	VG15_05	1494.91	VG07_14	1523.34	13.92	-1.15	-0.67
VG5	S4L	Thick (m)	16	3.41	VG07_19	1.89	VG07_54	4.11	0.53	-1.36	2.23
		Depth to Roof (m)	16	46.96	VG17_12	17.10	VG08_94	55.15	9.16	-2.36	5.23
		Floor Elevation (mamsl)	16	1517.74	VG08_105	1510.83	VG17_12	1542.42	8.05	1.94	3.52
VG6	S4M	Thick (m)	25	4.04	VG08_151	2.38	VG08_119	4.80	0.83	-0.69	-0.86
		Depth to Roof (m)	25	61.33	VG09_221A	31.57	VG08_194A	96.55	17.84	0.13	-0.82
		Floor Elevation (mamsl)	25	1526.70	VG08_194A	1494.70	VG09_221A	1556.25	13.87	-0.33	0.00

Table 8-10. No.4 Seam Model Statistics

S4L + S4M Borehole Statistics									
Resource Area	Seam	Parameter	Number	Average	Minimum	Maximum	Standard Deviation	Skewness	Kurtosis
VG4	S4L	Thick (m)	233	4.61	3.82	5.44	0.24	0.06	0.97
		Depth to Roof (m)	233	67.45	46.53	94.86	10.12	0.28	-0.82
		Floor Elevation (mamsl)	233	1519.21	1494.54	1534.89	7.99	-0.80	0.82
VG5	S4L	Thick (m)	432	3.18	0.67	4.99	0.58	-0.74	1.26
		Depth to Roof (m)	432	45.27	15.74	54.98	8.19	-1.64	2.58
		Floor Elevation (mamsl)	432	1519.96	1510.80	1544.06	6.79	1.62	2.52
VG6	S4M	Thick (m)	1417	4.09	1.71	4.80	0.72	-0.72	-0.53
		Depth to Roof (m)	1417	60.54	26.94	106.74	18.76	0.31	-0.96
		Floor Elevation (mamsl)	1417	1527.47	1492.50	1556.32	13.82	-0.62	-0.36

As per the S2 model statistics, there is a good correlation between the drill hole and model statistics in VG5 and VG6, with the largest differences noted within VG4, due to the limited drill hole density, and the effect from drill holes outside of the resource polygon.

Figure 8-14 illustrates the S4L and S4M thickness across VG4, VG5 and VG6, respectively. VG7 is not included in the figures below as the S4 is not considered mineable under the road and the pipeline where the S2 is the main economic target. The S4L is thickest in the north, thinning somewhat to the south; the seam averages 4.6 m in VG4, 3.2 m in VG5 while the S4M averages 4.1 m in VG6.

As per the S2 above, the S4 is shallowest along the far eastern and western extents of the resource area (less than 50 m in VG4 and less than 40 m in VG5 and VG6), increasing in depth in the central portion and northern-most extent of the resource area (Figure 8-15). The depth to roof characteristic is a function of both the seam geometry as well as the surface topography.

The S4L and S4M floor elevation is highest in the eastern and western extents of the resource area (~1 560 mamsl), and lowest in the north-central portion ~1 500 mamsl (Figure 8-16), mirroring the synformal nature of the S2 below.



Figure 8-14. No. 4L and No. 4M Seam Thickness (m)



Figure 8-15. No. 4L and No. 4M Seam Depth to Roof (m).



Figure 8-16. No. 4L and No. 4M Seam Floor Elevation (mamsl).

S4U Seam

Physical statistics for the S4U are presented in Table 8-11 (drill hole statistics) and Table 8-12 (model statistics) and illustrated in Figure 8-17 to Figure 8-19.

Table 8-11. No. 4U Seam Drill Hole Statistics

No. 4U Seam Borehole Statistics											
Resource Area	Seam	Parameter	Number	Average	Minimum		Maximum		Standard Deviation	Skewness	Kurtosis
					Hole Name	Value	Hole Name	Value			
VG4	S4U	Thick (m)	4	4.76	VG07_62	4.14	VG15_05	5.30	0.48	-0.28	-1.10
		Depth to Roof (m)	4	70.38	VG07_14	59.86	VG15_05	89.66	13.18	0.98	-0.77
		Floor Elevation (mamsl)	4	1520.08	VG15_05	1499.15	VG07_14	1527.20	13.96	-1.15	-0.67
VG5	S4U	Thick (m)	15	2.77	VG08_94	1.69	VG07_19	3.45	0.41	-1.05	1.43
		Depth to Roof (m)	15	46.18	VG18-10	35.35	VG08_94	53.46	4.70	-0.99	0.76
		Floor Elevation (mamsl)	15	1519.53	VG08_105	1514.33	VG18-10	1528.44	4.56	0.83	-0.52

Table 8-12. No.4U Seam Model Statistics

No. 4U Seam Model Statistics									
Resource Area	Seam	Parameter	Number	Average	Minimum	Maximum	Standard Deviation	Skewness	Kurtosis
VG4	S4U	Thick (m)	233	4.58	3.17	5.22	0.48	-0.96	0.86
		Depth to Roof (m)	233	62.85	42.93	89.57	9.82	0.33	-0.05
		Floor Elevation (mamsl)	233	1523.83	1498.70	1540.00	8.13	-0.81	0.84
VG5	S4U	Thick (m)	427	2.75	0.83	4.15	0.44	-0.37	1.33
		Depth to Roof (m)	427	42.92	16.36	53.14	7.34	-1.53	2.54
		Floor Elevation (mamsl)	427	1522.87	1514.38	1545.25	6.01	1.54	2.60

Taking the limited drill hole density in VG4 into account, the correlation between the drill hole and model statistics in VG4 is considered good. The largest differences are noted in the floor elevations and depths to roof of the seam. Again, these differences are attributed to the limited number of drill holes in VG4, as well as the influence of drill holes close to, but outside of the resource extent; these holes will have an impact on the model not reflected in the drill hole statistics.

Figure 8-17 illustrates the S4U thickness across VG4 and VG5; the seam is thickest in the north, ranging between 4 – 5 m, and averaging 4.6 m. The seam thins toward the south, ranging between 2 – 4 m, and averaging 2.8 m in VG5.

As per the S4L below, the S4U is shallowest along the eastern extent of the resource areas (less than 50 m in VG4 and less than 40 m in VG5), increasing in depth in the central portion and northern most extents (Figure 8-18).

The S4U floor elevation is highest in the east of VG4 (>1 560 mamsl), decreasing towards the north west (< 1 520 mamsl), whereas in VG5, the floor elevations are highest in the east and west (>1 540 mamsl) and lowest in the central portion <1 520 mamsl (Figure 8-19Figure 8-16).



Figure 8-17. No. 4U Seam Thickness (m).



Figure 8-18. no. 4U Seam Depth to Roof (m).



Figure 8-19. No. 4U Seam Floor Elevation (mamsl).

No. 5 Seam

Physical statistics for the S5 are presented in Table 8-13 (drill hole statistics) and Table 8-14 (model statistics) and illustrated in Figure 8-20 to Figure 8-22.

Table 8-13. No. 5 Seam Drill Hole Statistics

No. 5 Seam Borehole Statistics											
Resource Area	Seam	Parameter	Number	Average	Minimum		Maximum		Standard Deviation	Skewness	Kurtosis
					Hole Name	Value	Hole Name	Value			
VG4	S5	Thick (m)	4	1.34	VG11_012	1.14	VG15_05	1.75	0.28	0.96	-0.84
		Depth to Roof (m)	4	49.97	VG07_14	38.76	VG15_05	72.13	15.02	1.04	-0.74
		Floor Elevation (mamsl)	4	1543.92	VG15_05	1520.23	VG07_14	1551.93	15.80	-1.16	-0.67

Table 8-14. No. 5 Seam Model Statistics

No. 5 Seam Model Statistics									
Resource Area	Seam	Parameter	Number	Average	Minimum	Maximum	Standard Deviation	Skewness	Kurtosis
VG4	S5	Thick (m)	205	1.55	1.18	1.75	0.17	-0.60	-0.79
		Depth to Roof (m)	205	43.01	21.39	71.51	10.95	0.48	-0.17
		Floor Elevation (mamsl)	205	1546.64	1520.30	1564.05	9.21	-0.86	0.44

Comparison of the drill hole and model statistics is as expected based on the data distribution in VG4. As per all other seams statistical differences, the largest differences are noted in the depth to roof and floor elevation; a function of the influence of drill holes outside of the resource polygon and poor drill hole coverage within the area.

Within the ERB, the S5 resource extent is limited to the remaining portion of VG4. The seam averages 1.3 m thick, ranging between 1 – 1.5m across VG4 (Figure 8-20).

As with the underlying S2 and S4, the depth to the S5 roof is shallowest in the east (less than 20 m deep), increasing to over 70 m in the west (Figure 8-21).

Figure 8-22 indicates the elevation of the S5 which is greatest in the east (>1 560 mamsl), decreasing to less than 1 520 mamsl as the seam dips to the west.

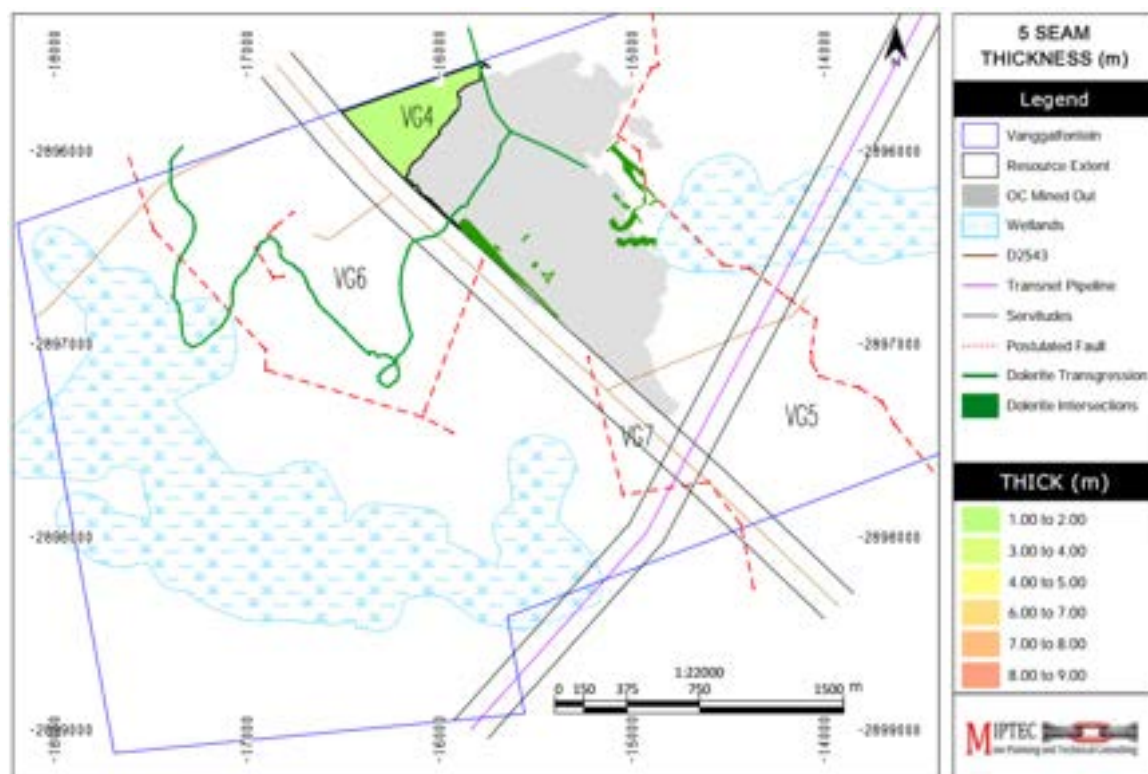


Figure 8-20. No. 5 Seam Thickness (m).

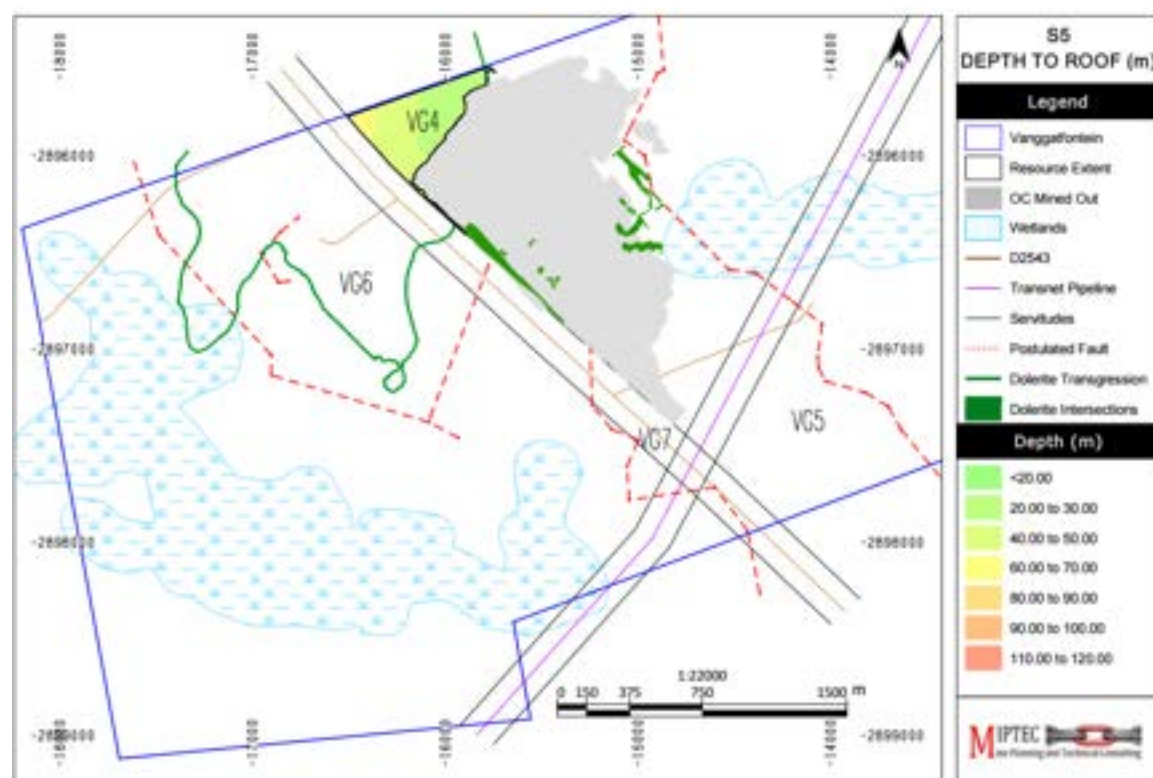


Figure 8-21. No. 5 Seam Depth to Roof (m).

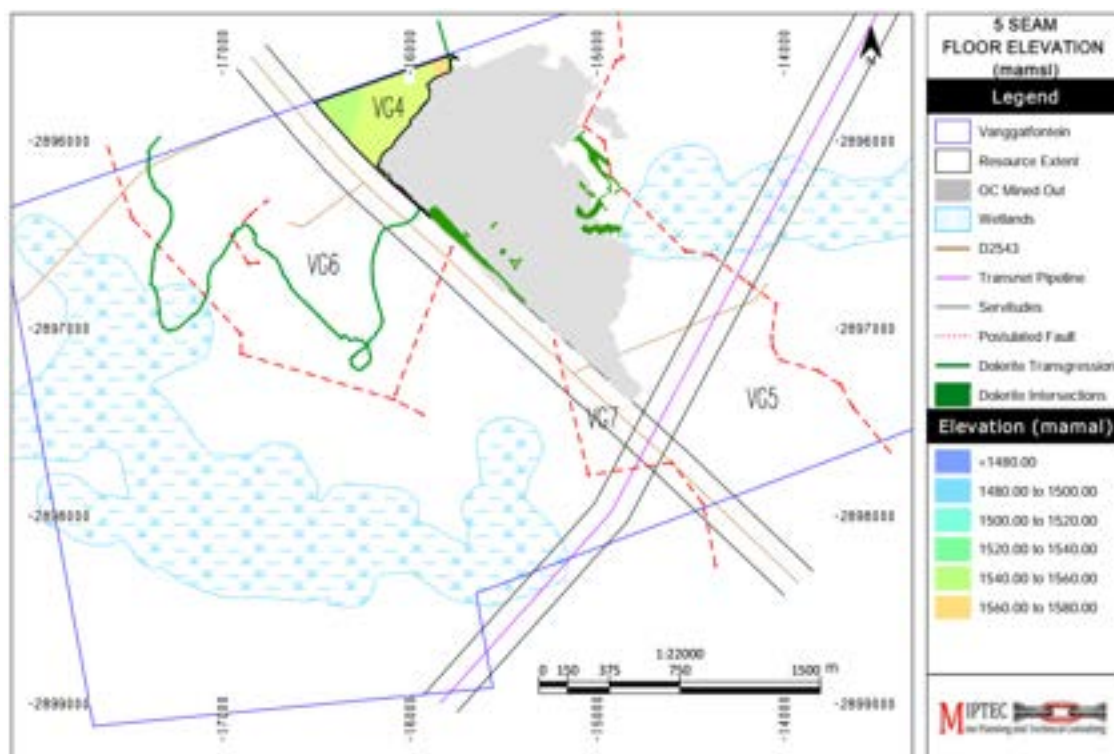


Figure 8-22. No. 5 Seam Floor Elevation (mamsl).

Cross Sections and Structural Interpretations

[SR3.1(vii) (viii)]

A number of geological cross sections were generated to test the geological model, six of which are included below. The locations of the cross sections are illustrated in Figure 8-23, the West-East cross sections in Figure 8-24, and the North-South cross-sections in Figure 8-25.

The cross-sections illustrate that the coal seams are representative of a multiple seam coal-deposit type, as they are discrete coal seams separated by much larger interburdens of varying thicknesses.

Figure 8-24 illustrates cross sections A-A', B-B' and C-C', all of which have a vertical exaggeration of three in order to magnify any structures present. Section A-A' and B-B' indicate the fault in the west, as well as the transgressive nature of the dolerite sill; this area has been excluded from the Coal Resources. Within VG6 and VG4, the sill is located above the S5, until it transgresses down through the seam to above the S4 in VG4. Also notable in these cross sections is the increase in the elevation of the seams, as well as the basement high in the east, against which the seam subcrop.

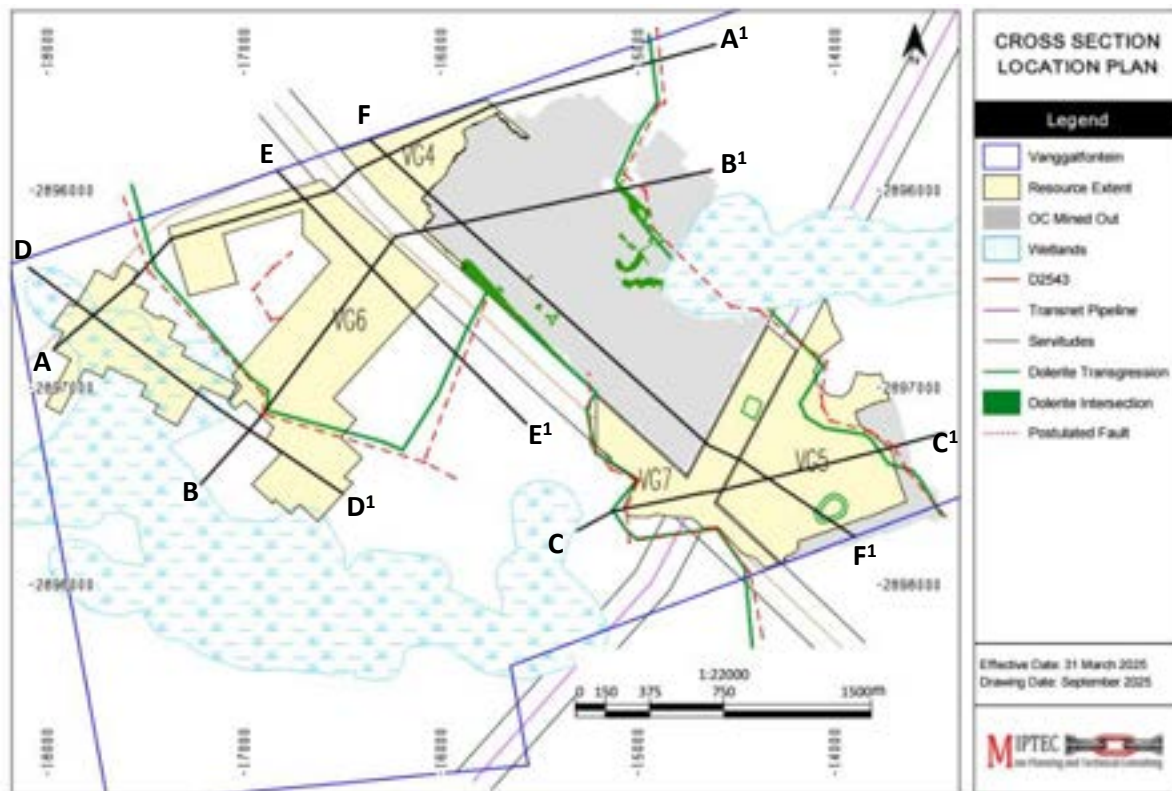


Figure 8-23. Cross Section Location Plan.

Cross Section C-C' is a West-East section through the VG7 underground, into the VG5 opencast area. A fault has been postulated to the west of VG7 and the east of VG5, based on the difference in seam elevations, as well as the stratigraphic location of the dolerite intersections in the drill holes. Within VG5, the dolerite sill is located above the S4U, devolatilising the coal to varying degrees. To the east of VG5, the dolerite transgresses the S4 and S2 seams until it is located beneath the S2. Somewhat noticeable in the sections is the synformal nature of the seams in VG5; the seam elevation is lowest in the centre, increasing towards the east and west.

Figure 8-25 includes North-South sections D-D', E-E' and F-F', all of which have a vertical exaggeration of three. Section D-D' through VG6, indicates the location of the dolerite sill below the S2, rendering it burnt in places. The S2 in VG6 is not considered economic due to the varying amounts of devolatilisation. Section E-E', located in the eastern extent of VG6, illustrates the dipping nature of the seams to the north, as well as the change in position of the sill from below the S2 to above the S5. Also notable is the postulated fault and the location of the sill transgression to the south of VG6, beyond which the coal measures are not considered economic.

Section F-F' indicates the dipping nature of the seams in the current VG4 pit, the already mined out portion of VG4 and VG3, as well as VG5. In VG5, the dipping nature of the seams towards the south as well as the location of the sill above the S4U is evident. Towards the southern part of the VG5 resource area, the sill transgresses into the S2 below; the coal in this localised area has been removed from the resources. All of the S4U is heat-affected by the sill to some degree.

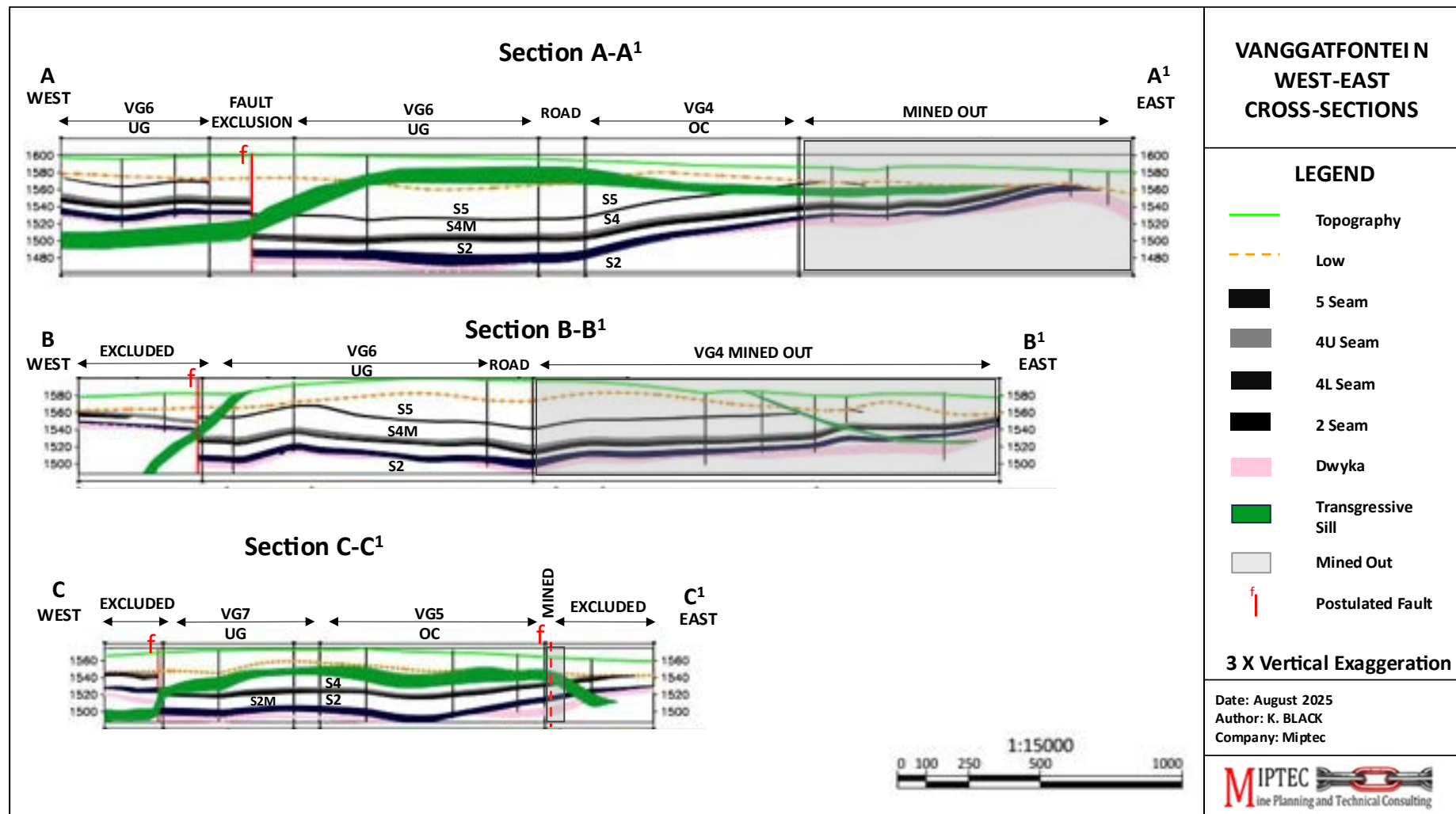


Figure 8-24. West-East Cross Sections

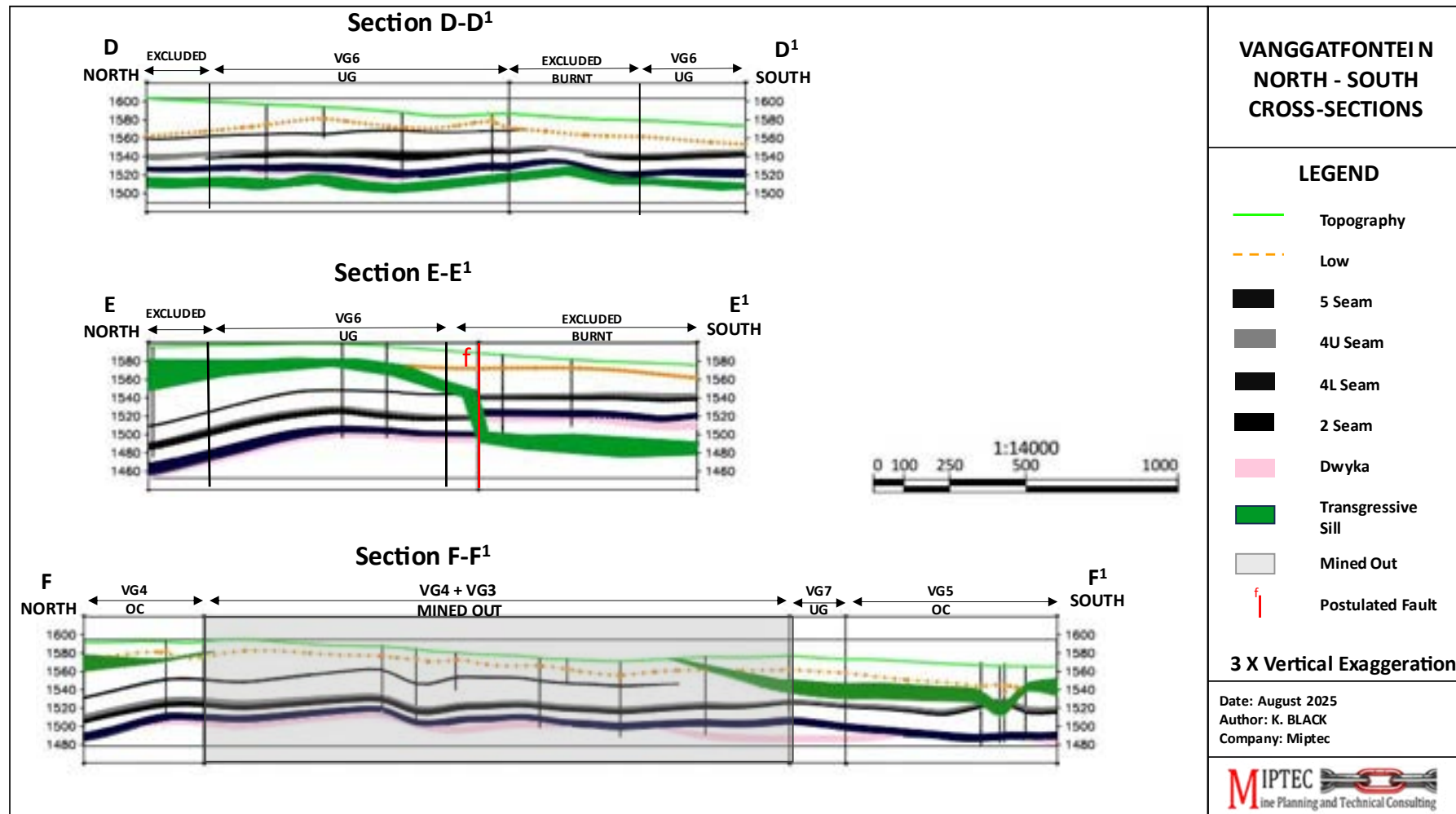


Figure 8-25. North-South Cross Sections

Dolerite

Dolerite has been intersected in multiple drill holes throughout Vanggatfontein, as well as being identified in the aeromagnetic study conducted in 2013 by Xcalibur Airborne Geophysics. GAP Geophysics (Pty) Ltd managed the survey commissioning, airborne data acquisition and processing quality control, plus the final data interpretation. The work identified multiple dolerite dykes and sills, with the conclusion that the greatest loss-of-ground impact would be limited to the WRB. The digital data pertaining to the interpreted dykes, sills and faults were provided in DXF format for inclusion in the geological model, the interpretation of which is included in Figure 8-26.

The interpreted dolerite sill in VG5 has been confirmed by both drill hole intersections and actual mining. Within VG5, the dolerite sill is largely located above the coal seams; however, it transgresses the S4 totally devolatilising it in places, as illustrated in the cross sections above. Within VG4, the dolerite sill is located above the S5, with very limited effect on the coal seams. Intersection of dolerite in both VG4 and VG5 has not stopped mining activities.

In order to determine the approximate locations of the dolerite transgressions through the coal seams, the stratigraphic position of the dolerite intersection in every drill hole was plotted. The result of this investigation allowed for the delineation of areas where the stratigraphic position of the dolerite changed (either above or below a particular coal seam); and therefore, the identification of the zones of dolerite transgression (Figure 8-27). Additionally, the floor elevations of the seams were studied and where the differences were notable, the locations of the interpreted faults were plotted. The faulting is associated with the zones of dolerite transgression.

Within the WRB, VG6 is largely constrained by faulting and dolerite; the sill is largely located above the S4; however, it does transgress in both the west and the south, with associated displacement of the seams.

The dolerite intersections as mapped by the survey company were previously provided to Miptec for inclusion in the geological model. However, in the past few years, no structural information (dolerite intersections or faulting) has been made available, despite numerous requests. It must therefore be noted that the actual dolerite intersections as encountered during mining and depicted in Figure 8-27 are incomplete.

It has always been the recommendation of Miptec that additional structural drilling is required throughout VG6 to confirm the position of the interpreted faults and dolerite transgressions.

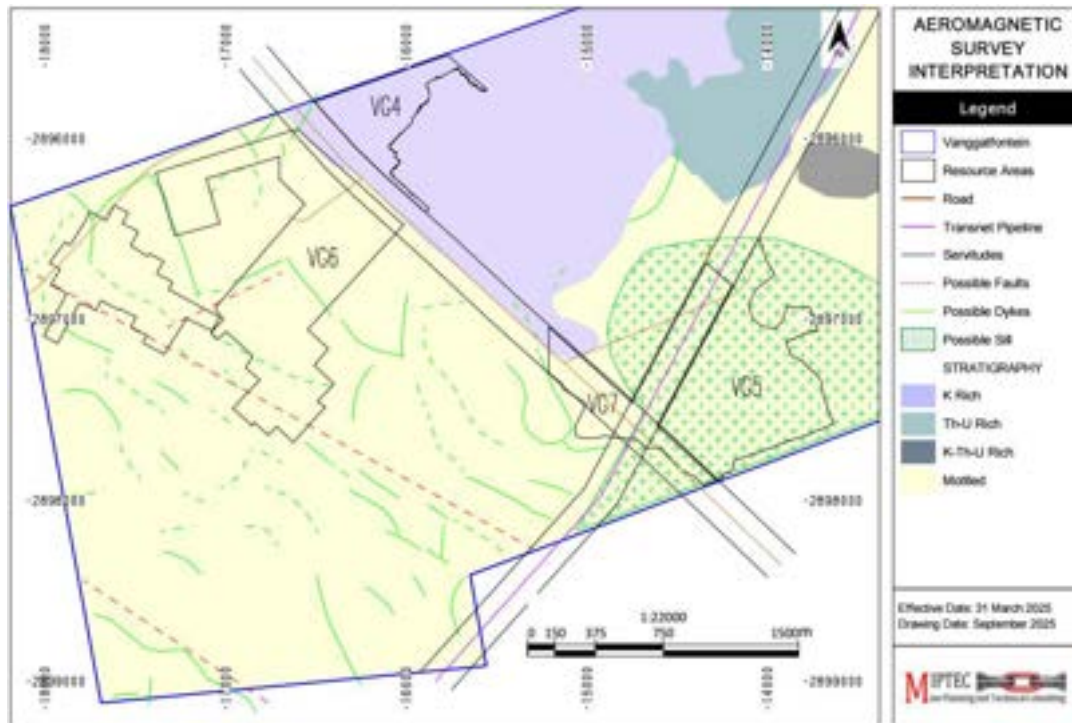


Figure 8-26. Aeromagnetic Geophysical Interpretation.

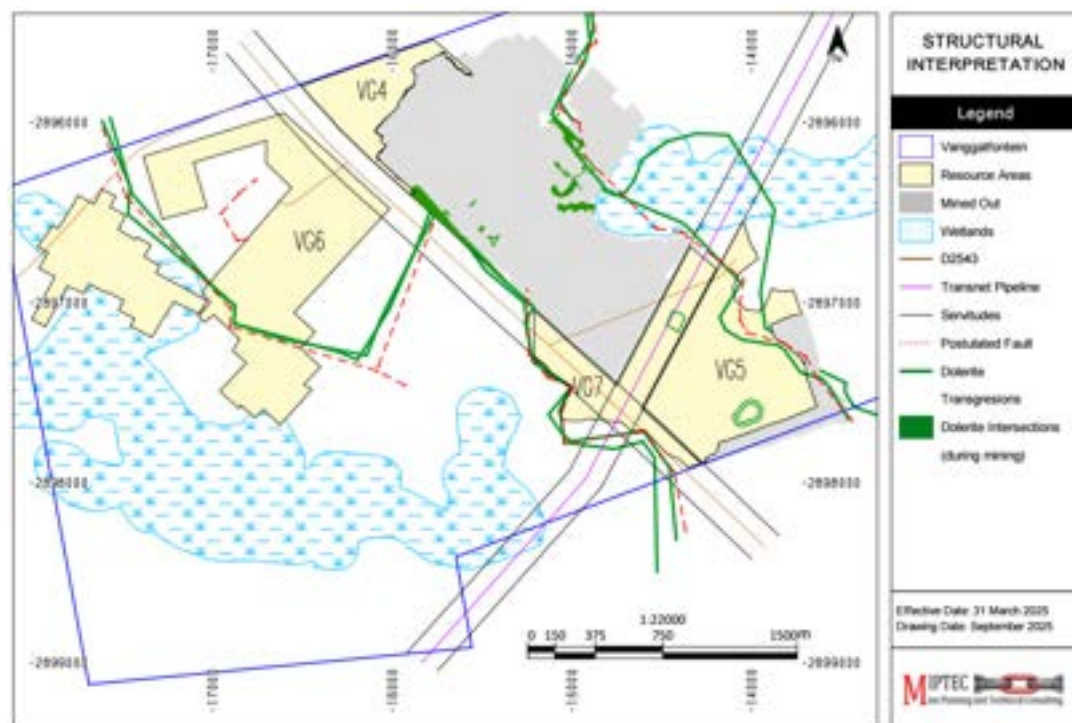


Figure 8-27. Structural Interpretation included in the Geological Model.

8.14.2.3 Quality Results

SR 4.5(i); SR 4.5(ii)

Raw and washed coal qualities (adb) were modelled for each seam. These include AS, CV, IM, FC, TS, VM and DAFV. The average raw coal qualities were estimated by weight-averaging the individual coal ply qualities on both thickness and density, whereas the washed coal qualities were weight-averaged on ply thickness and yield.

The wash data as received from the laboratory are loaded into StratModel, where the wash tables are normalised to a standard set of wash densities prior to compositing and gridding the data on a per seam, per wash density basis. The wash quality model can then be used to estimate potential products and their associated Coal Resources.

Included in Figure 8-28 to Figure 8-71 are the raw and F1.8 quality plots and frequency distribution histograms for the S5, S4U, S4L and S2.

No. 2 Seam

The raw ash content of the S2 is generally between 28 – 32% across the majority of the resource extent, increasing to over 40% in a few isolated places (Figure 8-28). The average raw ash content of VG4 is 33.5%, 32.3% in VG5 and the S2M ash content of VG7 is 29.5%. At a wash density of 1.8 g/cm³ (**F1.8**) depicted in Figure 8-29, 100% of the coal has an ash content less than 28%, with most of the coal falling between 22 – 24%. The average F1.8 ash content of VG4 is 22.1%, and that of VG5 is 22.6%.

The raw CV content of the S2 ranges between 18 – 22 MJ/kg across much of the resource area, with a few higher and lower values scattered throughout (Figure 8-30). Within the opencast areas, 87% of the coal has a raw CV content greater than 18 MJ/kg, whereas in the underground area, 100% of the coal analysed has a raw CV content greater than 18 MJ/kg, averaging 20.9 MJ/kg in VG7. At F1.8, the CV values increase to between 22 – 24 MJ/kg (Figure 8-31), averaging 23.3 MJ/kg in VG4 and 23.4 MJ/kg in VG5.

The raw TS content of the S2 is higher in VG5 and VG7 than in VG4 (Figure 8-32). Within VG4, the TS content of the seam ranges between 0.8 – 1.2%, averaging 0.93%, whereas in VG5, the raw TS content increases to over 2% in places, averaging 1.2%. Within VG7, the raw TS content of the S2M also averages 1.2%. Analysis of the F1.8 data (Figure 8-33) indicates that the sulphur largely liberates during the beneficiation process, averaging 0.5% in VG4 and 0.78% in VG5.

The raw VM content of the S2 generally ranges from 20 – 24% throughout (Figure 8-34), with 96% of the opencast data and 82% of the Underground data analysed indicating VM contents greater than 18%. Within VG7, the 18% of data with raw VM content less than 18% is because of two drill holes, with values of 17.43% and 17.98%. The F1.8 VM content of all the analysed S2 data is greater than 20%; however, some areas within Figure 8-35 indicate VM contents less than 18% along the periphery of VG5, due to the influence of drill holes outside the delineated resource extent.

The F1.8 VM content of VG4 and VG5 are 23.3% and 23.4%, respectively. The DAFV content indicates that within the opencast areas, 100% of the coal analysed has a DAFV content greater than 28%, whereas in the underground area, 91% of the S2M data analysed has a DAFV content greater than 28% (

Figure 8-36); only one drill hole has a DAFV content of 27.1%.

The F1.8 theoretical yield generally ranges between 70 - 90% for the S2 (Figure 8-37), averaging 71.6% in VG4, and 75.4% in VG5.

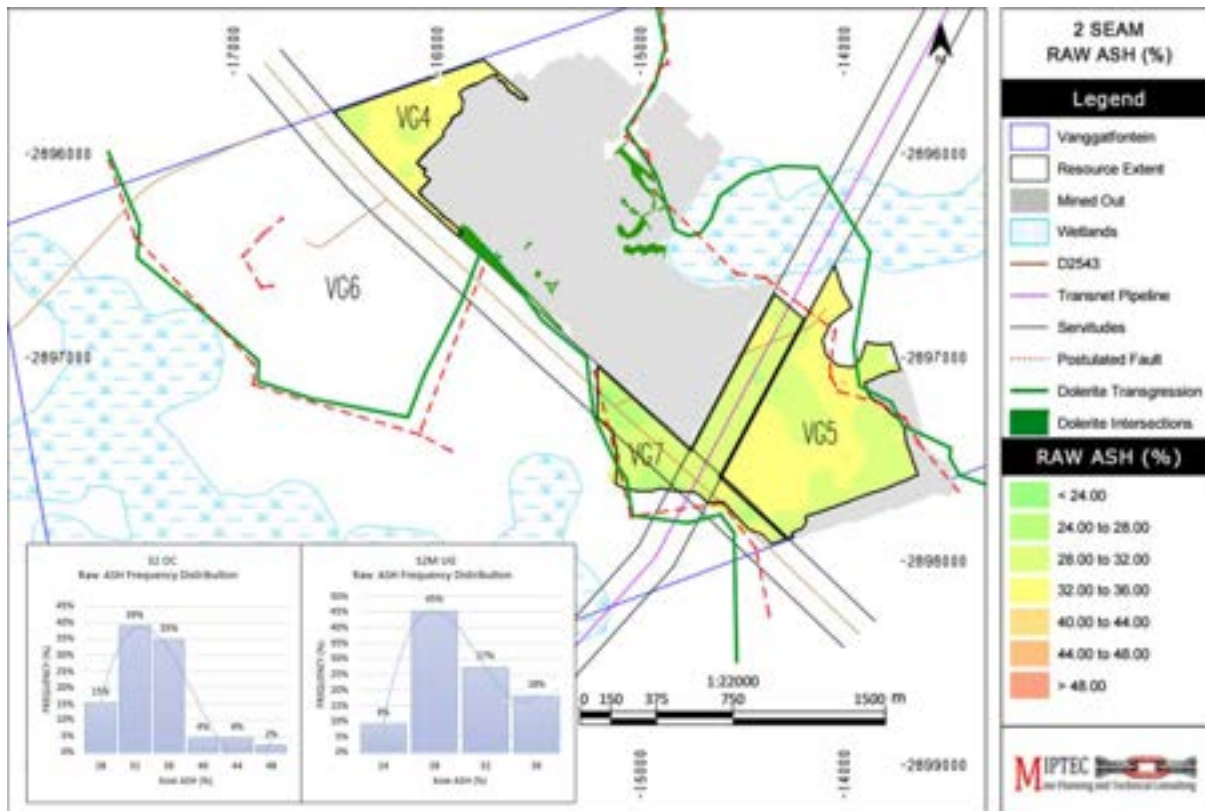


Figure 8-28. No. 2 Seam Raw Ash Content (%) Distribution.

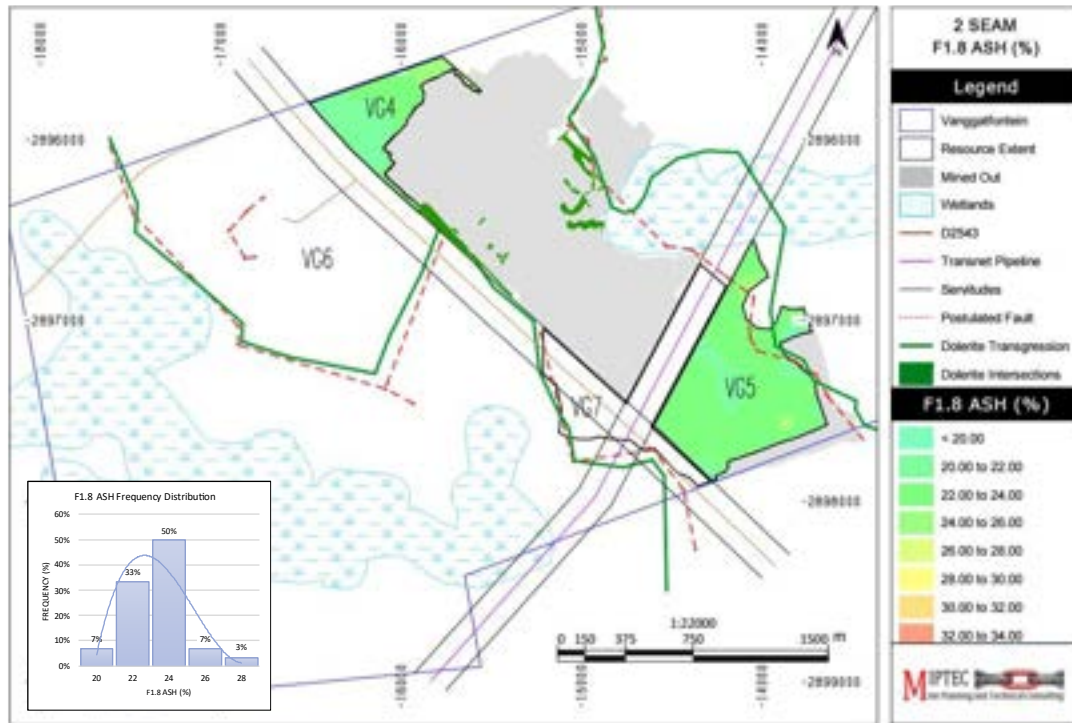


Figure 8-29. No. 2 Seam F1.8 Ash Content (%) Distribution.

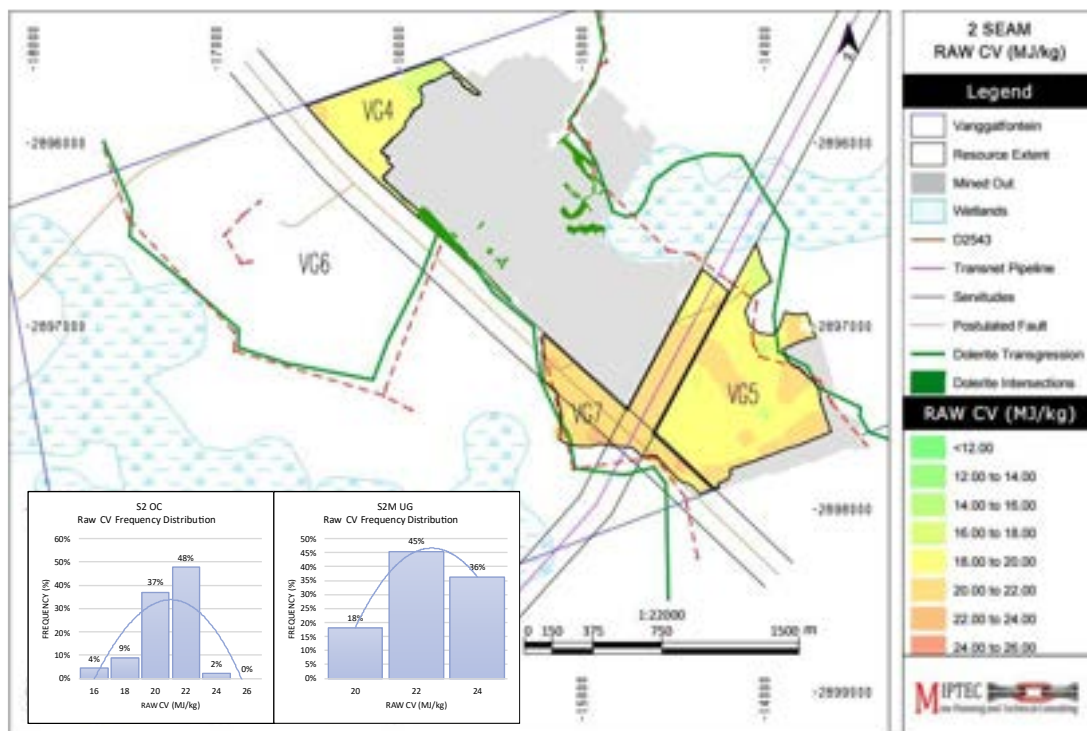


Figure 8-30. No. 2 Seam Raw Calorific Value Content (MJ/kg) Distribution.

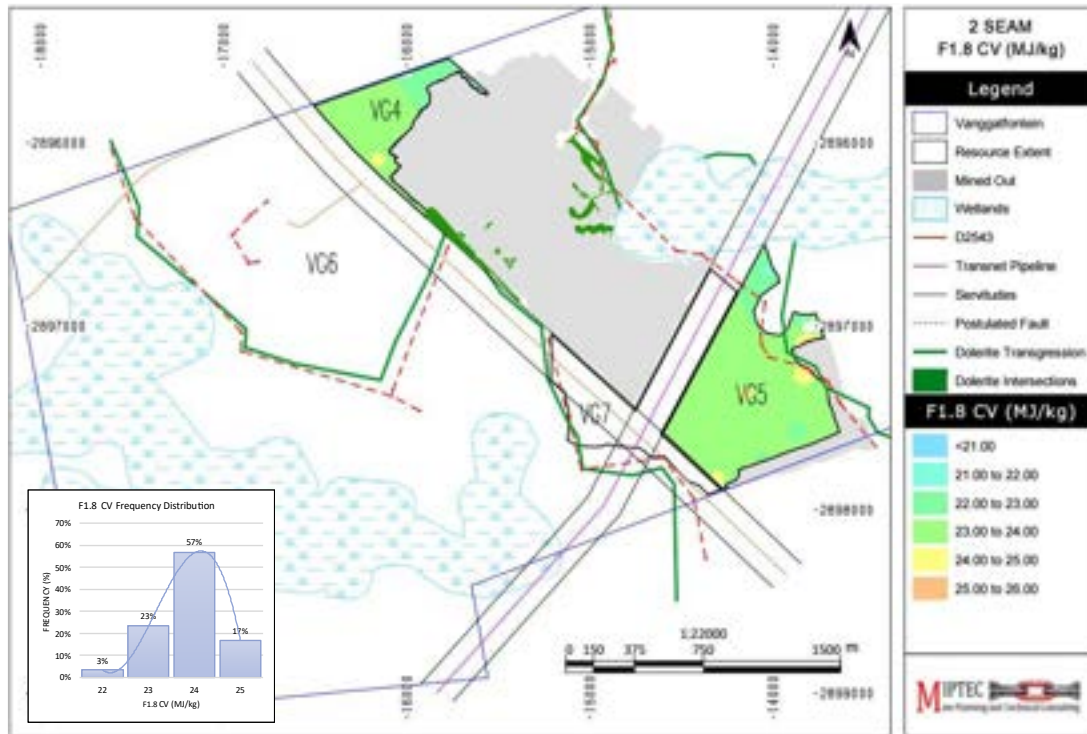


Figure 8-31. No. 2 Seam F1.8 Calorific Value Content (MJ/kg) Distribution.

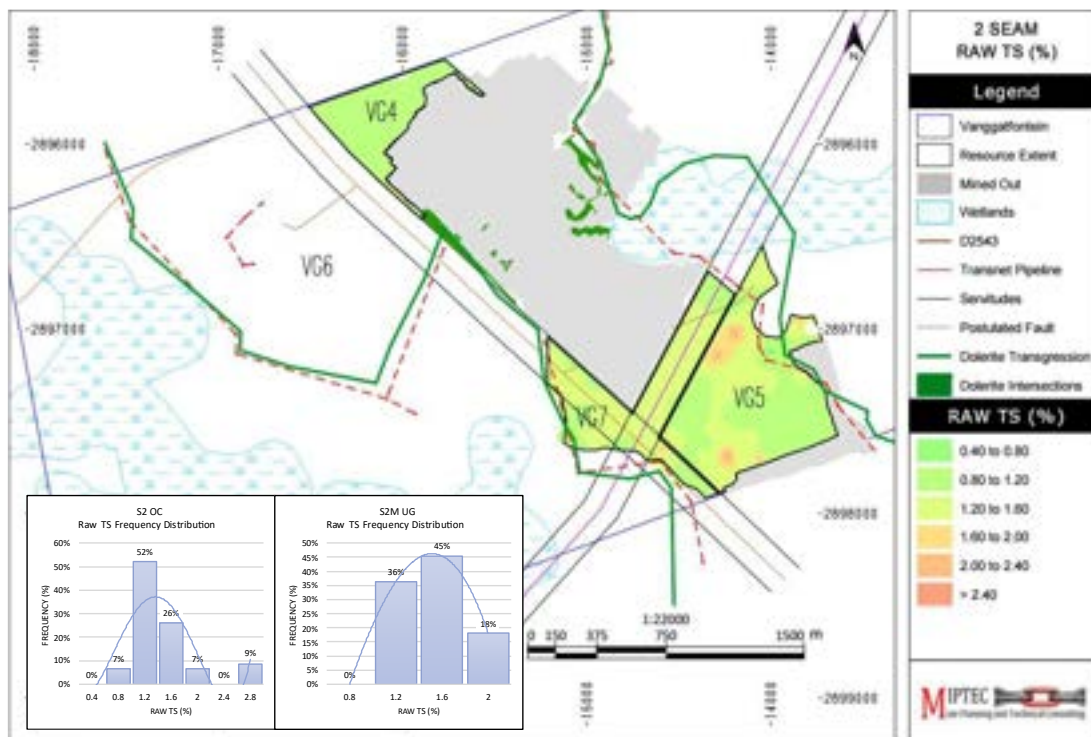


Figure 8-32. No. 2 Seam Raw Total Sulphur Content (%) Distribution.



Figure 8-33. No. 2 Seam F1.8 Total Sulphur Content (%) Distribution.

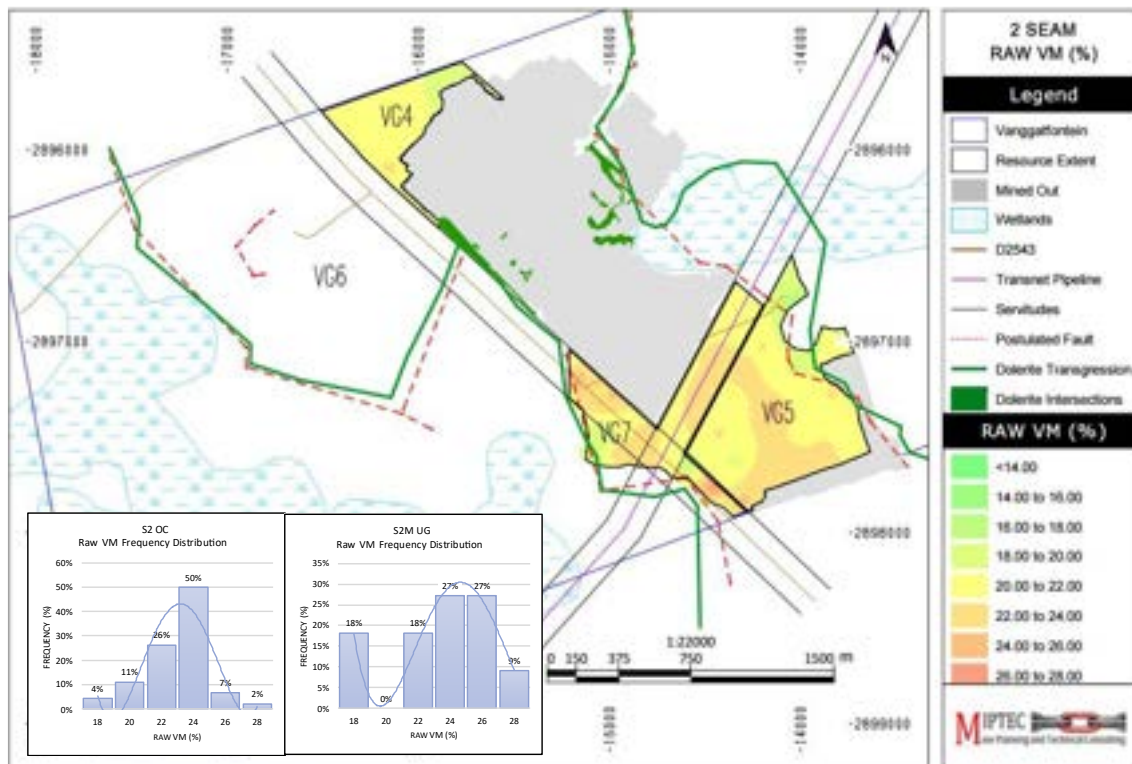


Figure 8-34. No. 2 Seam Raw Volatile Matter Content (%) Distribution.

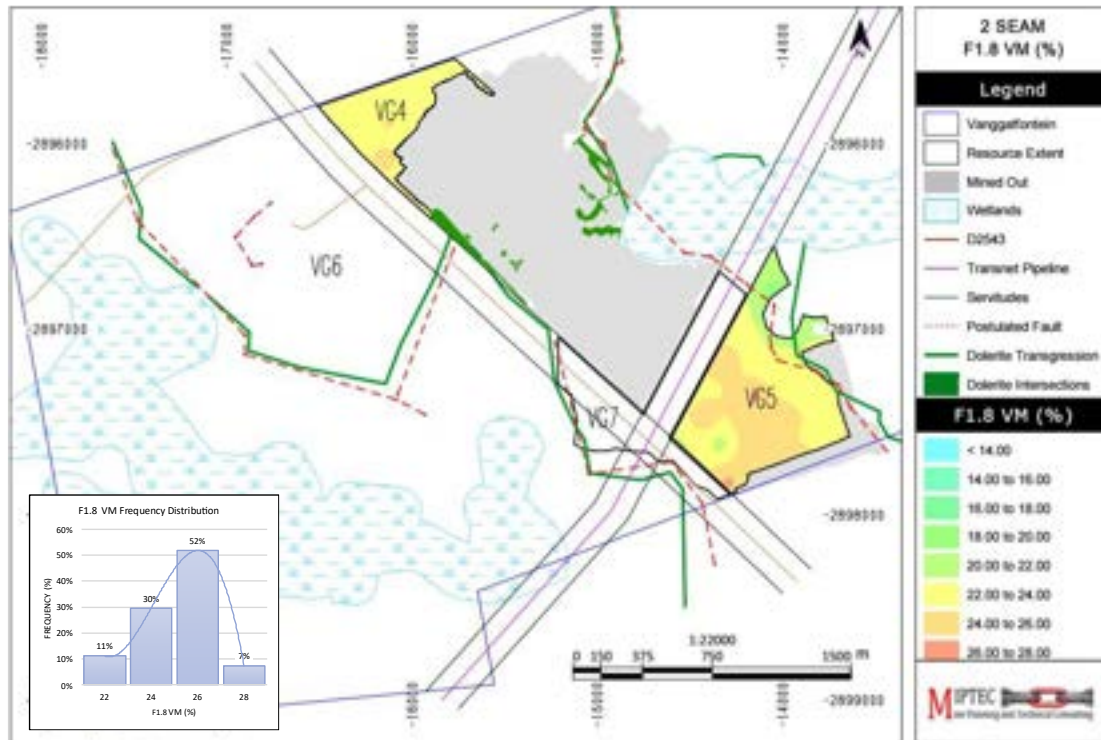


Figure 8-35. No. 2 Seam F1.8 Volatile Matter Content (%) Distribution.



Figure 8-36. No. 2 Seam Dry Ash Free Volatile Content (%) Distribution.

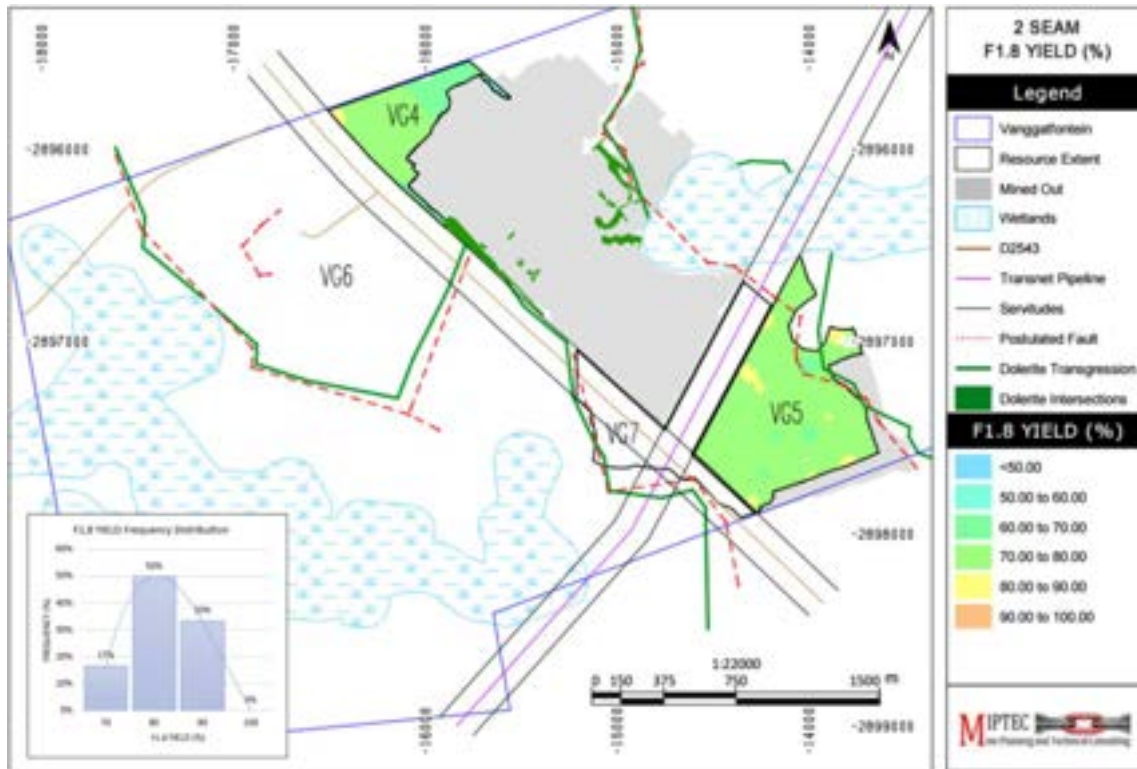


Figure 8-37. No. 2 Seam F1.8 Theoretical Yield (%) Distribution.

No. 4L Seam

The ash content of the S4L generally ranges between 24 – 36% across the majority of the resource areas (Figure 8-38). VG5 contains the lowest ash content, averaging 30.1%, whereas VG4 and VG6 average 33.5% and 33.6%, respectively. VG6 contains one drill hole with an S4M ash content greater than 40%, whereas within the opencast areas of VG4 and VG5, 100% of the coal has a raw ash content less than 40%.

The F1.8 ash content of the S4L (Figure 8-39), ranges between 22 – 26% across most of both opencast areas; 96% of the coal has a F1.8 ash content less than 26%, with VG4 averaging 23.9% and VG5 averaging 23.7%.

The raw CV content of the S4L ranges between 16 – 22 MJ/kg (Figure 8-40). Within the opencast areas of VG4 and VG5, 97% of the coal has a raw CV content greater than 18 MJ/kg; however, within the underground area, 72% of the coal has a raw CV content greater than 18 MJ/kg. The average raw CVs of VG4, VG5 and VG6 are 19.2 MJ/kg, 20.4 MJ/kg and 19 MJ/kg, respectively. At F1.8, the CV content increases to over 20 MJ/kg in 100% of the data analysed, with 74% of the data having values between 22 MJ/kg and 25 MJ/kg, as detailed in Figure 8-41. The average F1.8 CV content of VG4 is 22.1 MJ/kg and that of VG5 is 23.0 MJ/kg.

The raw TS content of VG4 and VG6 ranges between 0.8 – 1.2%, averaging 0.9% and 1.1%, respectively, whereas VG5 displays notably higher TS contents, ranging between 1.2 – 2.0% and averaging 1.56% (Figure 8-42). At F1.8,

the TS content of VG4 decreases to 0.5%, whereas the TS content of VG5 is notably higher, averaging 1.1% (Figure 8-43).

The raw VM content differs between the two opencast areas, due to the presence of the overlying sill in VG5, which has resulted in lower VM contents (Figure 8-44). In VG4, the raw VM ranges between 20 – 22%, averaging 21.6%, whereas in VG5, the raw VM content ranges between 18 – 22%, averaging 19.6%. Within the opencast areas, 87% of the coal has a raw VM content greater than 18%. There is one drill hole within VG5 with a raw VM content of 15.2%; however, during the resource estimation process any coal with a raw VM content less than 17% is removed from the estimate. VG6 also displays variable raw VM values, ranging from 18 – 22%, with areas along the southern edge of the resource extent displaying values lower than 18%. Within VG6, 84% of the S4M has a raw VM content greater than 18%; the four drill holes that account for the 16% of the data with values less than 18%, all contain VM contents greater than 17.5%. At F1.8, all of the drill holes within VG4 and VG5 have VM contents greater than 18%, except for a single drill hole, which has a value of 17.1% (Figure 8-45). VG4 has an average F1.8 VM content of 21.1% and VG5 has an average F1.8 VM content of 19.6%.

The DAFV content is highly variable across the area as illustrated in Figure 8-46. VG4 is unaffected by the dolerite in the area, evident by the DAFV values greater than 32%, whereas both VG5 and VG6 display DAFV contents between 24 – 28%, indicating some degree of devolatilisation.

The theoretical yield at a F1.8 ranges between 60 – 80% across VG4, averaging 71.4%, whereas in VG5, the theoretical yield ranges between 80 – 90% with an average of 84.8% (Figure 8-47).

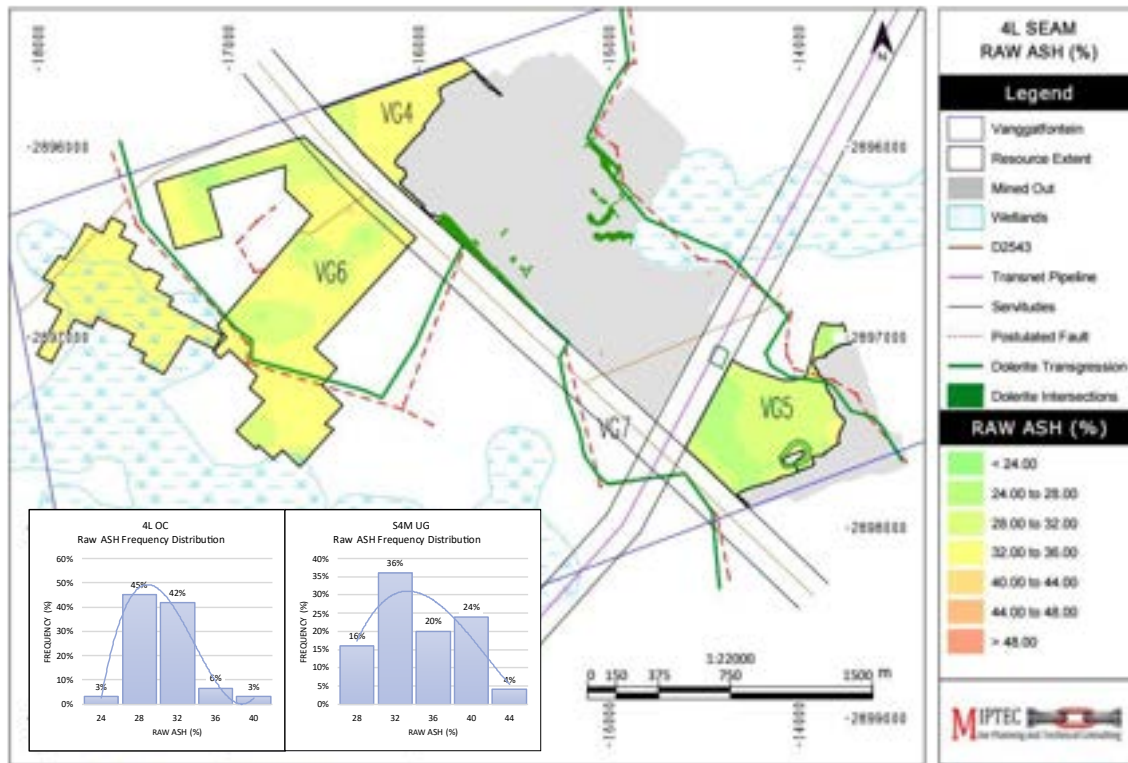


Figure 8-38. No. 4L Seam Raw Ash Content (%) Distribution.



Figure 8-39. No. 4L Seam F1.8 Ash Content (%) Distribution.

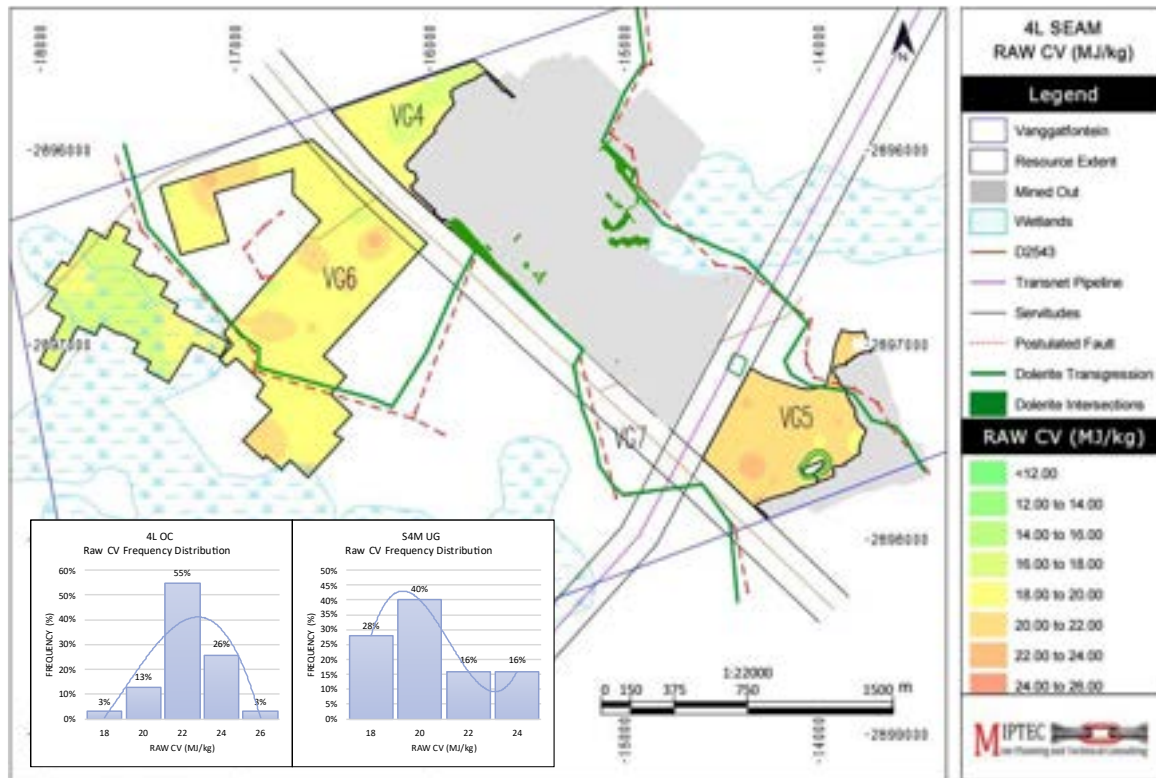


Figure 8-40. No. 4L Seam Raw Calorific Value Content (MJ/kg) Distribution.



Figure 8-41. No. 4L Seam F1.8 Calorific Value Content (MJ/kg) Distribution.

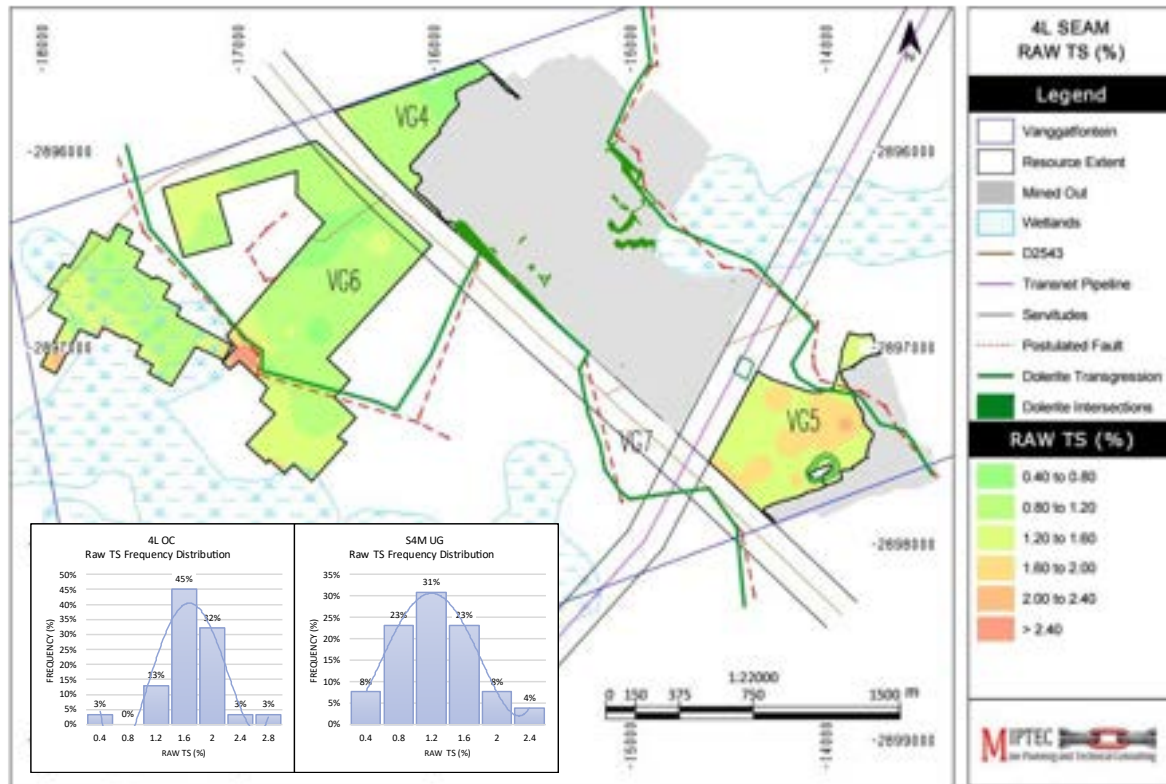


Figure 8-42. No. 4L Seam Raw Total Sulphur Content (%) Distribution.



Figure 8-43. No. 4L Seam F1.8 Total Sulphur Content (%) Distribution.

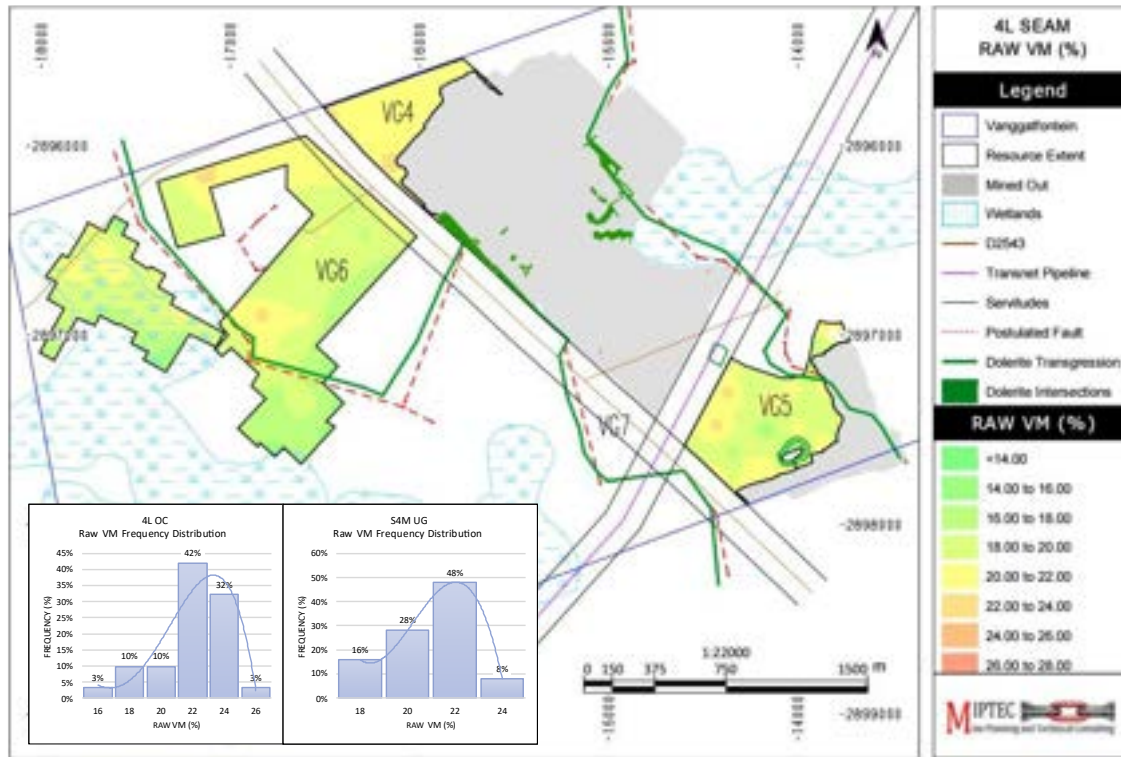


Figure 8-44. No. 4L Seam Raw Volatile Matter Content (%) Distribution.



Figure 8-45. No. 4L Seam F1.8 Volatile Matter Content (%) Distribution.

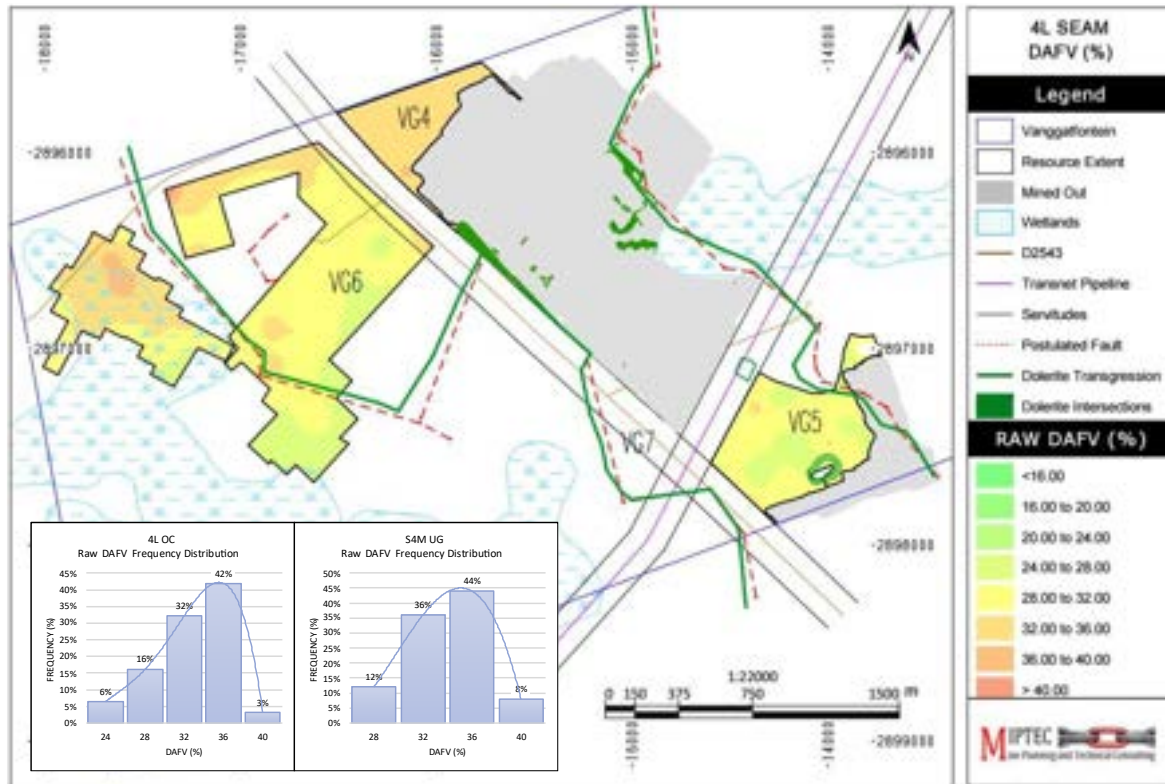


Figure 8-46. No. 4L Seam Dry Ash Free Volatile Content (%) Distribution.



Figure 8-47. No. 4L Seam F1.8 Theoretical Yield (%) Distribution.

No. 4U Seam

The S4U has a raw ash content which averages between 44 – 48% across the majority of the opencast area (59% of the coal), as illustrated in Figure 8-48. There are bullseyes of higher ash content scattered throughout (particularly in VG5); 19% of the S4U has a raw ash content that exceeds 50%. The area of higher ash content in VG5 is due to the presence of the transgressive sill affecting the S4U. The average raw ash in VG4 and VG5 is 45.9% and 46.2%, respectively. At F1.8, the ash content ranges between 26 – 30% across VG4, and 28 – 32% across VG5 (Figure 8-49). The average F1.8 ash content of S4U in VG4 is 27.8% and 30.3% in VG5.

The raw CV content ranges between 14 – 16 MJ/kg across much of the opencast resource extent, with areas of lower CV scattered throughout (Figure 8-50). The raw average CV contents are 14.2 MJ/kg and 14.7 MJ/kg for VG4 and VG5, respectively. At F1.8, the CV content increases to over 20 MJ/kg in 100% of the data analysed, with 65% of the data containing a raw CV content of 21 – 22 MJ/kg (Figure 8-51). The average F1.8 CV content of VG4 averages 21.2 MJ/kg, whereas that in VG5 averages 21.1 MJ/kg.

The TS content across VG4 ranges between 0.4 – 1.2%, averaging 0.9%, whereas at VG5, the S4 displays notably higher TS contents, ranging between 0.8 – 1.6% with an average of 1.2% (Figure 8-52). At F1.8, the TS content across VG4 drops to less than 1.2%, averaging 0.81%, whereas in VG5, the F1.8 TS content averages 1.14%, with localised areas displaying TS content greater than 1.2% (Figure 8-53).

The raw VM content differs considerably between the two opencast areas, due to the presence of the overlying sill in VG5, which has resulted in the lower VM contents (Figure 8-54). In VG4, the raw VM ranges between 18 – 21%, averaging 18.3%, whereas in VG5, the raw VM content ranges between 15 – 24%, averaging 12.5%. At F1.8, the VM content of VG4 averages 22.5%, whereas in VG5 it ranges between 12 – 16% (Figure 8-55), averaging 14.0%.

The DAFV content of the S4U in VG4 is greater than 32% (Figure 8-56), averaging 36.2%, whereas in VG5 it ranges from less than 24% to in excess of 28%, averaging 24.7%. The S4U is affected by the dolerite sill above, resulting in varying degrees of devolatilisation across the seam.

The theoretical yield of the S4U at F1.8 ranges between 50 – 60% across both VG4 and VG5, averaging 53% and 57.4%, respectively (Figure 8-57).



Figure 8-48. No. 4U Seam Raw Ash Content (%) Distribution.

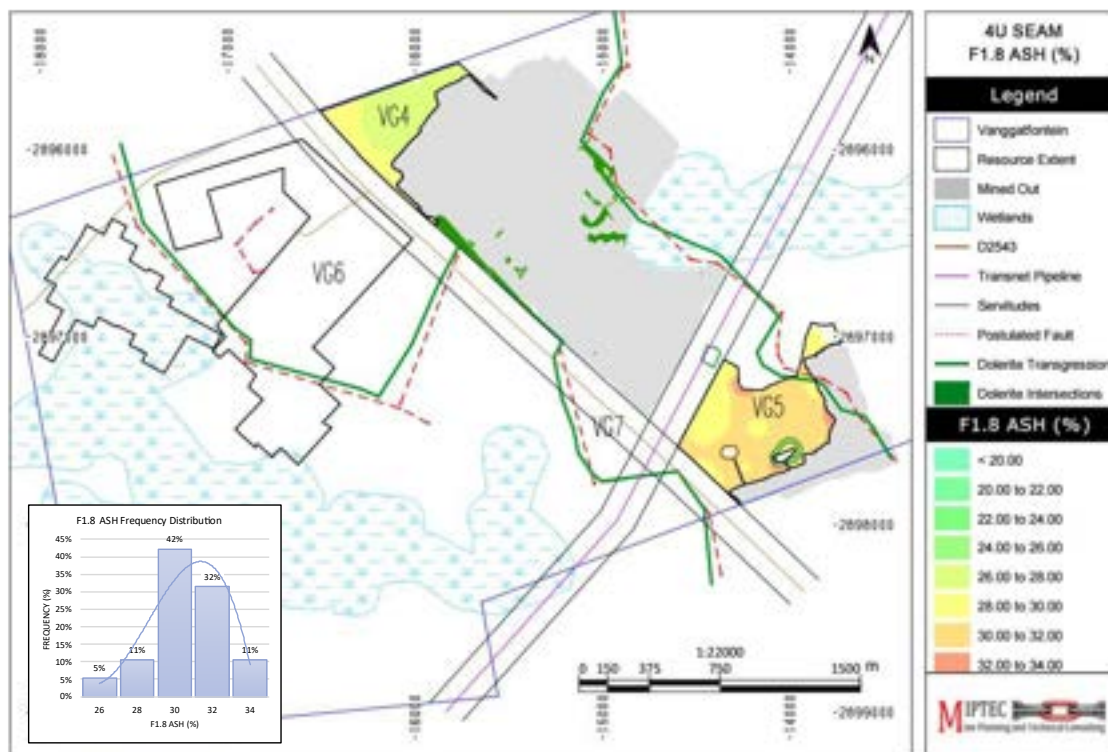


Figure 8-49. No. 4U Seam F1.8 Ash Content (%) Distribution.

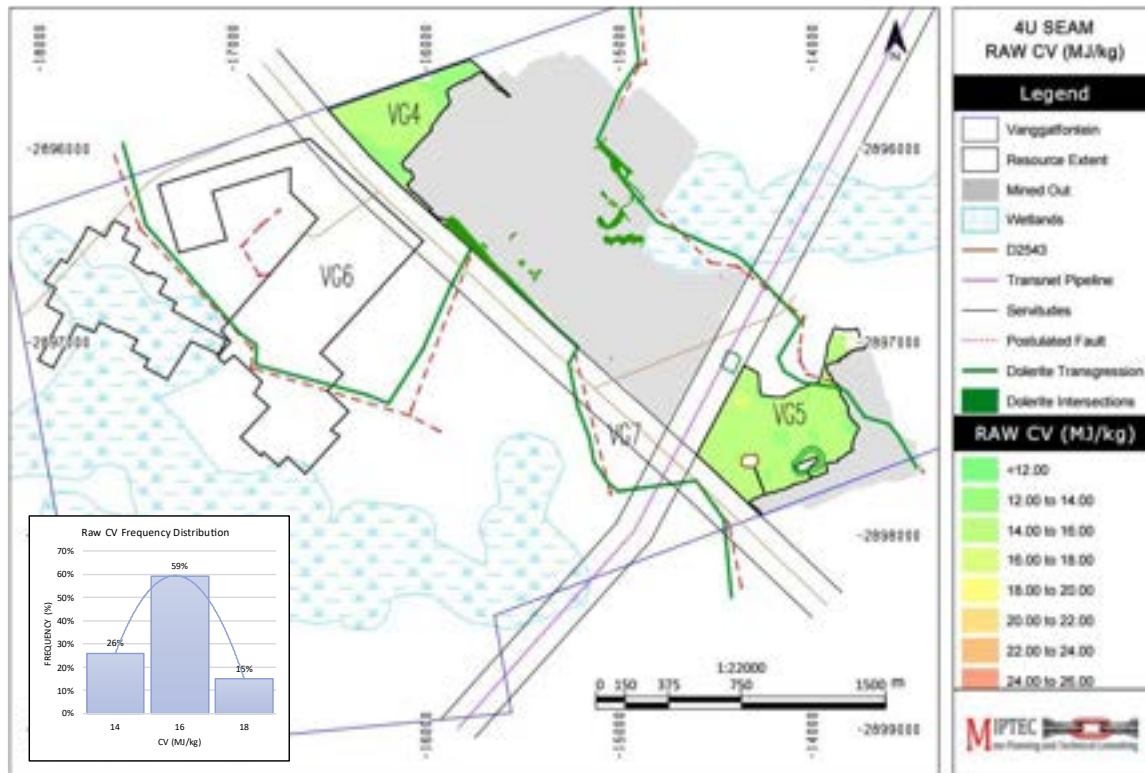


Figure 8-50. No. 4U Seam Raw Calorific Value Content (MJ/kg) Distribution.

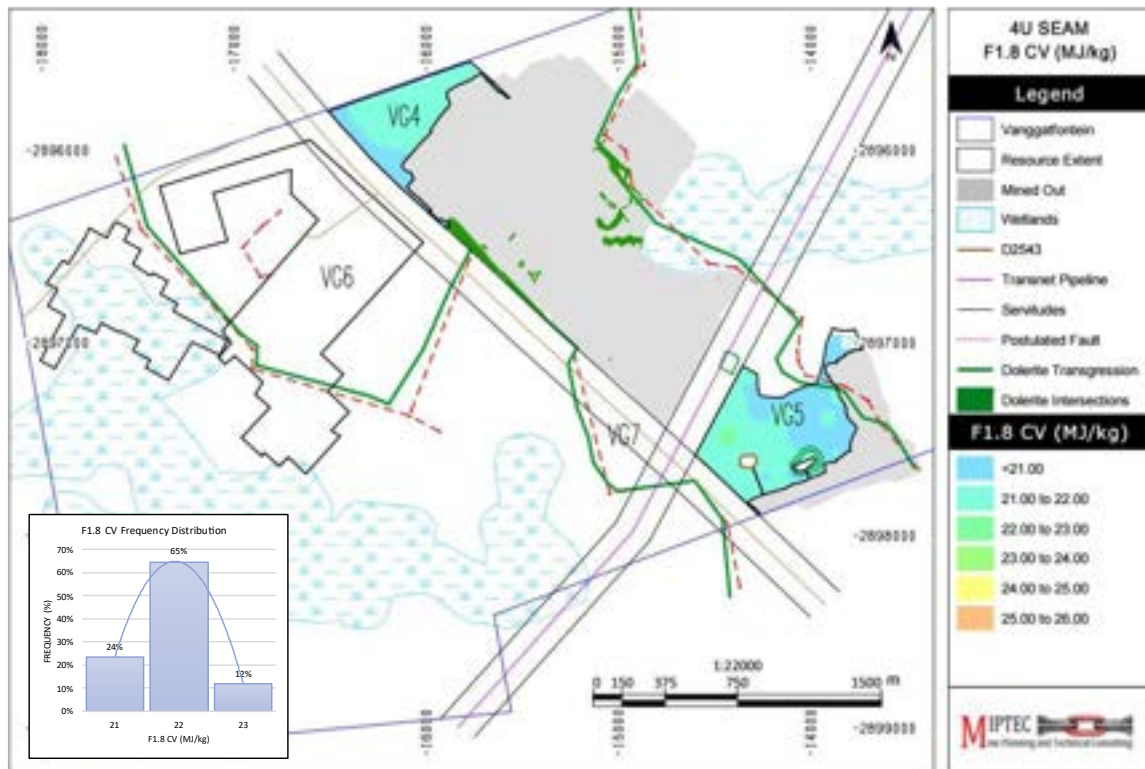


Figure 8-51. No. 4U Seam F1.8 Calorific Value Content (MJ/kg) Distribution.



Figure 8-52. No. 4U Seam Raw Total Sulphur Content (%) Distribution.

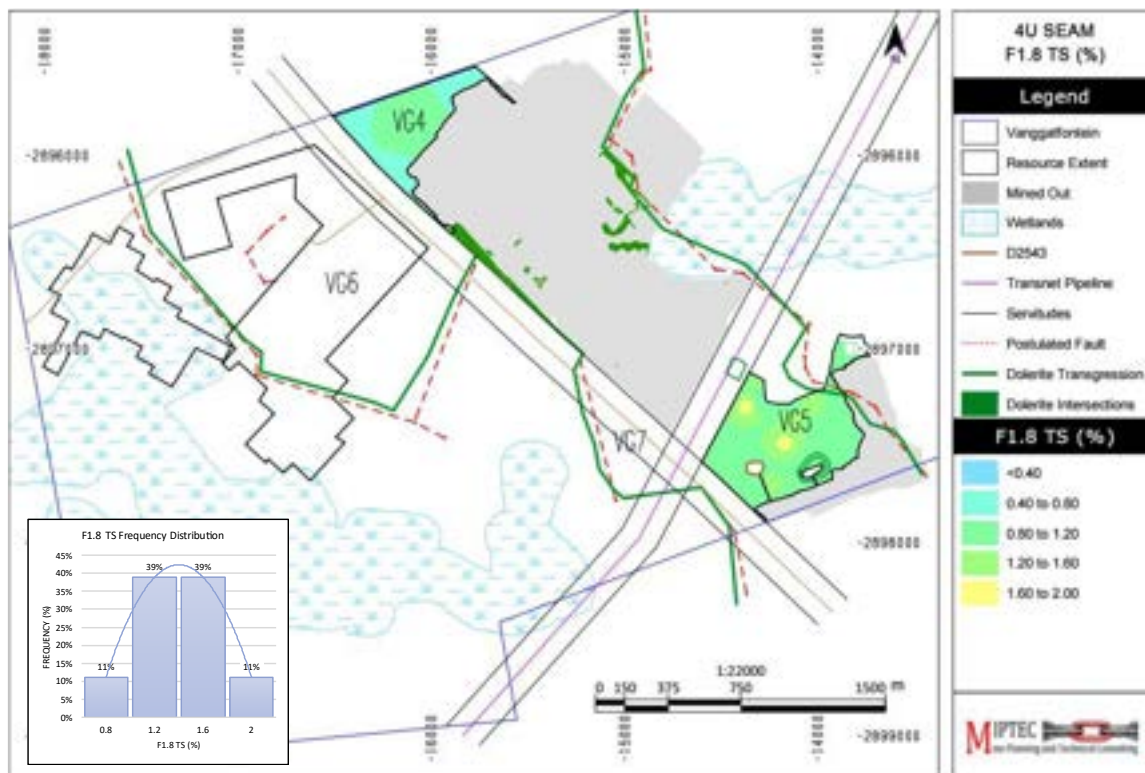


Figure 8-53. No. 4U Seam F1.8 Total Sulphur Content (%) Distribution.

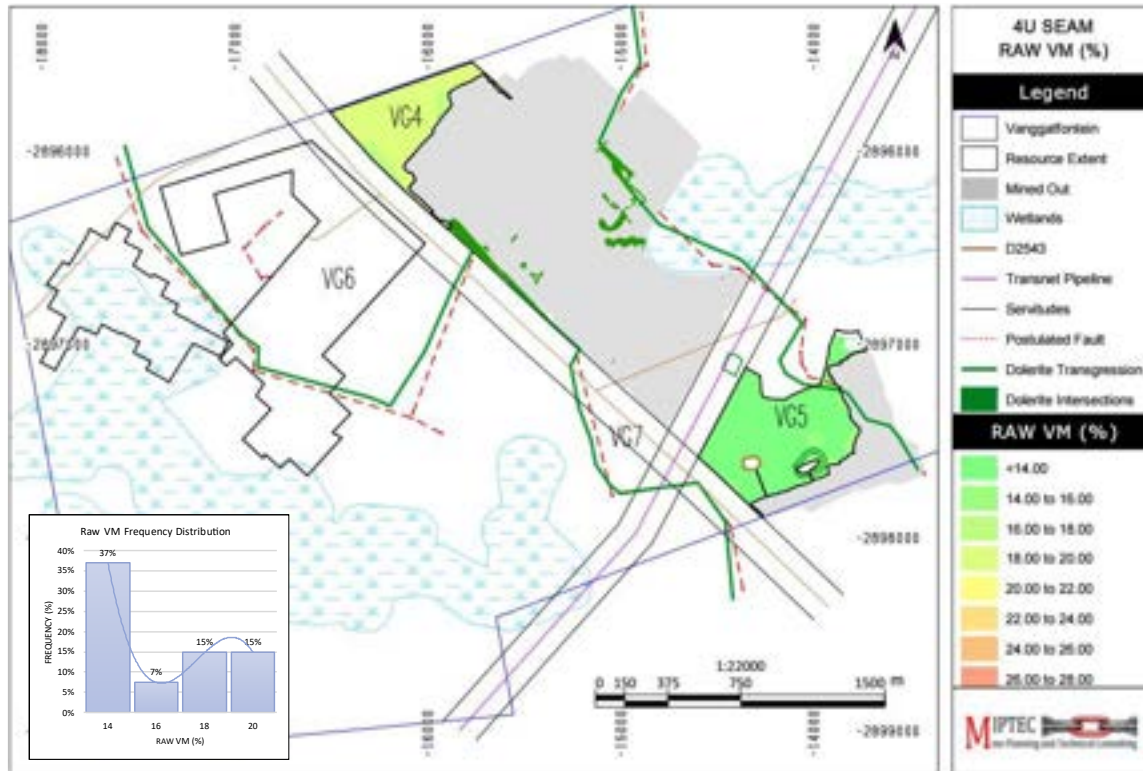


Figure 8-54. No. 4U Seam Raw Volatile Matter Content (%) Distribution.



Figure 8-55. No. 4U Seam F1.8 Volatile Matter Content (%) Distribution.



Figure 8-56. No. 4U Seam Dry Ash Free Volatile Content (%) Distribution.



Figure 8-57. No. 4U Seam F1.8 Theoretical Yield (%) Distribution.

No. 5 Seam

The raw ash content of the S5 in VG4 ranges from less than 20% in one drill hole to an average of around 29% (Figure 8-58). At F1.8, the ash content decreases to approximately 20%, with 60% of the results displaying a washed ash content of 18 – 20%.

The raw CV content is generally between 20 – 22 MJ/kg (averaging 21.4 MJ/kg) across the resource extent (Figure 8-60). The F1.8 CV content of the coal increases to 24.3 MJ/kg on average (100% of the washed coal has a CV content greater than 24 MJ/kg).

The raw VM content of the S5 coal ranges between 21 – 24% across VG4 (Figure 8-64), averaging 22.9%. At a F1.8, the VM content increases to between 22 – 24%, averaging 25.5%.

At VG4, 100% of the S5 raw coal has a TS content greater than 1.2% (Figure 8-65), with an average raw TS content of 1.4%. At F1.8, the TS content of the coal drops to less than 1.2%, averaging about 0.86%.

The DAFV content of the S5 ranges between 32 – 38% across the whole of VG4 (Figure 8-66), indicating that none of the S5 is devolatilized.

At a F1.8, the average theoretical yield of the S5 ranges between 70 – 100%, averaging 81.6% (Figure 8-66).

The S5 accounts for only 2% of the total Coal Resource Estimate.

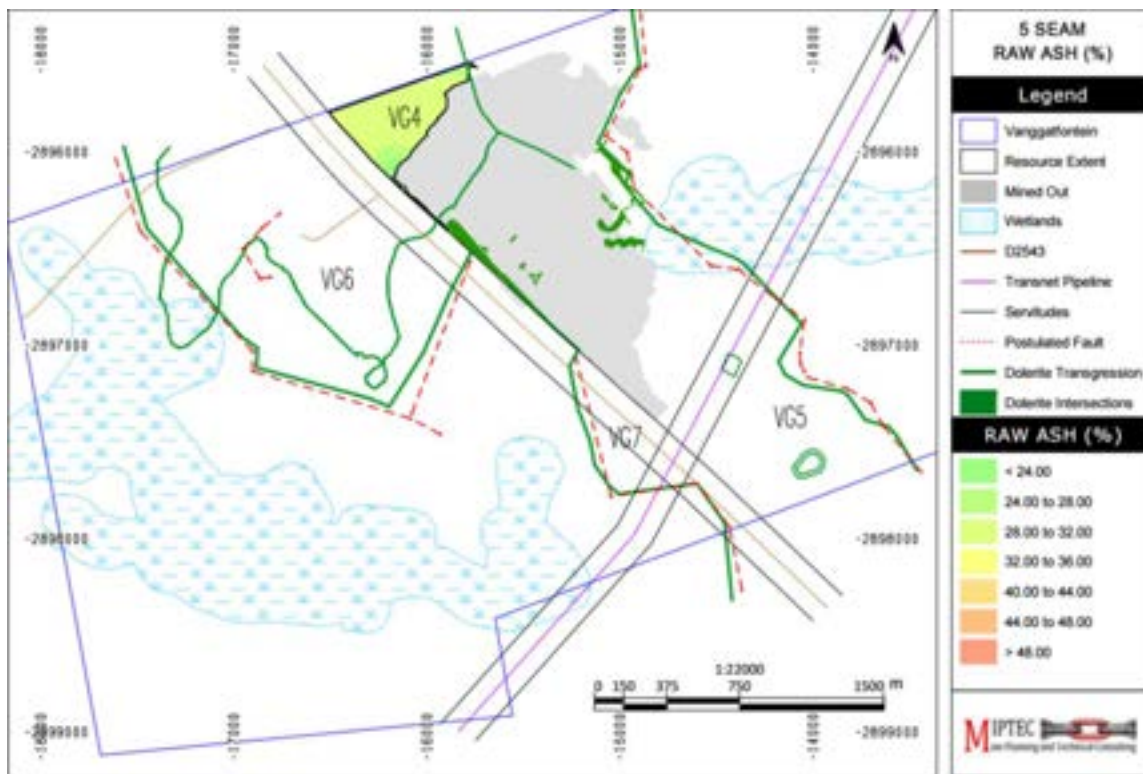


Figure 8-58. No. 5 Seam Raw Ash Content (%) Distribution.

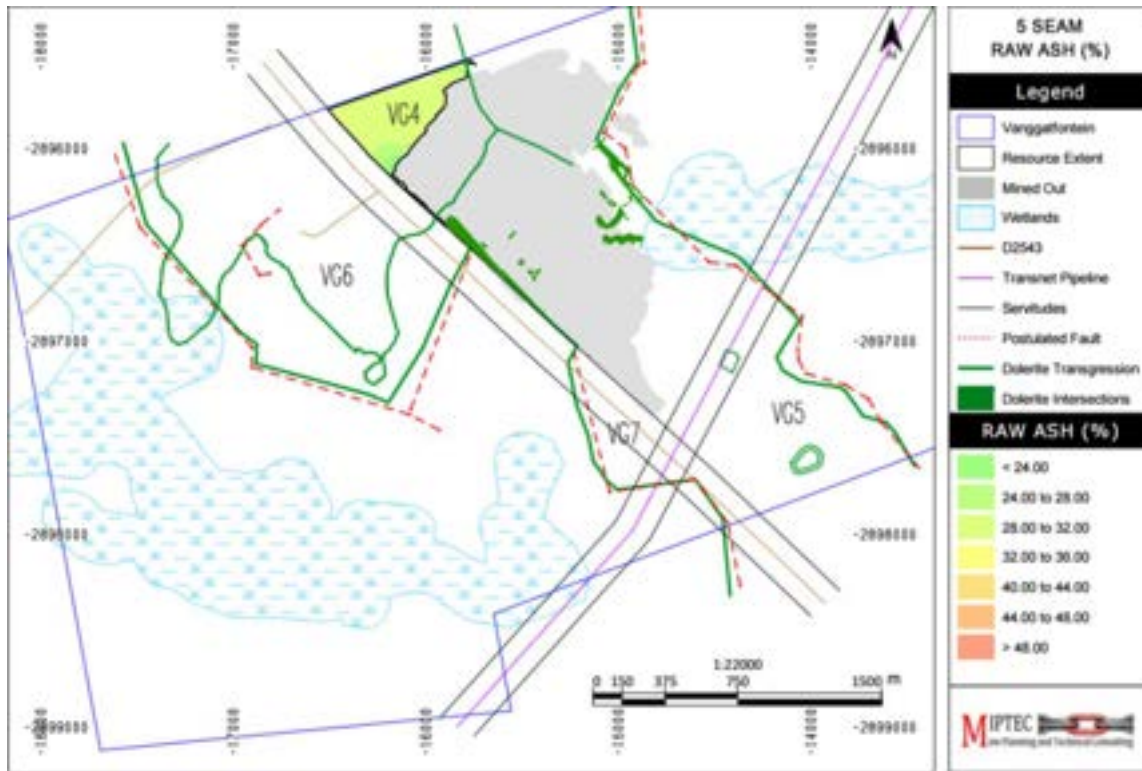


Figure 8-59. No. 5 Seam F1.8 Ash Content (%) Distribution.

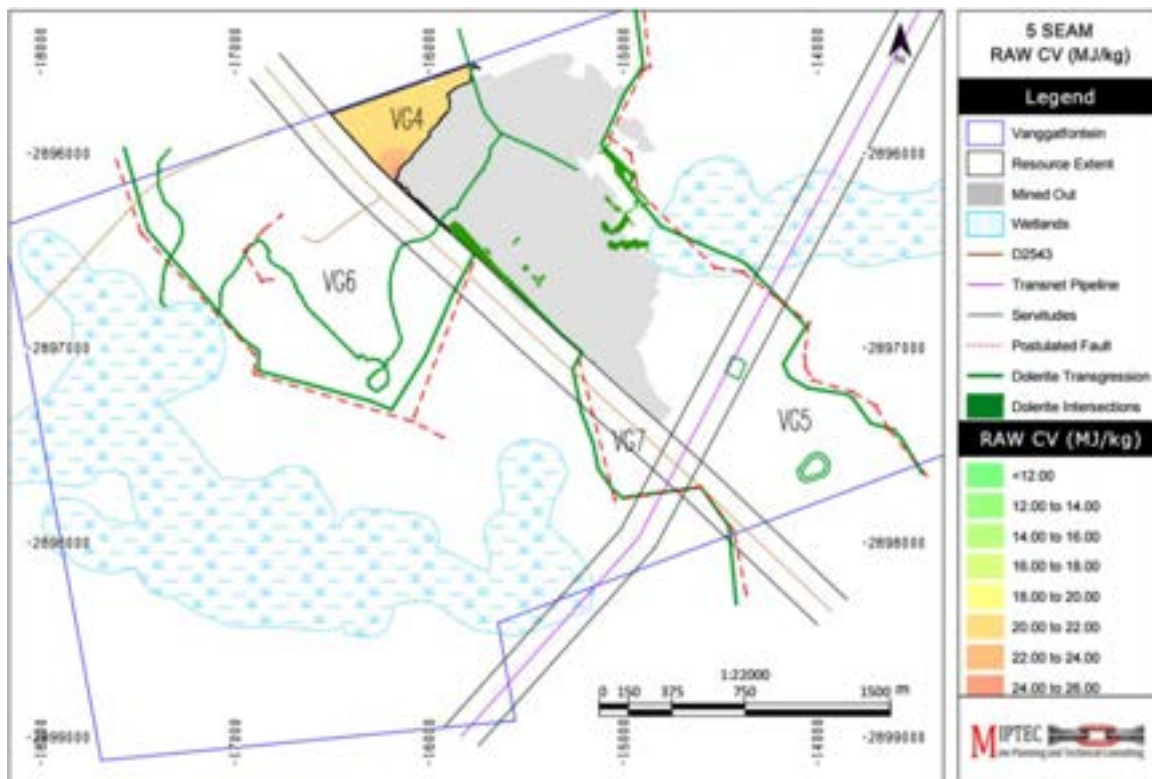


Figure 8-60. No. 5 Seam Raw Calorific Value Content (MJ/kg) Distribution.

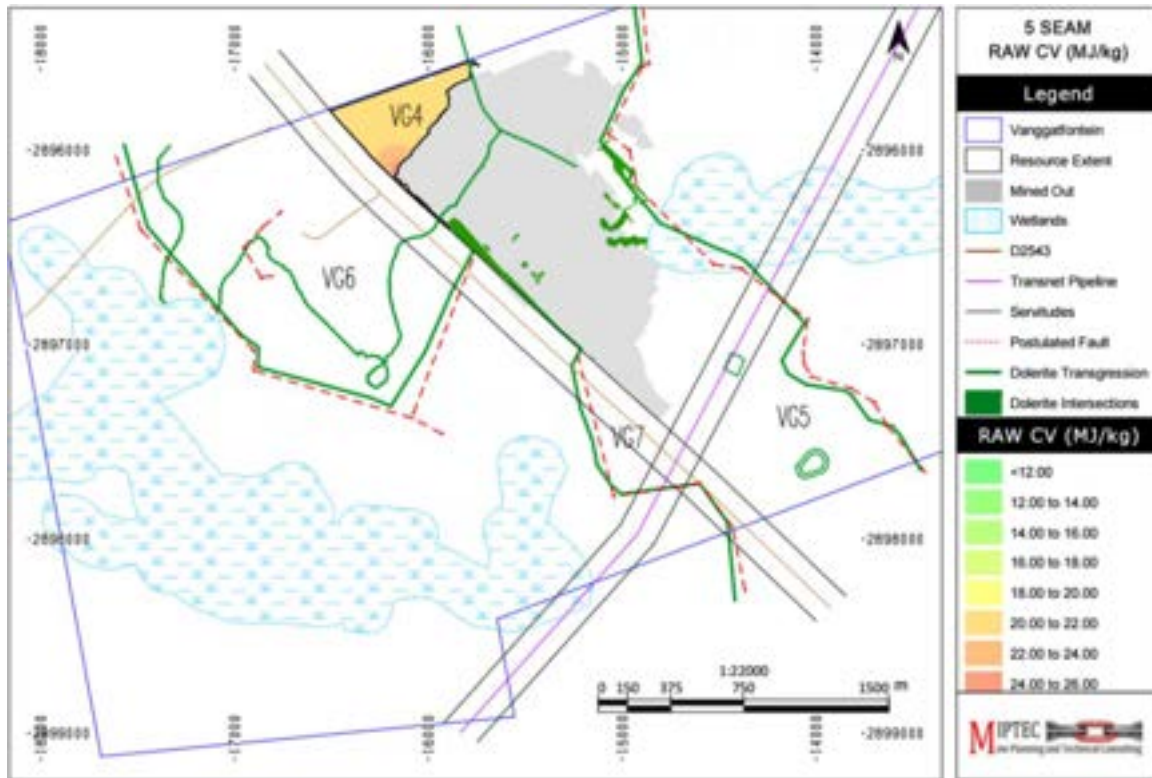


Figure 8-61. No. 5 Seam F1.8 Calorific Value Content (MJ/kg) Distribution.

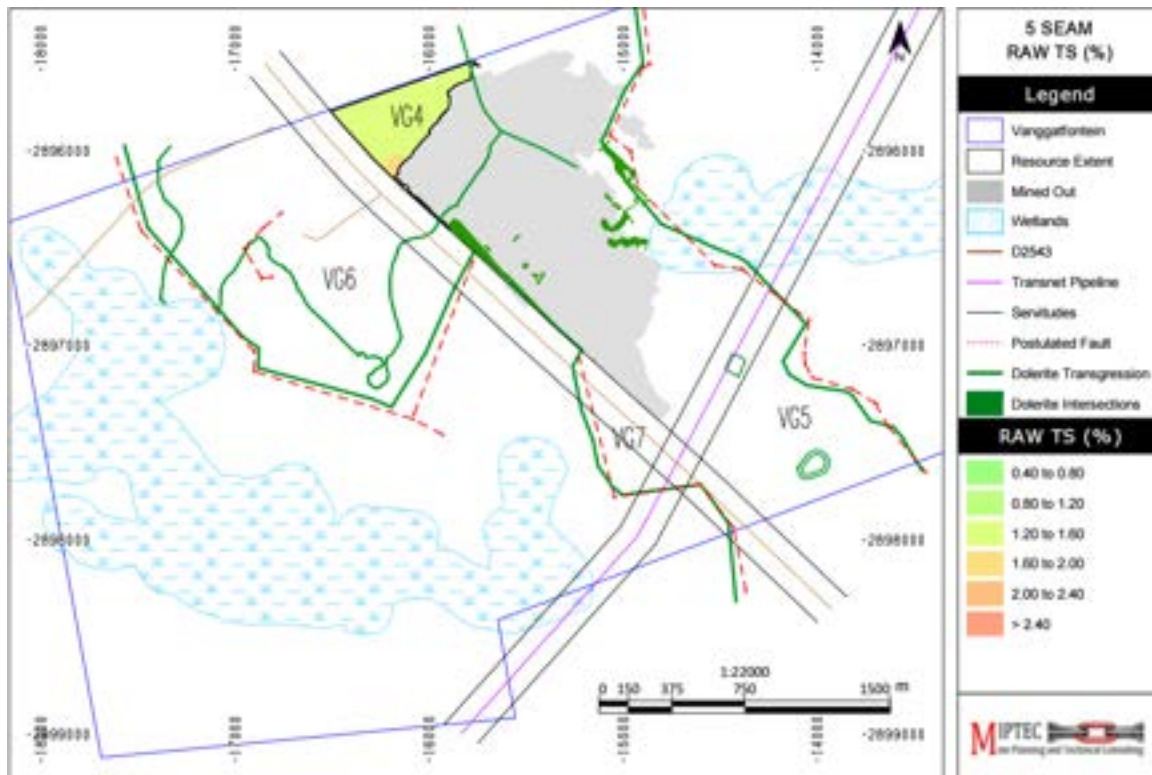


Figure 8-62. No. 5 Seam Raw Total Sulphur (%) Distribution.

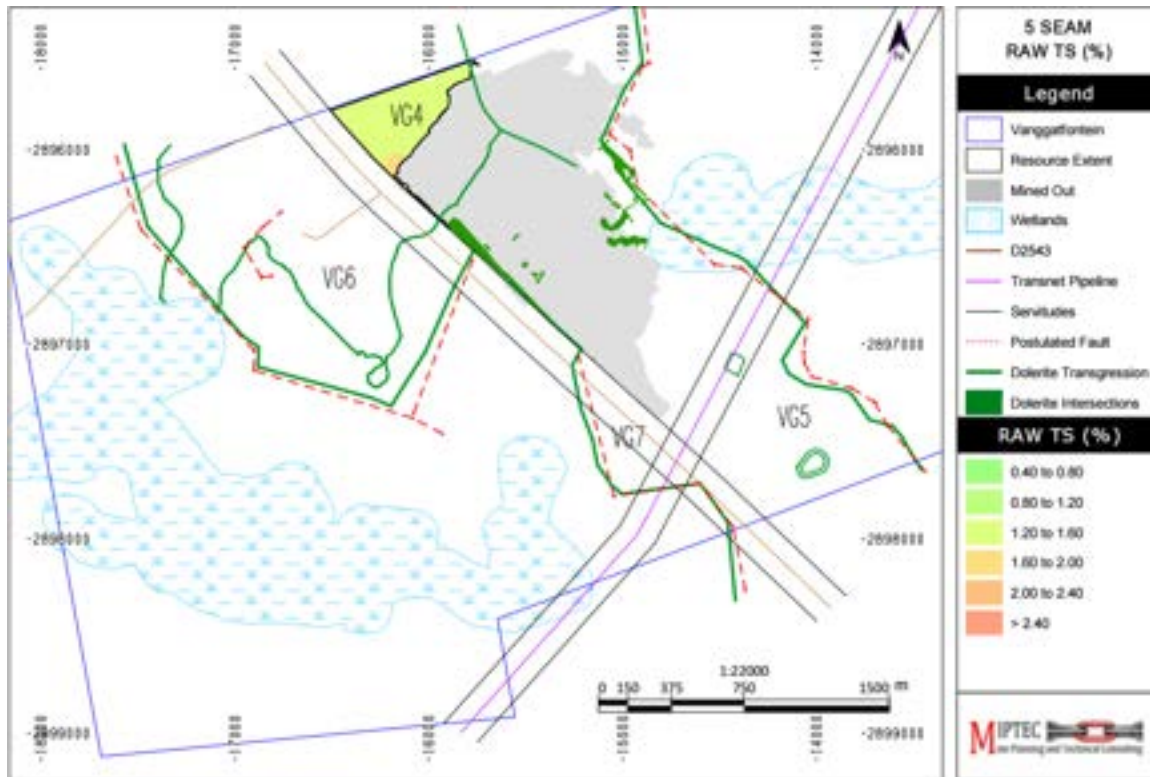


Figure 8-63. 5 Seam F1.8 Total Sulphur (%) Distribution.

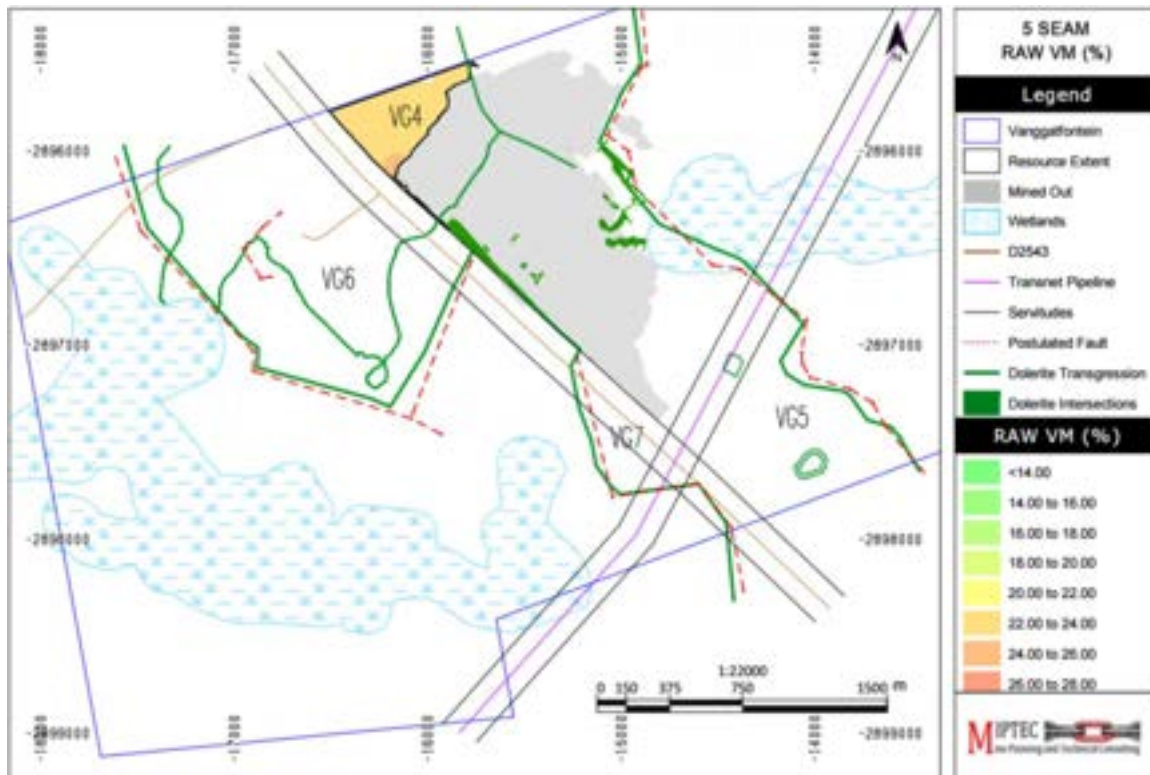


Figure 8-64. No. 5 Seam Raw Volatile Matter Content (%) Distribution.

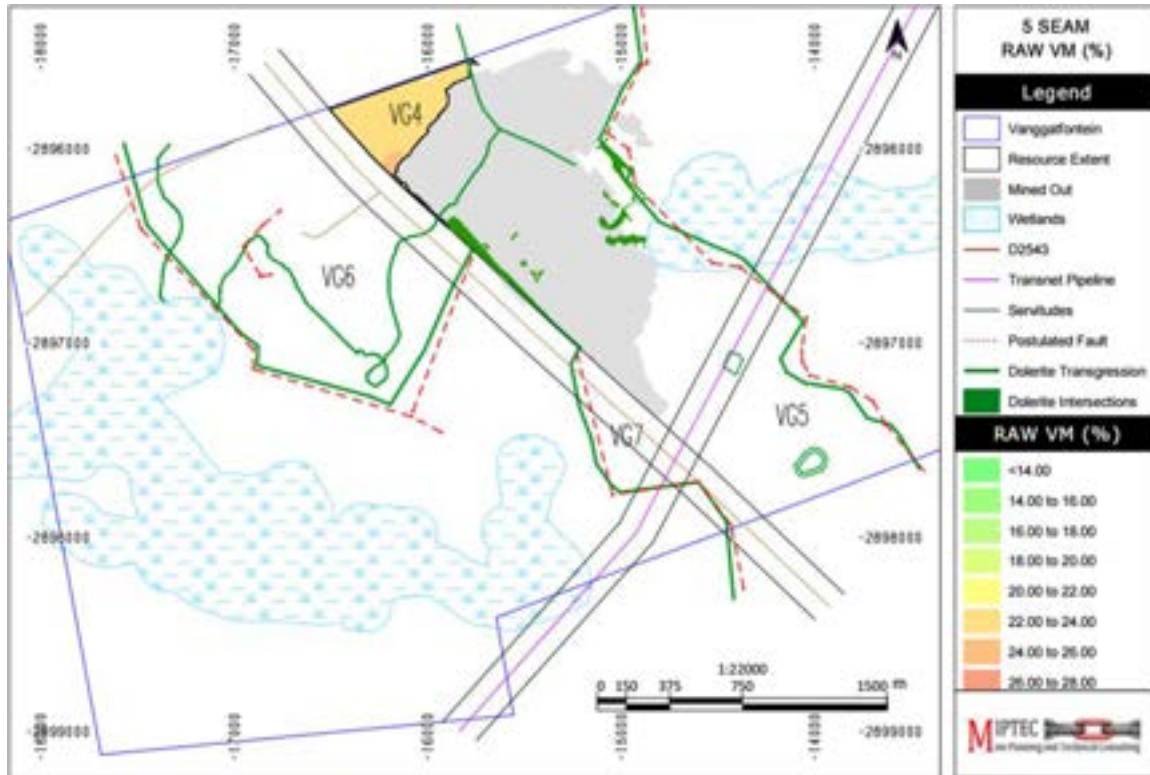


Figure 8-65. No. 5 Seam F1.8 Volatile Matter Content (%) Distribution.

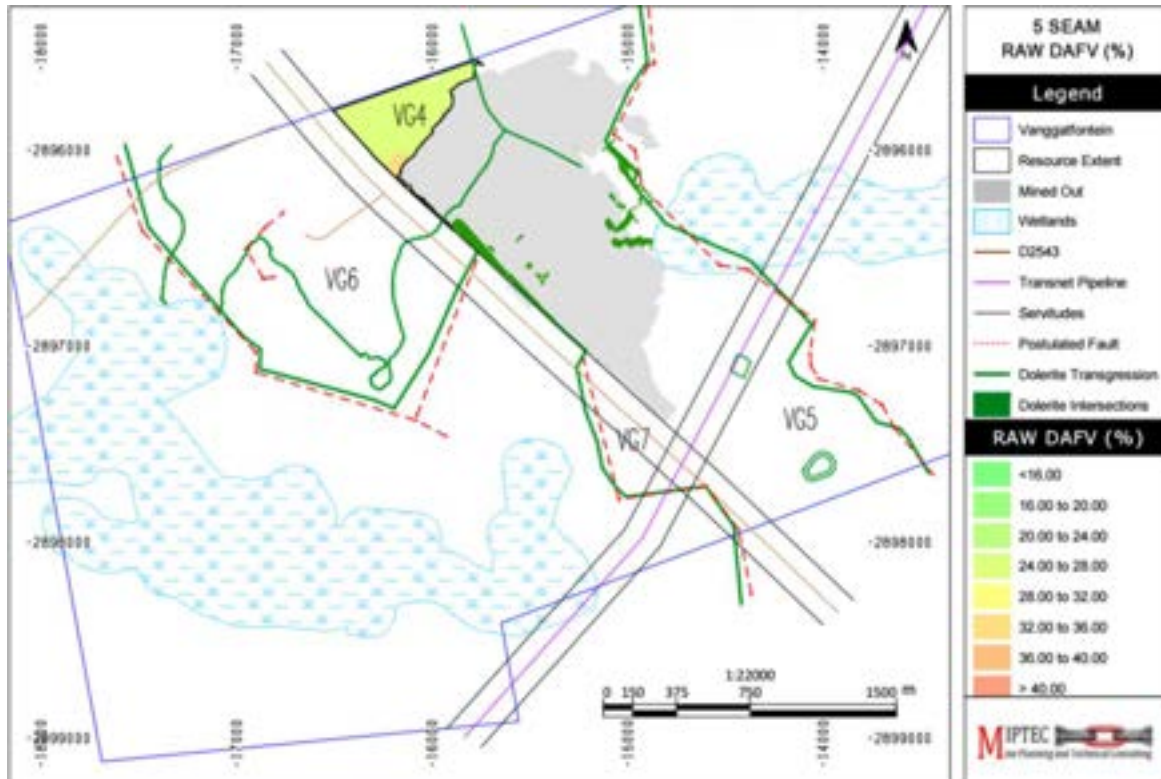


Figure 8-66. No. 5 Seam DAFV Content (%) Distribution.

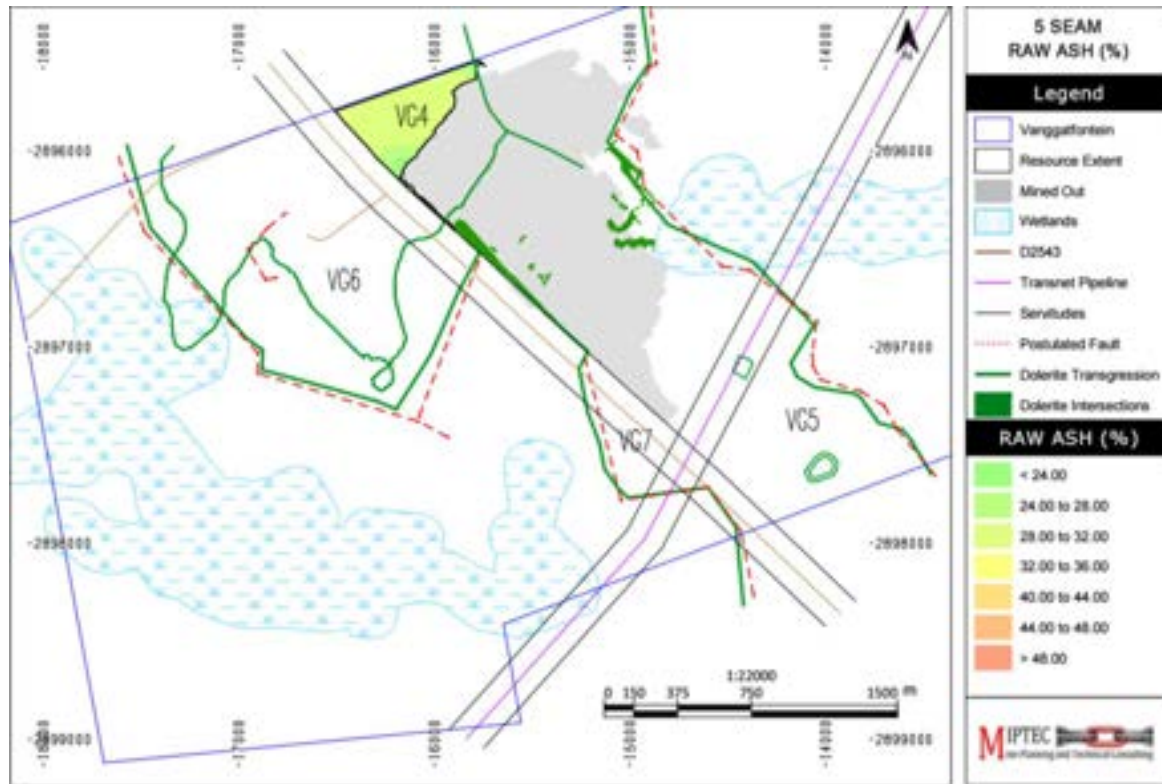


Figure 8-67. No. 5 Seam F1.8 Theoretical Yield (%) Distribution.

8.14.3 Reasonable Prospects for Eventual Economic Extraction

[SR4.1(iv), SR4.2(ii) (iii) (iv), SR4.3, SR5.6(iii) (iv)]

Table 1 of the SAMREC Code requires disclosure and discussion of the following items “which, in the opinion of the Competent Person, are likely to influence the prospect of economic extraction”. Briefly summarised, the factors/criteria used to determine whether a coal deposit can be economically mined and that a saleable raw or beneficiated product can be produced are discussed in Table 8-15.

Table 8-15: Factors for the Determination of Reasonable Prospects for Eventual Economic Extraction

Factor/Criteria	Issue	CP Comments
Legal	Tenure	All estimated coal resources are contained within the boundary of the Mining Right. The Mining Right expires in 2030. This allows sufficient time to mine the estimated resources as detailed in this report and contained within the LOMP.
Environmental and Social Parameters	Regulatory	All regulatory approvals are in place.
	Regulatory	All regulatory approvals are in place. Wetlands and their buffers have been excluded where necessary and included where permission has been received.
	Geological Parameters	Seam Thick Minimum seam thickness > 0.5 m for opencast and 1.8 m for underground extraction. Maximum seam thickness 4.8 m for underground extraction.
Mining	Seam Depth	Maximum depth to roof of 100 m.
	Coal Quality	Raw ash content <50%; DAFV content ≥ 24%.
	Mining Method	The ERB is strip mining only, whereas the WRB is underground mining.
Infrastructure	Infrastructure	Infrastructure for the currently operating VG4 and VG5 is in place, whereas infrastructure for VG6 and VG7 will be implemented when required.
Marketing	Market	All coal from Vanggatfontein, except for the S4U, is designated for Eskom. VG6 is contracted with the coal from neighbouring Moabsvelden, whereas the coal from VG4 and VG5 is currently under re-negotiation with Eskom.

It is important to note that, while the estimate of Coal Resources is based on the Competent Person's judgment that there are RPEEE, no assurance can be given that any or all the Coal Resources discussed in this document will eventually convert to Coal Reserves.

8.14.4 Data Spacing and Resource Classification

[SR4.4(i)]

Resource classification and reporting has been conducted in accordance with SANS10320:2020, the terms, definitions and guidelines of which have been used by Salungano's geological consultants in assessing the status of classifiable Coal Resources.

Principally, the main criterion for classification is based on the number of drill holes intersecting a particular coal seam within a specified area. The confidence in projecting the coal quality across each seam is based on analysis from samples taken from the drill hole cores of the individual intersections. Classification was guided by the following:

- Drill hole density;
- Structural and coal quality continuity;
- Geological structure and its influence on mining; and
- Complexity of the geology.

Only valid Points of Observation (**PoO**) may be used to determine the resource classification categories. This is based on the number of cored drill holes that have appropriate quality data, either raw quality data in the case of unbeneficiated coal products or washed quality data for coal that is beneficiated before being sold. At Vanggatfontein, all of the opencast coal is beneficiated prior to being sold to Eskom and it is therefore necessary to classify these Coal Resources based on the availability of washed coal qualities. However, the S4M and S2M underground Coal Resources are planned to be sold on a raw crush-and-screen basis. Technically, these seams could be classified using raw quality data, but as washed coal quality data is available, it was used for the classification.

Coal Resource classification is based on cored drill hole density; for coal that is of the multiple seam coal deposit-type, the classification is as follows: Measured: eight cored drill holes per 100 ha (350 m x 350 m spacing), Indicated: four cored drill holes per 100 ha (500 m x 500 m spacing), Inferred: one cored drill hole per 100 ha (approximately 1 000 m x 1 000 m spacing).

Table 8-16 details the drill hole density and resource classification for Vanggatfontein on a per seam basis.

Table 8-16. Drill Hole Density at Vanggatfontein

Resource Area	Seam	Area (Ha)	Number of PoO	PoO/100 Ha	Classification
VG4	S5	17.96	4	22.27	Measured
	S4U	20.65	4	19.37	
	S4L	20.65	4	19.37	
	S2L	22.02	5	22.71	
VG5	S4U	35.70	16	44.82	Measured
	S4L	40.66	19	46.73	
	S2L	59.44	30	50.47	
VG6	S4M	113.84	21	18.45	Measured
VG7	S2M	36.83	11	29.87	Measured

Figure 8-68 to Figure 8-71 indicate the resource classification of the coal seams, based on the requirements discussed above. Only Coal Resources that fall within the boundary of the Measured and Indicated polygons are included in the Coal Resource Estimates.

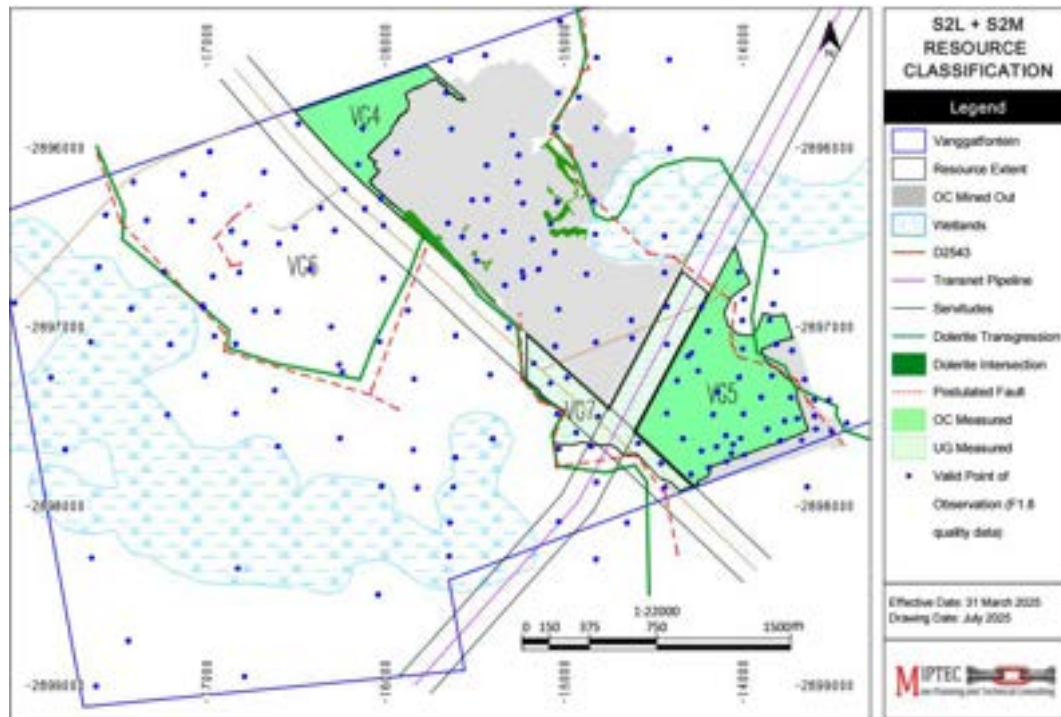


Figure 8-68. No. 2 Seam Resource Classification.

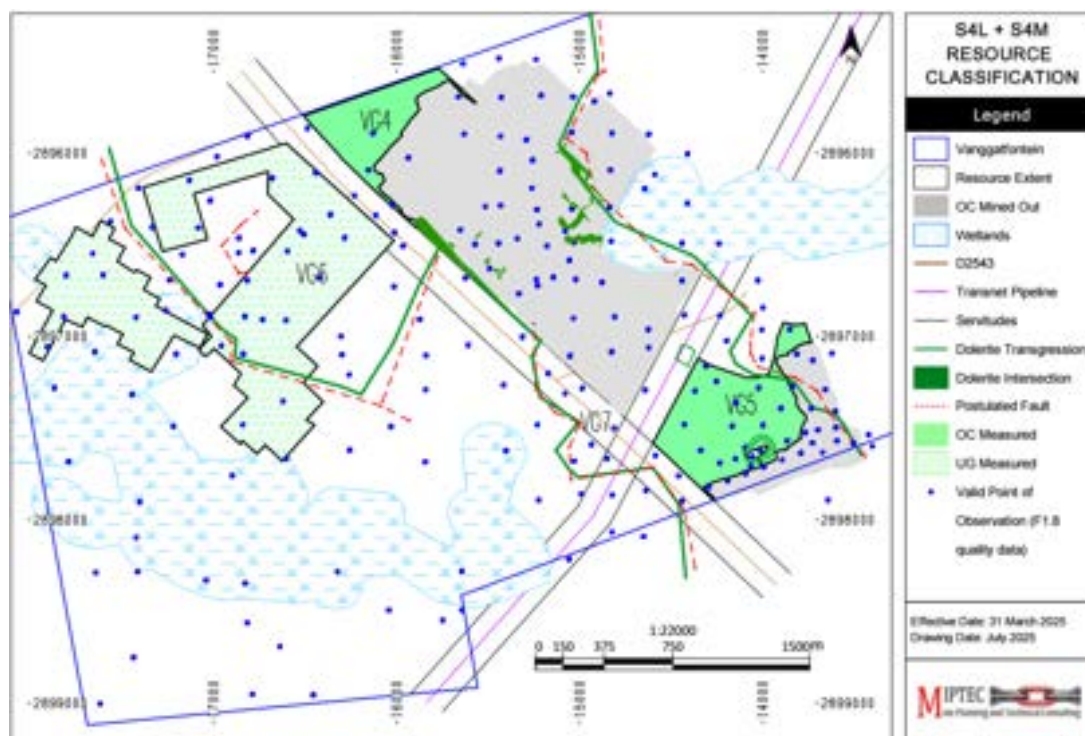


Figure 8-69. No. 4L Seam Resource Classification.

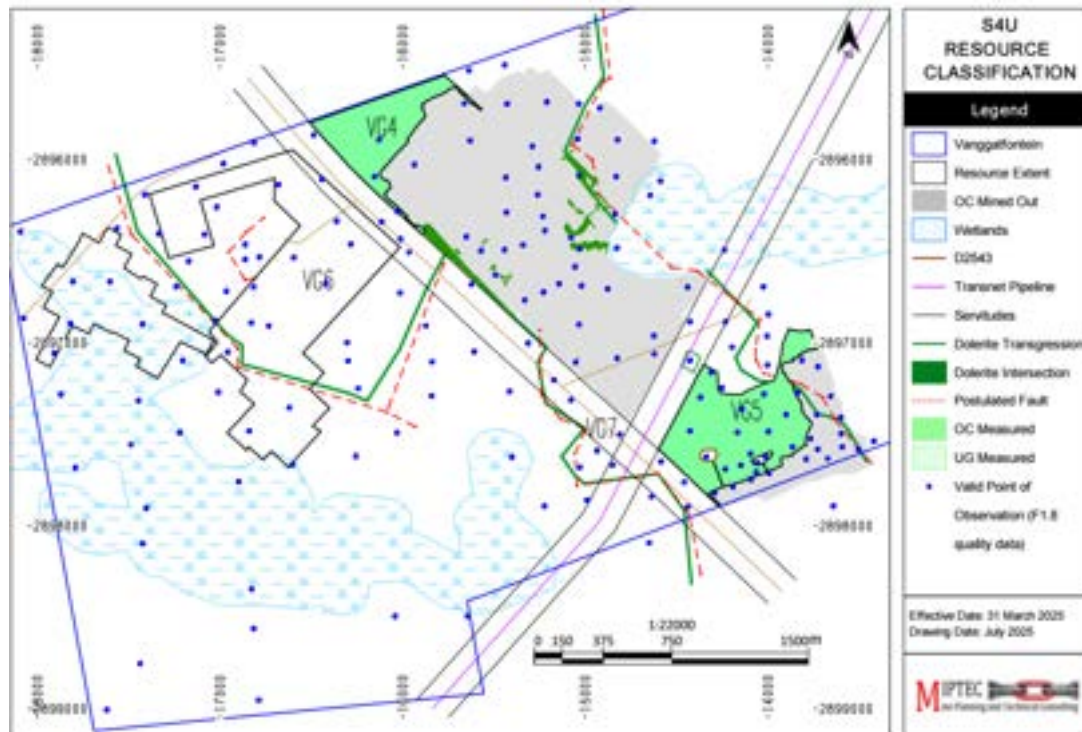


Figure 8-70. No. 4U Seam Resource Classification.

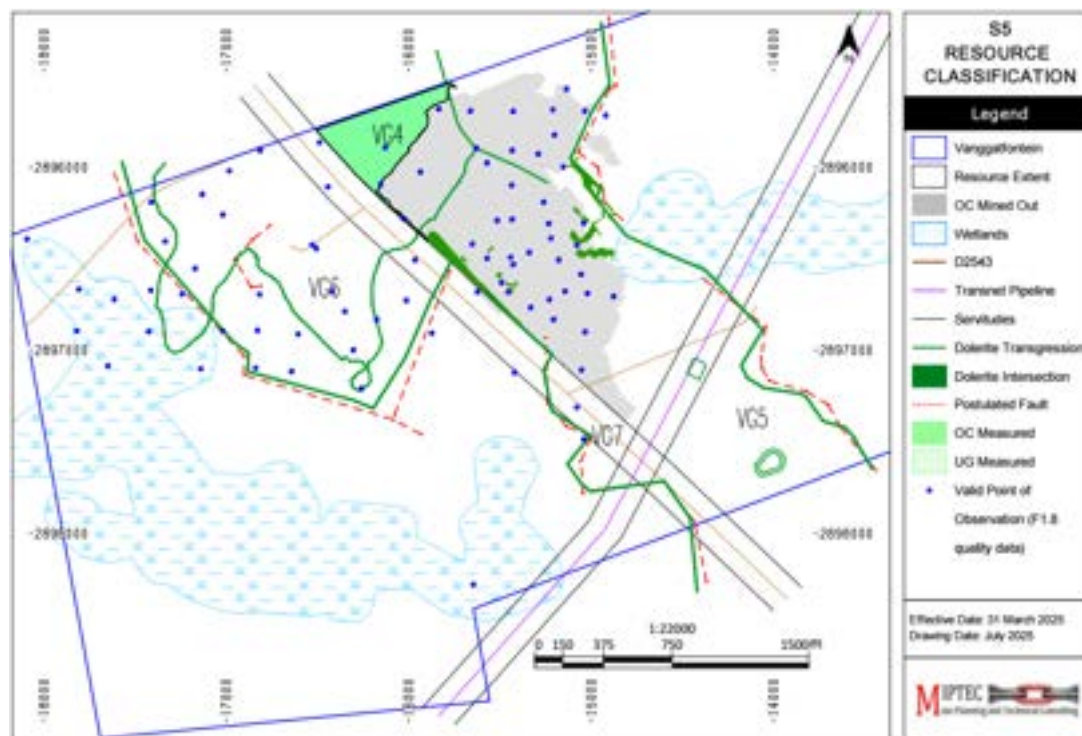


Figure 8-71. No. 5 Seam Resource Classification.

8.14.5 Reporting Definitions

The SAMREC Code (2016) requires that only the Mineable Tonnes In Situ (**MTIS**) Coal Resource estimate is publicly reported (Clause 55). Reporting definitions as extracted from SANS0320:2020 are summarised in

Table 8-17 and adhered to in this report.

Category	Definition
Mineable Tonnes In Situ (MTIS)	The tonnage and coal quality, at a specified moisture content, contained in the coal seam, or section of the coal seam, which is proposed to be mined, at the theoretical mining height, adjusted by the geological loss factors and de-rating factors for previous mining activities, with respect to a specific mining method and after the relevant minimum and maximum mineable thickness cut-offs, depth cut-off and relevant coal quality cut-off parameters have been applied. Definition The tonnage and coal quality, at a specified moisture content, contained in the coal seam, or section of the coal seam, which is proposed to be mined, at the theoretical mining height, adjusted by the geological loss factors and de-rating factors for previous mining activities, with respect to a specific mining method and after the relevant minimum and maximum mineable thickness cut-offs, depth cut-off and relevant coal quality cut-off parameters have been applied. NOTE 1 Mineable Tonnes In Situ Coal Resources are subdivided in order of increasing geoscientific knowledge and confidence into Inferred, Indicated or Measured Mineable Tonnes In Situ Coal Resource categories. NOTE 2 The geological loss factor is applied to the Gross Tonnes In Situ tonnage estimates and, therefore the impact of the geological loss is included in the Mineable Tonnes In Situ Coal Resource tonnage estimates.
Measured Coal Resource	NOTE 2 The geological loss factor is applied to the Gross Tonnes In Situ tonnage estimates and, therefore the impact of the geological loss is included in the Measured Coal Resource tonnage estimates. That part of a Coal Resource for which quantity, grade or quality, densities, shape, and physical characteristics are estimated with confidence sufficient to allow the application of modifying factors to support detailed mine planning and final evaluation of the economic viability of the deposit.
Measured Coal Resource	That part of a Coal Resource for which quantity, grade or quality, densities, shape, and physical characteristics are estimated with confidence sufficient to allow the application of modifying factors to support detailed mine planning and final evaluation of the economic viability of the deposit. NOTE 1 Geological evidence is derived from detailed and reliable exploration, sampling and testing and is sufficient to confirm geological and grade or quality continuity between points of observation. A Measured Coal Resource has a higher level of confidence than that applying to either an Indicated Coal Resource or an Inferred Coal Resource. It may be converted to a Proved Coal Reserve or to a Probable Coal Reserve. NOTE 2 A Measured Coal Resource is defined by coal meeting the thickness cut-offs, depth cut-offs, and the relevant coal quality cut-offs, as defined by the competent person, which meets the criteria for reasonable prospects for eventual economic extraction. NOTE 3 Although a Measured Coal Resource has sufficient confidence to allow Coal Resource estimation and life of mine planning, it does not imply that further drilling and sampling would not be needed for optimization purposes prior to mining taking place.
Indicated Coal Resource	That part of a Coal Resource for which quantity, grade or quality, densities, shape and physical characteristics are estimated with sufficient confidence to allow the application of modifying factors in sufficient detail to support mine planning and evaluation of the economic viability of the deposit.
Indicated Coal Resource	That part of a Coal Resource for which quantity, grade or quality, densities, shape and physical characteristics are estimated with sufficient confidence to allow the application of modifying factors in sufficient detail to support mine planning and evaluation of the economic viability of the deposit. NOTE 1 Geological evidence is derived from adequately detailed and reliable exploration, sampling and testing and is sufficient to assume geological and grade or quality continuity between points of observation. An Indicated Coal Resource has a lower level of confidence than that applying to a Measured Coal Resource and may only be converted to a Probable Coal Reserve. NOTE 2 An Indicated Coal Resource is defined by coal above the minimum thickness cut-off, depth cut-off, and the relevant coal quality cut-offs, as defined by the competent person, which meets the criteria for reasonable prospects for eventual economic extraction. NOTE 3 The level of confidence in an Indicated Coal Resource is usually sufficient to support a decision on whether a pre-feasibility study or feasibility study is warranted.
Inferred Coal Resource	That part of a Coal Resource for which quantity and coal quality are estimated on the basis of limited geological evidence and sampling and shall not be converted to a Coal Reserve.
	NOTE 1 Geological evidence is sufficient to imply but not verify geological and grade or quality continuity. An Inferred Coal Resource has a lower level of confidence than that applying to an Indicated Coal Resource. It is reasonably expected that the majority of Inferred Coal Resources could be upgraded to Indicated Coal Resources with continued exploration. NOTE 2 An Inferred Coal Resource is defined by coal above the minimum thickness cut-off, depth cut-off, and the relevant coal quality cut-offs, as defined by the Competent Person, which meets the criteria for reasonable prospects for eventual economic extraction. NOTE 3 The level of confidence in an Inferred Coal Resource is usually insufficient to justify a pre-feasibility study.

Inferred Coal Resource	That part of a Coal Resource for which quantity and coal quality are estimated on the basis of limited geological evidence and sampling and shall not be converted to a Coal Reserve. <i>NOTE 1 Geological evidence is sufficient to imply but not verify geological and grade or quality continuity. An Inferred Coal Resource has a lower level of confidence than that applying to an Indicated Coal Resource. It is reasonably expected that the majority of Inferred Coal Resources could be upgraded to Indicated Coal Resources with continued exploration.</i> <i>NOTE 2 An Inferred Coal Resource is defined by coal above the minimum thickness cut-off, depth cut-off, and the relevant coal quality cut-offs, as defined by the Competent Person, which meets the criteria for reasonable prospects for eventual economic extraction.</i> <i>NOTE 3 The level of confidence in an Inferred Coal Resource is usually insufficient to justify a pre-feasibility study.</i>

Table 8-17. Summary of Reporting Definitions (SANS10320:2020)

8.14.6 Coal Resource Cut-off Parameters

[SR4.1(vi), SR4.2(ii) (vi)]

The following cut-off parameters were applied when delineating the resource polygons and estimating the Coal Resources:

- Seam extent was constrained by:
 - The limit of weathering;
 - The mining right boundary and a 9 m pillar buffer; and
 - A 100 m wetland buffer.
- Quality cut-offs:
 - A DAFV cut-off of 24% was applied to all opencast seams; and 27% on the underground seams
 - A raw ash content <50% was applied to all opencast seams; and 45% on the underground seams
- Physical seam parameters:
 - Coal seams less <0.5 m thick were excluded from the opencast Coal Resource Estimates;
 - Within the underground area, a minimum mining height cut-off of 1.8 m was applied; and
 - A maximum mining height of 4.8 m was applied to the underground seams.
- Mining parameters:
 - A maximum strip ratio of 1:10 BCM/ROM tonnes was applied.

8.14.7 Coal Resource Estimation

[JSE12.10(a)] [SR1.4(iii), SR4.1(iv), SR4.5(ii) (iv) (v) (vii), SR6.1(i), SR6.3(vi)] [SV1.9]

The Coal Resource Estimates were conducted in accordance with the SAMREC Code, 2016 Edition, as well as SANS 10320:2020.

The Coal Resource Estimate has been independently estimated and signed off by Ms. K. Black of KJB GeoServices on behalf of Miptec and is declared as at 31 March 2025. The Vanggatfontein Coal Resource Estimates comprise 23.04 Mt of Measured MTIS Coal Resources (

Table 8-18) with raw and washed qualities as shown in Table 8-19 and

Table 8-20, respectively.

All Coal Resources are inclusive of the Coal Reserves.

Provision has been made for a geological loss factor (discount). Losses may occur mainly as a result of intersection of dolerite dykes, small-scaled faulting and other unforeseen geological losses. The geological discounts applied to the Measured Coal Resources are 10%.

Miptec is confident that the logging, sampling, data density and distribution, as discussed in the sections above, are suitable for the estimation of Coal Resources.

Table 8-18. Vanggatfontein Coal Resource Estimate at as 31 March 2025

Resource Area	Mining Method	Resource Category	Seam	Area (ha)	Thick (m)	ARD (g/cm ³)	GTIS (Mt)	Geo Loss (%)	MTIS (Mt)
VG4	OC	Measured	S5	17.96	1.41	1.55	0.39	15	0.33
			4U	20.65	4.59	1.80	1.71	15	1.45
			S4L	20.65	4.61	1.67	1.59	15	1.35
			S2	22.02	7.00	1.64	2.53	15	2.15
				81.28	5.38	1.69	6.22	10	5.29
VG5	OC	Measured	4U	35.70	2.77	1.79	1.77	10	1.59
			4L	40.66	3.18	1.59	2.06	10	1.85
			S2	59.44	6.15	1.63	5.97	10	5.37
				135.80	4.91	1.65	9.79	10	8.81
			TOTAL OC RESOURCES	217.08	5.09	1.67	16.02		14.10
VG6	UG	Measured	S4	113.84	4.05	1.65	7.61	15	6.47
VG7	UG	Measured	S2	36.83	4.69	1.59	2.75	10	2.47
TOTAL UG RESOURCES				150.67	4.23	1.63	10.35		8.94
TOTAL VGF RESOURCES					4.75	1.65	26.37		23.04

Note:

1. Minimum seam thickness cut-off of 0.5 m for OC and 1.8 m for UG.
2. Ash Content >50% cut-off applied to OC Seams, and >45% for UG Seams
3. Dry ash-free basis (daf) >24% limit applied to OC Seams and >27% for UG Seams.
4. ARD – Apparent Relative Density.
5. Weighted average qualities estimated on MTIS. All seam thicknesses used are true thicknesses.
6. Coal Resources quoted on a MTIS adb basis in million tonnes.
7. Fresh coal only, and coal within Mining Right boundary.
- 8.

Table 8-19. Vanggatfontein Raw Coal Qualities at as 31 March 2025

					Raw Coal Qualities (Air Dried, Uncontaminated)								
Resource Area	Mining Method	Resource Category	Seam	MTIS (Mt)	Ash (%)	CV (MJ/kg)	FC (%)	IM (%)	RD (%)	TS (%)	VM (%)	DAFV (%)	
VG4	OC	Measured	S5	0.33	28.80	21.35	43.99	4.27	1.55	1.36	22.94	34.27	
			4U	1.45	43.89	14.23	32.18	3.66	1.80	0.87	18.28	36.23	
			S4L	1.35	33.76	18.32	41.00	4.18	1.67	0.87	21.06	33.93	
			S2	2.15	33.45	18.87	42.13	3.83	1.64	0.93	20.60	32.84	
				5.29	36.65	17.61	39.23	3.90	1.69	0.93	20.23	34.14	
VG5	OC	Measured	4U	1.59	46.22	14.72	38.18	3.09	1.79	1.22	12.52	24.69	
			4L	1.85	28.99	21.18	47.82	3.60	1.59	1.56	19.58	29.05	
			S2	5.37	32.32	19.63	42.43	3.65	1.63	1.24	21.60	33.73	
				8.81	34.13	19.07	42.79	3.54	1.65	1.30	19.53	31.11	
				14.10	35.08	18.52	41.46	3.67	1.67	1.16	19.79	32.25	
TOTAL OC RESOURCES					35.08	18.52	41.46	3.67	1.67	1.16	19.79	32.25	
VG6	UG	Measured	S4	6.47	33.60	19.00	43.38	3.78	1.65	1.10	19.24	30.73	
VG7	UG	Measured	S2	2.47	29.53	20.87	44.69	3.88	1.59	1.23	21.89	32.87	
TOTAL UG RESOURCES					8.94	32.47	19.52	43.74	3.81	1.63	1.14	19.97	31.32
TOTAL VGF RESOURCES					23.04	34.07	18.91	42.34	3.73	1.65	1.15	19.86	31.89

- Weighted average qualities estimated on MTIS.
- CV - Calorific Value, VM – Volatile Matter Content, FC - Fixed Carbon, TS - Total Sulphur, IM - Inherent Moisture, DAFV – dry, ash-free Volatile Matter Content, ARD – Apparent Relative Density.
- Coal Qualities reported on an air-dried basis (adb).

Table 8-20. Vanggatfontein F1.8 Coal Qualities as at 31 March 2025

COAL RESOURCE SUMMARY					F1.8 Coal Qualities (Air Dried, Uncontaminated)						
Resource Area	Mining Method	Resource Category	Seam	MTIS (Mt)	Ash (%)	CV (MJ/kg)	FC (%)	IM (%)	TS (%)	VM (%)	YIELD (%)
VG4	OC	Measured	S5	0.33	20.06	24.30	50.02	4.47	0.86	25.48	81.62
			4U	1.45	27.79	21.19	45.63	4.32	0.81	22.46	52.96
			S4L	1.35	23.86	22.11	48.50	4.66	0.48	22.81	71.40
			S2	2.15	22.13	23.30	50.90	4.32	0.49	22.94	71.62
				5.29	24.00	22.48	48.78	4.42	0.60	22.93	67.07
VG5	OC	Measured	4U	1.59	30.30	21.08	52.25	3.41	1.14	13.97	57.43
			4L	1.85	23.72	23.04	51.86	3.94	1.08	20.26	84.82
			S2	5.37	22.55	23.41	49.50	4.17	0.78	23.70	75.43
				8.81	24.19	22.91	50.49	3.98	0.91	21.22	74.15
					24.12	22.75	49.85	4.15	0.79	21.86	71.49
TOTAL OC RESOURCES				14.10							
VG6	UG	Measured	S4	6.47	UG RAW PRODUCT ONLY						
VG7	UG	Measured	S2	2.47	UG RAW PRODUCT ONLY						
TOTAL UG RESOURCES				8.94							
TOTAL VGF RESOURCES				23.04							

- Weighted average qualities estimated on MTIS.
- CV - Calorific Value, VM – Volatile Matter Content, FC - Fixed Carbon, TS - Total Sulphur, IM - Inherent Moisture, DAFV – dry, ash-free Volatile Matter Content, ARD – Apparent Relative Density.
- Coal Qualities reported on an air-dried basis (adb).

8.14.8 Reconciliation with the Previous Coal Resource Estimate

[SR1.4(iii), SR4.2(v), SR4.5(vi), SR6.1(iii)]

Table 8-21 below details the Coal Resource reconciliation between FY24 and FY25.

The net increase in the Coal Resource Estimate of 0.68 Mt between FY24 (22.88 Mt) and FY25 (23.04 Mt), is primarily due to the splitting of the S4 into the S4U and S4L in VG4; it was previously reported as a total S4 Coal Resource. The seam was split based on the qualities and to reflect the changing strategy of the mine. Additionally, gains were realised on the VG6 estimate, due to a change in the S4M mining horizon delineation. Previously, a somewhat select mining horizon within the S4L was designated as the S4M. Currently, the S4M has been delineated as 4.8 m from the base of the S4L up.

Table 8-21. Vanggatfontein Resource Reconciliation

Reconciliation Mar'24 to Mar'25 Estimates					
	FY 2024 Mt	FY 2025 Mt	Variance Mt	FY25 Actual Mining ROM (AR) Mt	Loss/Gain Mt
Vanggatfontein Total	22.88	23.04	0.17	0.51	0.68
Eastern Resource Block (ERB)	14.24	14.10	-0.14	0.51	0.37
5 Seam	0.35	0.33	-0.02	0.03	0.01
4U Seam	6.16	3.05	-3.12	0.09	-3.02
4L Seam		3.20	3.20	0.14	3.34
2 Seam	7.73	7.52	-0.21	0.25	0.04
Western Resource Block (WRB)	8.64	8.94	0.30	-	0.30
5 Seam	-	-	-	-	0.00
4 Seam	6.03	6.47	0.43	-	0.43
2 Seam	2.60	2.47	-0.13	-	-0.13

8.15 Risks

SR 5.7

The main risks associated with the coal resources at Vanggatfontein are associated with the identified structures in all of the resource areas. Faulting and dolerite have been identified throughout the resource area, requiring additional drilling to firm up the location and extent of these structures.

Table 8-22: Geological Risks Identified at Vanggatfontein

TYPE OF RISK	RISK	MITIGATION	LEVEL OF RISK
Structural	Loss of resources due to faulting and dolerite	Infill drilling in areas of structural complexity and in areas with anomalous drill hole information.	High

8.16 Recommendations

The following work is recommended:

- Additional drilling is required to further delineate the location and extent of the identified faults and dolerite.

8.17 Mining

SR4.1(iii); SR4.3(i-ii); SR4.5(iii,v); SR5.1(i); SR5.2(i-ix)

8.17.1 Opencast

Vanggatfontein opencast is an operational mine with an updated LOM plan. The opencast was on care and maintenance from time to time. This started after the initial Eskom contract came to an end and the mine relied on opportunistic supply, mostly as a rectification source to other Eskom contracts. For FY22, the mine produced 2,97 Mt ROM, for FY23 it produced 0.71 Mt, FY24 0.28 Mt and for FY25 0.51 Mt. Salungano and mine management has indicated that they plan to ramp up production to 3 million RoM tons per annum. This target is dependent on the awarding of the Eskom Duvha contract and the successful execution of preparatory and ramp up activities.

The mine has depleted the VG1, VG2 and VG3 opencast pits, with only VG4 and VG5 remaining as the Life of Mine opencast Reserves.

8.17.2 Underground

The VG6 underground reserves are based on the fact a pre-feasibility study was conducted (2019). The VG6 together with the neighbouring Moabsvelden Reserves were contracted to Eskom in the same CSA. The current outstanding energy remaining on this contract equates to approximately 7Mt of saleable coal. The CSA was contracted to supply coal to Kusile Power Station, and as such, Moabsvelden commenced construction in 2019 and produced first coal during January 2020. The economics of the VG6 underground is dependent on supplying raw crushed and screened coal under the Eskom CSA. The geological model was built specifically with the S4M delineated to allow for a blend of underground coal on the main belt which can meet the Kusile Power Station specification on a raw basis.

The resource area surrounding VG6 was initially evaluated on an opencast basis, however a large portion of S2 in this area was affected by dolerite, and therefore based on quality, this heat affected S2 was excluded from the resource base based on quality. There are some localized areas with the potential for opencast in terms of quality and strip ratio, however, as for the remainder, the opencast strip ratio ended up very high, rendering the possibility of an opencast extension uneconomical.

The underground mine development has been delayed since the initial project was completed in 2019. The tenure on the Vanggatfontein Mining Right is valid until 22 February 2030, resulting in less than five years remaining. In addition, the CSA with Eskom is being depleted by Moabsvelden, requiring approximately 66 million GJ to be set aside for VG6. Moabsvelden is in the process of either extending the current contract or acquiring a new contract for the remaining coal at Moabsvelden. This process with Eskom's fuel procurement team has progressed significantly the risk related

to a concluded CSA for the remainder of the reserves at Moabsvelden and VG6 is low. The current application to Eskom includes VG6 and the total remaining reserves at Moabsvelden. For the purpose of evaluating the remaining reserves, Eskom required a reconciliation of the reserves required to fulfil the current CSA to be indicated and reported separately from the reserves that will form the basis of the new or extension contract. The remaining reserves from both VG6 and Moabsvelden are addressed in the new application to Eskom.

8.17.3 Personnel

The mine has full-time employees, covering the required legal requirements. These include a mine manager, engineer, chief safety officer and safety officers. In addition, the mine has administrative personnel, mainly in health and safety, admin, HR and environmental departments. The staff on the mine manage the various contractors responsible for mining, processing, security, cleaning, transport and discard management.

With regard to the planned underground operation, the current offices and facilities at Vanggatfontein will be utilised and expanded where required to meet the specific underground requirements. Where required, the relevant skills will be added to the existing team to manage the planned contractor operation, in addition to the opencast and coal processing activities.

8.17.4 Mining Method

Opencast

Opencast operations are based on typical truck and shovel methodologies with push over assist. This methodology was applied since the commencement of construction and initial mining of the VG1 pit July 2010, as well as the subsequent depletion of pits VG1, VG2 and VG3. The pit layout is based on 100 m block lengths and 45 m wide strips to facilitate planning, execution and control. The remaining pits, VG4 and VG5, remain as opencast pits, with respective average RoM strip ratios of 3.08 and 3.42 BCM:ROM Tonnes. The remaining opencast reserve pit shell, apart from the strip ratio, was determined by additional factors such as the public road, Transnet pipeline, mine access road, powerlines and mined out areas. For the pit shell benches at the end of the mine's life, the minimum safe offsets as defined by the rock engineer in the slope stability assessment, was applied.

The pit configuration in terms of a cross-sectional view plays an important factor during steady state production. Figure 8-72 provides an indication on three scenarios, all three of which were historically executed at Vanggatfontein in the VG3 and VG4 opencast pits.

The first diagram depicts the minimum safe highwall configuration. As part of the mine design, this is applicable to the initial boxcut and final high wall. In terms of VG4, it is currently at this configuration, as all work in progress was depleted during the period where the mine was without a key market contract.

The second scenario applies to steady state, with some restrictions on in pit mining processes. The pit is not fully decoupled and, has the potential for activities on the top and bottom benches to impact each other. This is a typical steady state configuration, that is less productive as compared to a fully decoupled scenario. The LOM for Vanggatfontein is based on this configuration for both VG4 and VG5. In the case of VG5 there is no S5 operation, but instead the S4 is split into and S4U upper and S4L lower sections, due to quality differences, and mined separately.

The third scenario applies to a very productive configuration that allows work on the overburden and in pit to be executed in parallel.

The steady state methodology for VG5 strives to keep the softs ahead of the S4 operation, and the same for the S4 seam operation, ahead of the S2 operation. Both S4 and S2 operations require drilling and blasting of burdens and removal of burdens to expose coal and the drill and blasting of coal before it is removed with truck and shovel operations to the RoM pad.

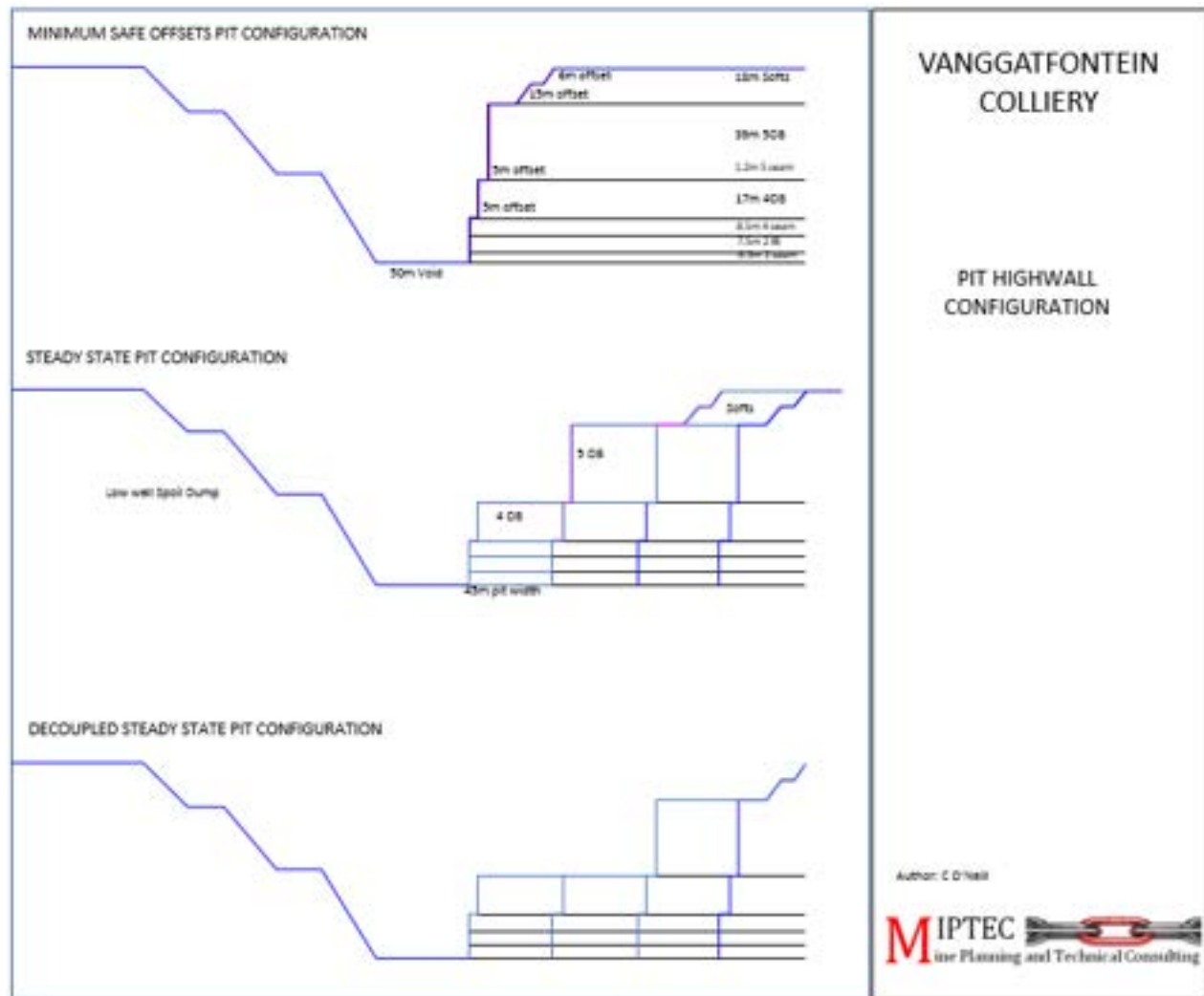


Figure 8-72. Pit configuration for roll over mining

The S4 operation is trucked to the backfill area, whereas the S2 burden is blasted, pushed with dozers into the void, with the remainder of the blasted S2 burden removed with truck and shovel operation to expose the S2 coal.

On the VG4 pit, the softs are stripped ahead of the S5 operation, the S5 burden is drilled, blasted and removed with a truck and shovel operation to the backfill areas. The S4 operation consists of drilling and blasting the S4 burden, pushing as much as possible into the previous void, with the remainder of the burden being trucked to backfill areas. After the removal of the S4 coal, the S2 burden is drilled and blasted. All S2 burden is trucked to backfill areas to expose the S2 coal for mining. The mine uses a presplit drill and blast process on the S5 burden, as well as the S4 and S2 burdens to provide for a smooth safe highwall.

Underground

The VG6 underground S4 project is planned on a board and pillar methodology, employing mechanized extraction. The seam heights included in the plan vary from a minimum of 2 m to a maximum of 4.5 m. 55% of the areas range from 2.5 to 3.5 m in height, with the remaining 45% ranging from 3.5 to 4.5 m. Production is planned to use two continuous miner sections, each producing an average of 40 000 tons per month. The entrance portal to the underground sections is planned from the VG4 opencast high wall area next to the public road. The underground areas vary in depth to the S4, ranging from minimum of 40 m from surface to 105 m. The entrance is planned at a depth of 65 to 70 m to access the S4 underground reserve. Work with regard to the final position of the entrance still needs to be finalised, The intention is to access the VG6 Underground from the VG4 open pit end wall. The opencast commenced operations again and work related to the Underground access will have to be planned and synchronised with the opencast operation. The design for the underground is based on a fixed board width of 6.5 m, with varying pillar widths varying from 8.5 m to 16.5 m to maintain a safety factor of 2 – 2.3.

Project work was concluded in 2019, following a drilling programme, rock engineering sample analysis/designs and a final mining plan and valuation. In 2022, the project was revisited, and coal areas (resources) under the wetlands included as reserves based on the permission granted to undermine the wetlands. No further work on the UG has been completed.

8.18 Rock Engineering

JSE12.10(h)(vii); SR 3.1(i), SR4.1(ii), SR4.3(ii), SR5.2(ii)

Opencast

Salungano has appointed Tsebo as their independent rock engineering consultants for Vanggatfontein. They provide for a legal appointee responsible for the rock engineering function, inclusive of regular audits and updates to the code of practice which endeavours to combat rockfalls. Miptec has relied on Tsebo and their appointed representative to provide the required input with respect to the sections below. As part of the site visit, a visual review was conducted of the opencast pit at Vanggatfontein. Points to note include that some of the old minded out pits are not fully rehabilitated, and that the VG4 opencast pit requires offset benches for highwall safety as it is currently at the minimum offset configuration.

Geological structures with displacement were observed in the VG5 pit, this structure is prominent and will affect the future mining strips. The location of these structures has not been made available to Miptec for inclusion in the geological or mining models.

On the VG4 pit, a geological structure was also observed; the benches have limited offsets and are not conducive to a safe steady state operation. Sufficient offsets are required on the S4 and S5 to allow for the required flexibility in steady state.

8.18.1.1 Mandatory Codes of Practice

The mandatory Code of Practice (**CoP**) to combat rockfall and slope stability related incidents was compiled by the Company as a control document. It was last updated in April 2025, signed off on by appointed rock engineer on 5 May 2025, and due for revision April 2027. This document conforms to the DMRE guideline 7/4/118-AB4. This is mandatory in terms of sections 9(2) and 9(3) of the MHSA.

The slope designs were reviewed and updated during the 2023 reporting period, mainly to confirm the minimum safe offsets for endwalls and final voids. The outcome of the updated designs was incorporated into the stipulations of the CoP and associated geotechnical reporting, as well as slope management procedures and standards.

Inspection of the COP indicates some guides to mined out areas, as well as work in progress (jointing) that does not seem to have been completed. Miptec suggested that the Code be revised and address the conflicting information and to include aspects of safety regarding the very deep mining areas.

8.18.1.2 Geological structures and Geotechnical Setting

Geological structures were observed in both the VG4 and VG5 pits. In both cases, displacement of seams was evident. In VG5, a dolerite sill is present above the S4, this horizon of approximately 17 m thick is highly jointed and fractured. An offset of 10 m is designed at the bottom of this structure within the S4 overburden zone, in order to mitigate any risk of failures because of this fractured and jointed zone.

8.19 Geotechnical Designs

8.19.1 Opencast Geotechnical Designs

Opencast operations are based on truck and shovel methodologies since the commencement of the opencast back in 2010 when the VG1 Pit was constructed. The opencast strip width stayed constant at 45 m, with all remaining areas still planned at 45 m cut widths at the same original strip orientation. The mining layout is further broken into mining blocks of 100 m length to facilitate planning and execution control. The current remaining opencast Pits, VG4 and VG5 will continue as opencast mining areas. The remaining pit shell for each of the pits was determined based on economical strip ratio's and feasible coal qualities together with surface limiting factors such as Powerlines, Public roads and the Transnet pipeline. The mined-out areas are defined by actual survey information and incorporated in the remaining pit shell design. Finally, the high wall as well as end wall configurations were re-evaluated and confirmed by

the appointed rock engineer for the mine. These contributed to the final design of the remaining pit shell for each of the mining Pits.

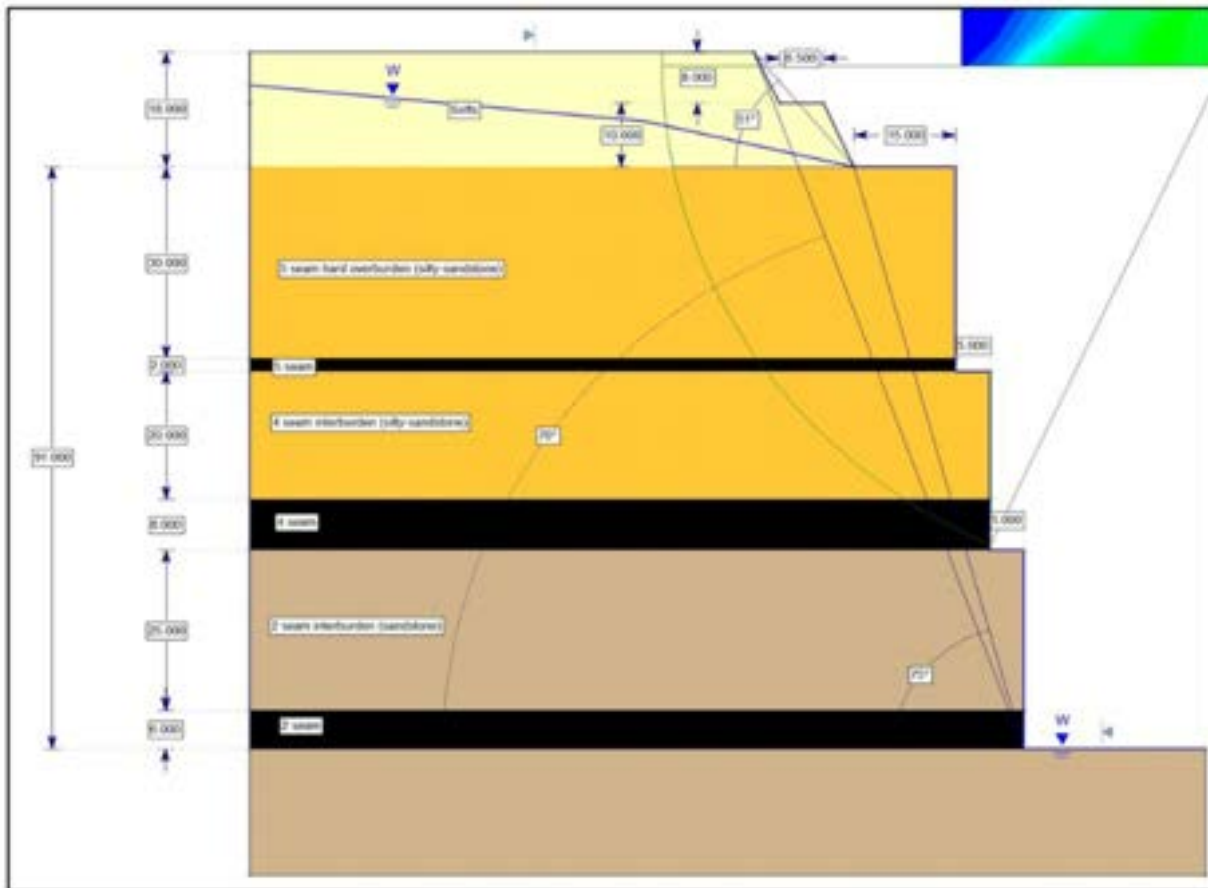


Figure 8-73. VG4 indicated EW/HW design (Tsebo, 2023)

Figure 8-73 shows the highwall analysis reviewed by the rock engineers from Tsebo. This design for the VG4 pit correlates with that previously compiled by Middindi Consulting.

The minimum design for the VG4 pit equates to a 5 m offset at the S4 level, a 5 m offset at S5 level, 15 m offset on the S5 overburden level, followed by the safe benching of the estimated 8 m thick softs at an angle of 51 degrees. This angle adds another 15 m to the total offset distance from the S2 floor position.

The total minimum safe allowance from the S2 floor position is 40 m.

For the purposes of reserves, the VG4 offset from the 100 m powerline restriction, was set at 25 m. Inspection of current mining shows that softs are stripped well within the 100 m powerline zone. This was mainly part of the reclaiming

and movement of dumps that were placed initially within the road reserve on top of coal. It has been confirmed that this practice will continue for the remaining eight mining strips in VG4.

For the VG4 final void area next to the current access road, this was offset by 60 m from the closest powerline position; this is well within the rock engineers indicated 40 m total. This 60 m offset applied to reserves is based on the following:

- a) The access road being relocated
- b) Permission obtained to mine up to 15m from the current powerline
- c) If the powerline is moved, the 60 m offset can be reduced to increase reserves

At VG5, the recommendations from the rock engineers were different to those calculated for the VG4 pit. The VG5 mining area does not have S5 coal, but a dolerite sill does occur in the top part of the S4 overburden. For the calculation of highwall safety design and slopes, this horizon was averaged at 17 m thick over the full remaining extent of the VG5 pit. This sill has affected the S4 and evidence of that can be seen in the coal qualities of the S4U seam. The S4U is a low volatile seam planned to be mined and upgraded by blending with a high-quality source from the nearby Moabsvelden operation.

The minimum safe endwall and final highwall design, from the S2 seam floor, commenced with a 5 m offset on the S4 level, followed by a 10 m offset approximately 17 m from the top of the S4 seam burden, followed by a 15 m offset on an approximate 4 m thick weathered zone, followed by a 15 m offset on softs floor and a final approximate 15 m as part of the softs benching of an estimated 17 m thick soft horizon. The total offset from the S2 floor as indicated above in detail is 60 m. The softs, inclusive of the weathered zone is 45 m. As is the case with VG4, the softs at VG5 are stripped within the road reserve.

With respect to the reserves for VG5, the design criteria calculated by the rock engineer, together with the actual VG3 final void survey was utilized to finalise the planned offsets for the purpose of reserve estimation.

A 25 m offset from the 100 m Transnet Pipeline buffer was applied in the design, together with a 30 m offset from the public road to the south-west of VG5.

During the numeric modelling for the Factor of Safety (FoS) and Probability of Stability using 2D Slide software, the FoS on softs for both pits ~1.8, 4 overburden, VG5 and VG4 2.9 to 3.0 with Probability of Stability on all benches greater than 99%.

The identified risks relevant to slope stability is blast vibrations; blast engineers conduct blast simulations and effective designs to mitigate the effect of vibration on opencast slopes.

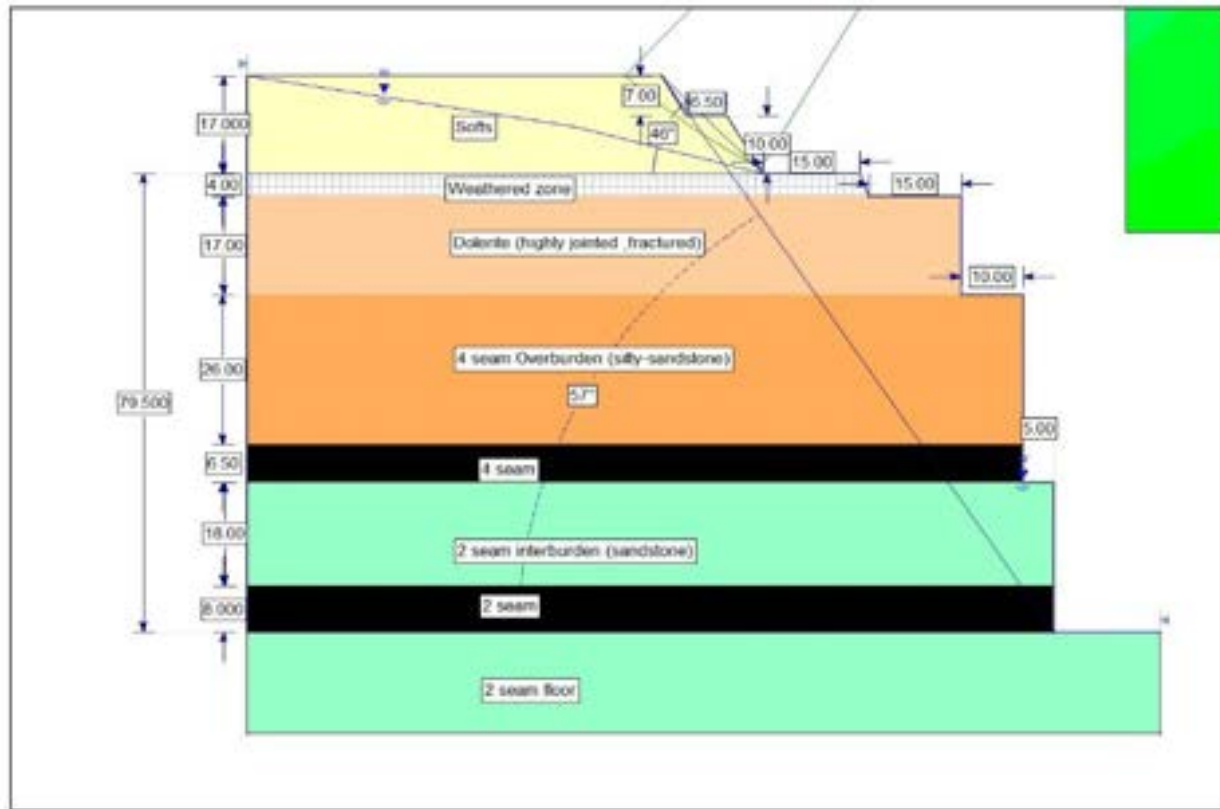


Figure 8-74. VG5 indicated EW/HW design (Tsebo, 2023).

8.19.1.1 Findings

The VG4 pit is in a minimum offset configuration, with a large waste dump on top of coal. The softs thickness varies from 8 – 11 m. The high wall designs must still be reviewed with this added weight loading the almost vertically high wall at a considerable depth.

8.19.1.2 Specific Risks

As indicated in the sections above, the risk related to the slope assessments and guidelines for stability highly depend on the effectiveness of blasting operations and management of blast vibration, which in addition is impacted by surface water and rain.

The presence of a large waste dump on top of the softs, with a pit depth exceeding 80 m with minimal offsets, provides additional loading onto the current VG4 highwall. High wall failure risk is high. It must be acknowledged that the previous assessment for slope design was conducted as a desktop study, based on typical Witbank coal field rock and material properties. Managing risk in terms of slope stability is an ongoing process, incidents are reviewed, and mitigation

measures implemented. When applicable, the COP and associated procedures and standards were reviewed and updated.

8.19.2 Underground Geotechnical Designs

The initial geotechnical assessment was conducted by ARMS in 2018. During the 2018 drill campaign, four of the boreholes were selected for geotechnical assessment, the location of which is detailed in Figure 8-75.

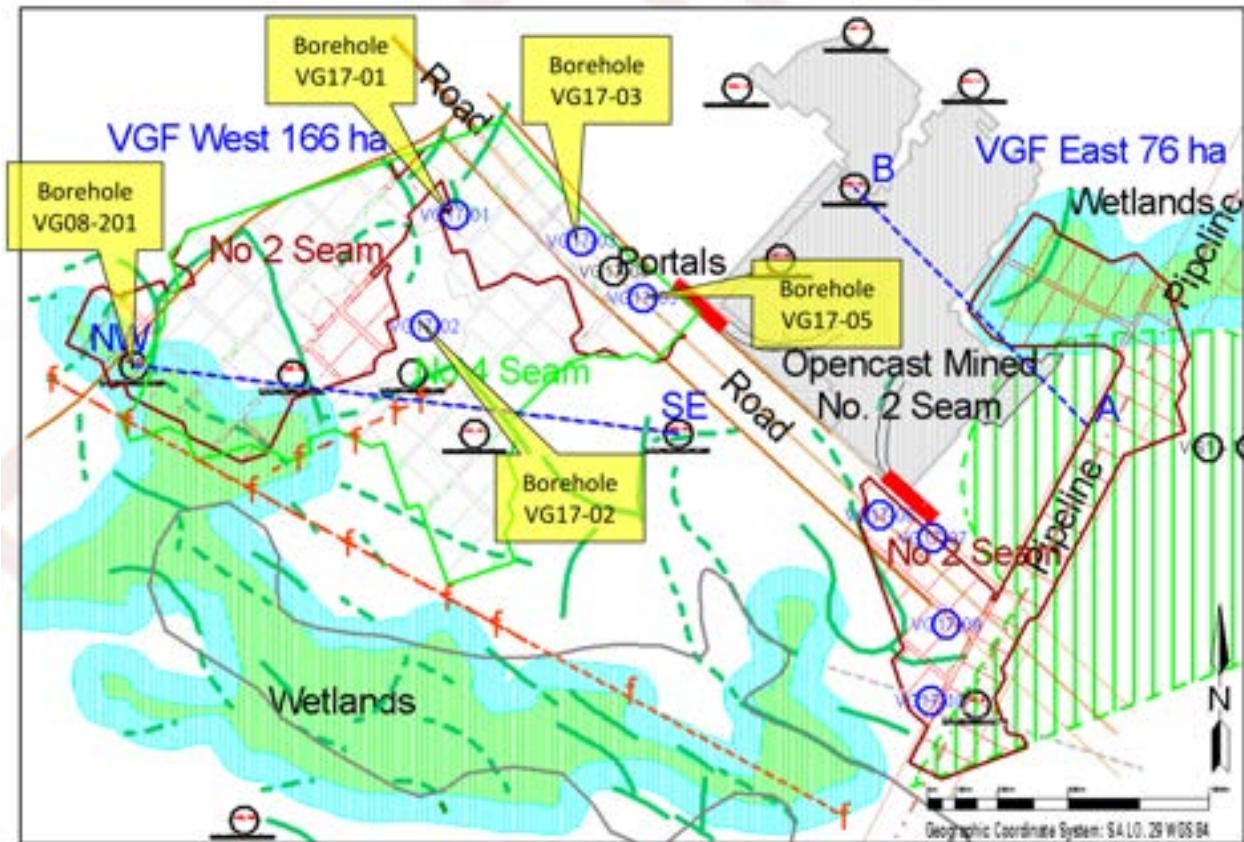


Figure 8-75. Geotechnically assessed boreholes 2018

8.19.2.1 Mandatory Codes of Practice

The mandatory CoP for the planned underground will be drafted to be mine specific. This will be implemented when the mine moves into construction phase.

8.19.2.2 Geological structures and Geotechnical Setting

Dykes and faults will be present, although quite difficult to exactly determine from current available drilling. Previous work provided an indication on possible dykes, faults and sills. From a mining perspective, this will result in poor/adverse roof conditions near such features that will require special support designs and more expensive development to pass through or could be mined under “Special Area” conditions. It is anticipated that some of the major rolls indicated on the floor elevations could be due to faulting with resultant flatter slopes if there are displacement. The underground footprint does not include areas with abnormal floor rolls and areas where water losses was encountered.

Geotechnical logging and sampling of the full borehole core. Tests included:

- Geotechnical logging of the core
- Impact splitting tests
- Point load tests
- Laboratory tests on the S4, and the parting between the S4 and S2 was done for Uni-axial Compressive Strength (**UCS**) test and Brazilian Tensile Strength (**UTB**) Tests
- Weather ability tests

Geophysical logging tests included:

- Three-arm calliper / natural gamma ray (borehole check and basic lithology)
- Triple compensated density / gamma / calliper (fully calibrated)
- Full waveform sonic (Rock strength and elastic moduli)

Geological

- Geological logging of the core lithology
- Sampling of the coal horizons focused on select horizons with broad samples on the remaining roof and floor.

8.19.2.3 Underground geotechnical designs

SR 5.2(vii),

ARMS provided the rock engineering guidelines and factors for the determination of pillar stability and risk. The design parameters as listed below, relevant to specific areas, were done to allow for a 99.9% probability of pillar survival and therefore protection of surface areas. The recovery varies from as much as 68% to as low as 49% in areas at depth with thick coal seams.

Table 8-23. Design parameters (ARMS, 2019)

Parameter	Area 3	Area 1	Area 3	Area 1	Area 2	Area 2
Mining Height	3.3	3	4.5	4.5	3.9	4.5
Depth Below Surface	52	67	72	80	92	105
Bord Width	6.5	6.5	6.5	6.5	6.5	6.5
Pillar Width	8.5	8.5	12.5	12.5	15.5	16.5
Pillar Centres	15	15	19	19	22	23
Extraction	67.90%	67.80%	56.70%	56.70%	50.30%	48.50%
Safety Factor	2.3	2	2.2	2	2.6	2.2

With reference to Table 8-23, Area 1 has an average pillar centre design of 18 m in the mining model as compared to the minimum of 15 and the maximum of 19 m in Table 8-23 depicting the rock engineering design guidelines. For Area 2, the average in the mining model is 22 m as compared to the design parameters of minimum 22 m and maximum 23 m. For area 3 the average of 19 m is compared to the design parameters of minimum 15 m and maximum 19 m.

The method used to determine Pillar Safety Factor was based on the Pillar Strength formula by Salamon et al (2006).

Pillar width to height ratio does have an impact and was considered in the finalisation of the designs. Areas constituting shallow mining is minimal, it must be noted that designs were done and that the risk of plug failures were addressed in the relevant designs with the final risk rating being low. Although the initial underground design was done to provide conservative coal extraction, the final designs for implementation will be less averaged based and will address the individual areas in the required detail. The designs were done to also protect the surface from subsidence with the final risk rating being low.

A standard minimum safety factor (FoS) of 2:1 must be maintained along main developments and a minimum safety factor of 1.8 must be maintained on the secondary developments. This will fully be addressed in the implementation designs.

Some of the major risks identified by ARMS is the floor dips with angles greater than 5% where mechanised mining start experiencing production related problems and a maximum of 9% where operation would be uneconomical. Areas with 8-9 percent slope were excluded, except for limited areas where it was required to include steeper areas to provide access between mining areas.

Total depth to the No. 4-seam, Figure 8-76 increases at a considerable rate in a south to northern direction. The current proposed access would be from the opencast VG4 end wall with depths of between 80 m to 90 m depending on where the actual position will be finalised. Total depth increases to 105 m on the north-eastern boundary. Isolated areas exist to the south and west where the depth is below 40 m, classified as shallow mining areas.

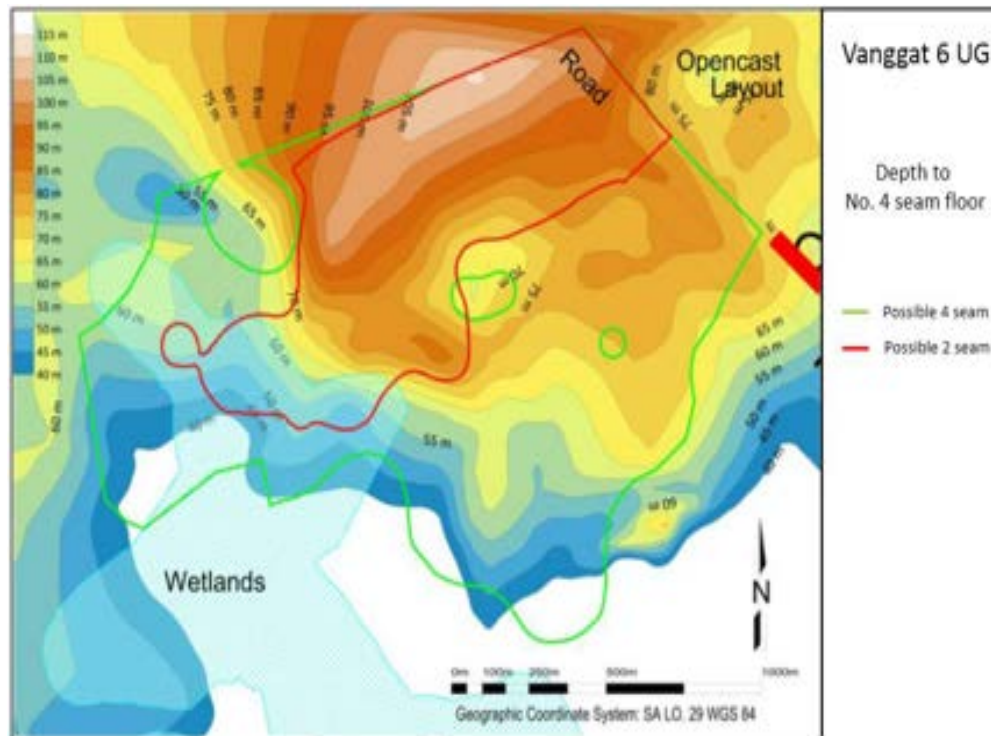


Figure 8-76. Total Depth to No. 4 seam floor (Courtesy of ARMS)

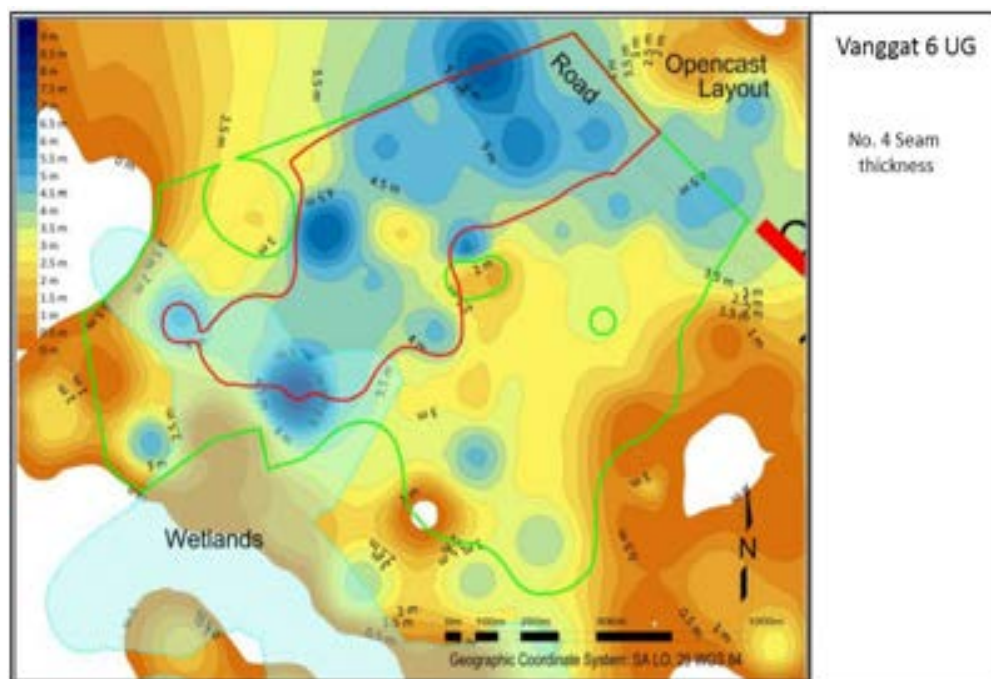


Figure 8-77. No. 4-seam thickness (Courtesy of ARMS)

Figure 8-77 illustrates how the 4L select horizon increases to almost 7 m in some areas, with the deep northern section. Mining height was limited to a maximum of 4.5 m where the coal thickness exceeds 4.5 m. More than 55% of the mining blocks is at a mining height of between 2.5 and 3.5 m, with the remainder being up to 4.5 m.

8.19.2.4 Specific Risks

Risks identified relate to the presence of dolerite and faulting that could not be modeled from the available data. It was recommended as mitigation to decrease the drill spacing to understand the structures. It is anticipated that the current predicted rolls could be faulting with flatter areas amongst them to allow for increased mining areas.

This project would require a period of at least 6 years from finalizing the implementation plans, construction, mining and final closure. The mining right for Vanggatfontein will expire in less than 5 years and would require to be extended.

8.20 Mine Design

8.20.1 Opencast Mine design

8.20.1.1 Resource Model

SR 5.2(iii),

The geological model utilised for the opencast mining model was constructed in Stratmodel™ and last updated in 2023. The relevant structural and quality grids, covering the full extent of the resource area, were provided to the mining engineer for mine modelling purposes. This geological model formed the base for both the mining models and Coal Resource and Reserves Estimates.

8.20.1.2 Optimisation

As part of the technical evaluation, Miptec conducted a block ranking on the opencast resources in 2023. This process formed part of a margin optimisation and is still valid as it confirms the low margins in the deep areas in VG4 next to the public road, as well as in VG5 next to the Transnet pipeline and the north-south low margin areas which correlate to a geological structure with possible faulting. The mine was cautioned not to focus on mining only the low strip ratio areas along the northeastern side of the VG5 Pit; the current LOM schedule follows a best practice approach, whereby it averages the overall strip ratio throughout the LOM.

In addition, it was proven that the mine requires sufficient work in progress, particularly on the softs and S5 benches in order to provide space for the equipment on the upper benches to be productive.

The block ranking exercise indicated minimal potential for economical opencast mining on the western side of the public road.

8.20.1.3 Opencast footprint

SR 5.1(ii), SR 5.2(ii), SR 5.2(iv),

The opencast footprints for both VG4 and VG5 for the FY25 LOM, are based on the footprints delineated during the FY23 reporting period. During this update, the offsets as determined by the Rock engineers, were applied to establish both endwall and final void configurations. This, together with the surface structures such as the road servitude (100 m), Transnet Pipeline (100 m) and the defined wetland buffer zones (500 m) were taken into consideration for the finalisation of the mining footprint.

8.20.1.4 Seam Cut Off Parameters

SR 5.1(ii),

In terms of physical and quality cut-offs on all seams, the factors applied to the mining model are summarised below:

- A minimum seam thickness of 0.5 m;
- A maximum raw ash content of 55%; and
- A minimum Dry ash free volatile of 24%.
-

8.20.1.5 Modifying Factors Coal Recovery

SR 5.1(ii),

For the calculation of the RoM and coal recovery, the following modifying factors (Table 8-24) were applied to the mining model, in addition to the cut-off parameters listed above.

Table 8-24 Modifying Factors Applied at Vanggatfontein

SEAM	TOTAL LOSS	CONTAMINATION	SURFACE MOISTURE
VG4 - S5	15%	4%	4%
S4 & S4U & S4L	12%	4%	4%
S2	18%	4%	4%

The following formulae summarise part of the logic in the estimation process:

GTIS = coal area * seam thickness * coal RD (conforming to seam cut off parameters)

TTIS = GTIS * geological loss factor (measured resource 10% geological loss)

MTIS = TTIS * mining loss factor (2%)

ROM (AD) = MTIS * (1+contamination) (Rom on an air-dried basis)

ROM (AR) = RoM (AD) * (1+ surface moisture) (Rom on an As Received basis)

“ROM (arb) = GTIS * (1- total loss%) * (1+ contamination%) * (1+ surface moisture %)”

The coal losses are converted back to waste volumes to allow for a representative strip ratio calculation and estimation.

The LOM mining model was constructed in the Runge software scheduling software. Geological gridded data were provided and the mining layouts constituting the full opencast mining footprint were updated with all relevant structural and quality data through a reserving process. An extensive handshake between geology and the mining engineer confirmed the accuracy of information transfer. The mining model was updated on a mining process level, with a full quality model representing the intended Eskom Duvha PowerStation supply quality. The model was updated with the stated modifying factors to derive the RoM coal model on an as received basis. This was based on factors that were proven over the years through reconciliation to provide for accurate RoM estimations and mining RoM strip ratios.

The LOM model provides a monthly schedule for the remaining life of Vanggatfontein, with the detailed coal allocation and final product qualities.

8.20.2 Underground Mine design

8.20.2.1 Resource Model

SR 5.2(iii),

The geological model utilised for the underground mining model was constructed in Stratmodel™, in 2022. The relevant structural and quality grids, covering the full extent of the resource area, were provided to the mining engineer for mine modelling purposes. This geological model formed the base for both the mining model and Resource and Reserve Estimates.

8.20.2.2 Optimisation

Normal rock engineering design and practices were applied together with mining engineering concepts in the determination of the underground reserve and extraction. No further Optimisation was done.

8.20.2.3 Underground footprint

SR 5.1(ii), SR 5.2(ii), SR 5.2(iv),

The underground footprint was determined by a range of factors before it was finalised. The factors based on industry and area knowledge considered are as follows:

- Depth, the minimum depth was 40m to the roof of the 4-seam coal horizon;
- Floor dip of less than 8 %;
- Coal quality to meet the Kusile Power Station requirement on a raw basis;
- Seam thickness greater than 2.5 m with a maximum of 4.8 m;
- Mining right boundaries; and
- Surface structures, primarily the public road.

The underground S4 footprint was finalised based on geotechnical, geological and mining engineering input.

In terms of physical and quality cut offs on all seams, the following was applied;

- A minimum of 2.5 m seam thickness;
- A maximum raw ash of 55%;
- A minimum DAFV content of 24%;
- A floor dip less than 8%; and
- A depth greater than 40 m.

The modifying factors applied to the mine plan include:

- A board and pillar design as per Table 8-23;
- 0.1 m contamination;
- A minimum seam height of 2.5 m with a maximum of 4.5m (including contamination);
- Geological losses of 5% applied to in-panel areas;
- 4% additional moisture to derive RoM on an AR basis; and
- The select seam qualities remain on a raw basis, as any contamination would be coal related in the thick seam areas.

The underground plan was created in the Runge software for Underground; the designs replicate the geotechnical parameters. The footprint was established based on the criteria discussed, and scheduling and product simulation were done based on two continuous miner sections.

8.21 Production History

SR1.4(iii); SR5.2(viii)

Opencast

Table 8-25 shows the impact of the ending of the initial Eskom CSA. The mine, in Calendar year 2021 produced 3.12 Mt, decreasing to 0.97 Mt in 2022, to 0.3 Mt in both 2024 and 2025.

Table 8-25. Vanggatfontein Production Statistics

		VANGGATFONTEIN CALENDAR YEAR PRODUCTION STATISTICS																
		2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	TOTAL
VG1	Waste	2.00	4.27	4.52	0.58													11.37
	ROM	0.08	1.01	1.87	0.24													3.21
	S5	0.08	0.22	0.04	0.00													0.34
	S4		0.62	1.24	0.14													2.00
	S2		0.18	0.59	0.10													0.87
VG2	Waste	0.06	2.09	3.32	2.79	2.19	0.97	0.71										12.14
	ROM		0.36	0.99	1.12	0.35	0.44	0.25										3.52
	S5		0.03	0.01	0.03													0.06
	S4		0.26	0.61	0.77	0.28	0.34	0.21										2.48
	S2		0.07	0.37	0.33	0.07	0.10	0.04										0.98
VG3	Waste			0.89	5.47	6.96	4.78	3.87	2.83	3.73	4.07	3.63	1.25	-	-	-	-	37.47
	ROM			0.03	1.78	2.19	1.81	1.40	0.91	1.30	1.04	1.20	0.48	-	-	-	-	12.13
	S5				0.14	0.18	0.11	0.06	0.01	0.03	0.05	0.02	0.01	-	-	-	-	0.62
	S4				1.03	1.06	0.97	0.73	0.55	0.71	0.59	0.59	0.27	-	-	-	-	6.48
	S2				0.61	0.95	0.73	0.62	0.35	0.56	0.40	0.59	0.21	-	-	-	-	5.03
VG4	Waste	-	-	-	1.59	2.87	5.56	7.02	6.83	6.34	4.13	8.16	7.15	1.00	0.27	0.27	0.31	51.51
	ROM	-	-	-	0.06	1.03	1.36	1.98	1.96	1.66	0.90	1.93	1.79	0.55	0.01	0.10	0.13	13.45
	S5	-	-	-	0.06	0.04	0.12	0.12	0.07	0.13	0.03	0.17	0.19	0.01	0.01	0.01	0.01	0.98
	S4	-	-	-	-	0.59	0.74	1.10	1.13	0.95	0.54	1.11	0.93	0.32	-	-	-	7.41
	S2	-	-	-	-	0.40	0.50	0.76	0.76	0.58	0.33	0.65	0.66	0.22	0.00	0.03	0.04	4.91
VG5	Waste	-	-	-	-	-	-	-	-	-	0.38	3.13	2.94	1.37	1.84	0.31	0.56	10.53
	ROM	-	-	-	-	-	-	-	-	-	-	0.66	0.85	0.42	0.48	0.19	0.14	2.73
	S5	-	-	-	-	-	-	-	-	-	-	0.01	0.02	-	-	-	-	0.02
	S4U	-	-	-	-	-	-	-	-	-	-	0.20	0.21	0.29	0.15	0.08	0.06	0.99
	S2	-	-	-	-	-	-	-	-	-	-	0.25	0.49	-	-	-	-	0.75
MINE OC	Waste	2.06	6.36	8.73	10.43	12.03	11.32	11.60	9.66	10.07	8.58	14.92	11.34	2.37	2.12	0.58	0.87	123.02
	ROM	0.08	1.38	2.89	3.20	3.57	3.61	3.63	2.87	2.95	1.93	3.78	3.12	0.97	0.50	0.28	0.27	35.03
	S5	0.08	0.24	0.08	0.23	0.22	0.23	0.18	0.08	0.15	0.08	0.19	0.22	0.01	0.01	0.01	0.01	2.02
	S4U	-	-	-	-	-	-	-	-	-	-	0.20	0.21	0.29	0.15	0.08	0.06	0.99
	S2	-	0.88	1.85	1.94	1.94	2.05	2.04	1.68	1.66	1.12	1.95	1.69	0.32	-	-	-	19.12
		-	0.26	0.97	1.03	1.42	1.33	1.41	1.11	1.14	0.73	1.43	0.99	0.36	0.33	0.13	0.12	12.76

8.22 Future production

Opencast

The mine, under the JSE Section 155 compromise, guided by Salungano and major creditors, has commenced production, although at low rates, and is gearing up in anticipation of the upcoming Eskom contract to Duvha Power Station. The exact equipment required for the planned ramp up was not available at the time of the LOM schedules; Salungano has indicated to Eskom that 150 000 t saleable would be provided on average per month. The LOM schedule forms the base to go out and contract with the opencast contractor for additional capacity. In anticipation, the LOM plan has preparatory aspects to the schedule, which are mostly focused on the VG4 pit. The most prominent is the moving of the waste dump that is situated on top of the remaining reserves, and the establishment of sufficient work in progress to allow for sustainable production from the VG4 pit. The LOM balanced the production from both remaining pits, to ensure a continuous blend, to the end of the mine's life.

The VG4 pit is on average 84 m deep. A waste dump of approximately 1.2 million cubes is situated on top of the VG4 area highwall. Softs vary from 7 to 11 m thick, the hard burden to the S5 is on average 41 m for a S5 of 1.4 m thick. The next interburden bench to the S4 is 18 m thick, exposing on average, an 8 m thick S4. The last interburden is to expose S2; this burden is 8 m thick, exposing on average, a 6 m S2 coal seam. The average strip ratio for VG4 is 1:3.21 BCM:ROM tonnes.

The VG5 Pit is on average 70 m deep. The softs vary, with an average thickness of 9 m. The burden to the S4 is 36 m thick, exposing on average a 2.8 m thick S4U and a 3.2 m thick S4L seam. The interburden thickness to the S2 is 13 m on average, exposing 5.9 m of S2 coal. The average strip ratio for VG5 is 1:3.55 BCM:ROM Tonnes.

8.23 Colliery Organization

SR5.2(viii); ESG4.1

The colliery under the JSE Section 155 compromise is awaiting the new Eskom contract to prepare and ramp up. All required legal appointments are in place as required by the Minerals Act. The mine will employ more operators as additional equipment is deployed.

8.23.1.1 Mining Fleet and Machinery

SR5.2(viii);

At the time of this report, the mine has the total capacity to move 1.2 Million cubes of material. This includes both waste and coal.

The main equipment on the mine is as follows:

- 4 x Hitachi 870 excavator teams
- 5 x Hitachi 1200 excavator teams
- 1 x Dozer
- 5 x drill rigs for both waste and coal

8.24 Mine scheduling

Figure 8-78 shows the RoM split on a pit and seam basis; monthly RoM varies between 200 000t to 250 000t. The schedule is contractor based, where the equipment capacity is eventually driven by the required sales commitment, as per the anticipated CSA with Eskom. The processing plant becomes the constraint with a maximum monthly throughput of 280 000 ROM tonnes.

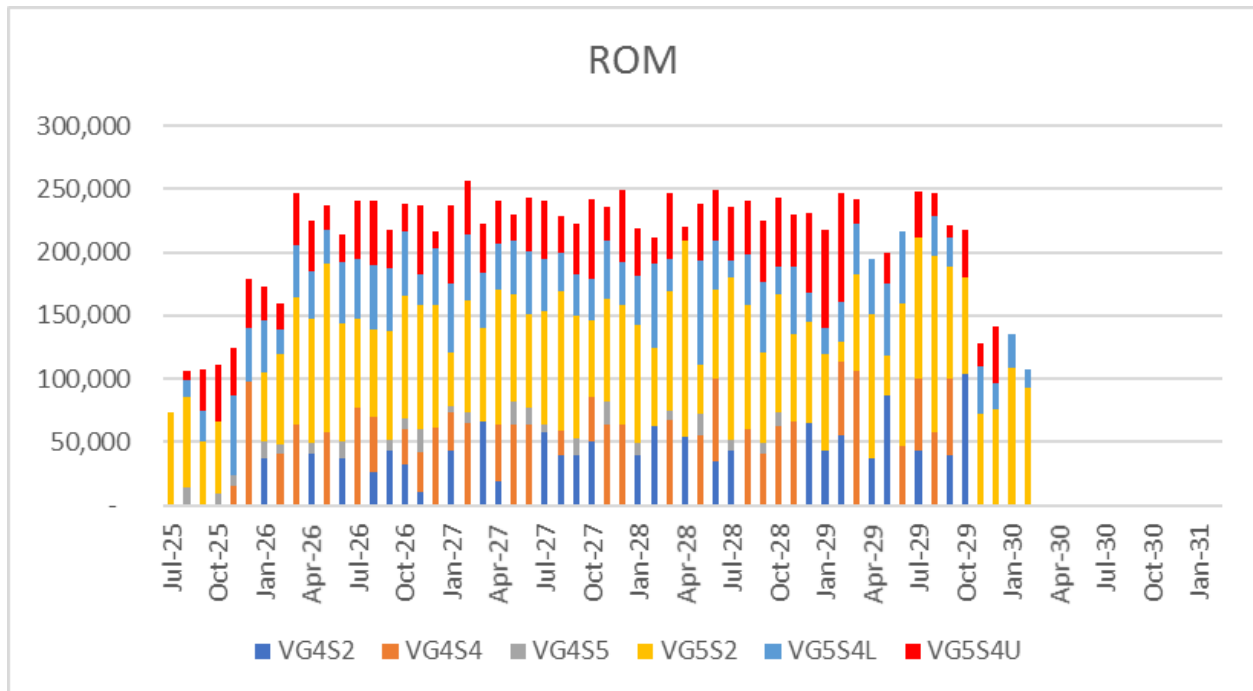


Figure 8-78. OC RoM Breakdown

The LOM model, models the Duvha Power Station qualities through the main wash plant at Vanggatfontein. The main drivers in the quality model are based on achieving the sulphur and ash quality parameters. The modelled quality can still be influenced by diligent RoM stockpile management. All ROM coal modelled to be processed, results in an overall yield as shown in Figure 8-79. The yields vary between 60 to 70% with an average for the LOM of 65%. The base quality targeted for the Duvha Power Station, was an air-dried calorific value, greater than 22.1 MJ/kg; the average for the LOM was 22.2 MJ/kg. Regarding the ash content, the objective was to provide a product lower than 26.4%; the average for the LOM was 25.68%. In terms of the volatile matter content, the objective was to exceed a minimum of 20.9%; the LOM average was 21.39%, and the sulphur had to be less than 0.96%; the LOM average was 0.96%.

The mine will have to focus on the sulphur parameter, as the indicated 0.96% for Duvha is on the margin; additionally, volatiles could become an issue if the lower volatile areas are not blended in effectively.

Figure 8-80 shows the LOM annual progress in financial years (Apr to March the following year). As can be seen, the startup in the VG4 pit (North), was slower, this is due to the preparation work required for steady state, which includes moving some of the waste dump and then S5 overburden to create space on the benches that will allow for the mining equipment to be deployed more effectively for a steady state operation.

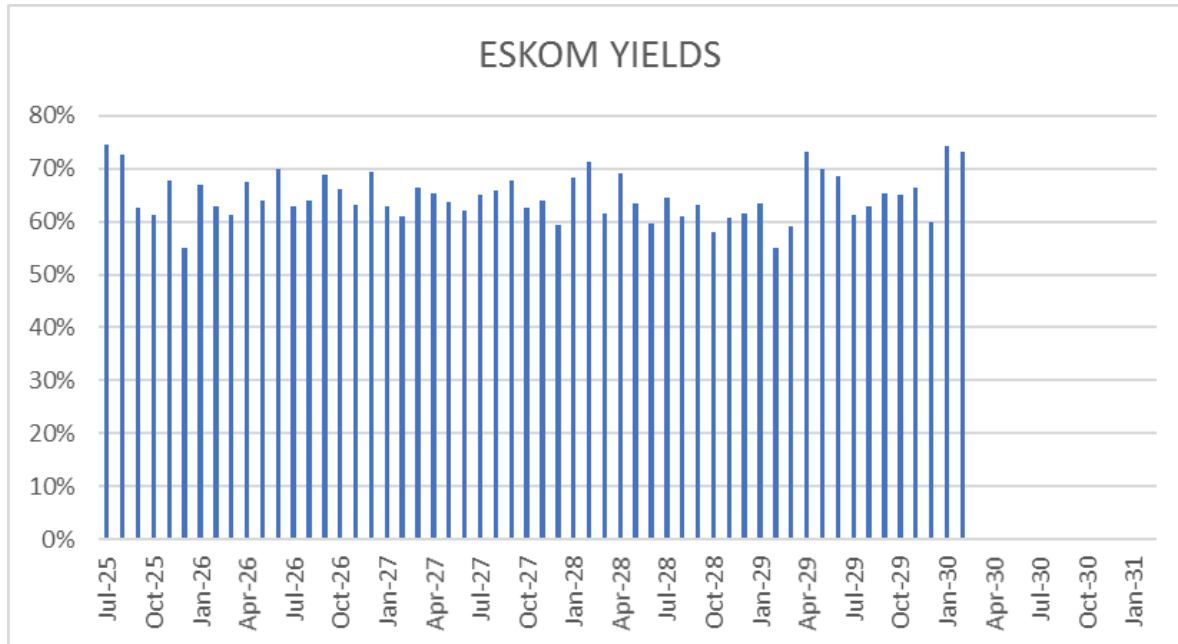


Figure 8-79. LOM Total Eskom Yield

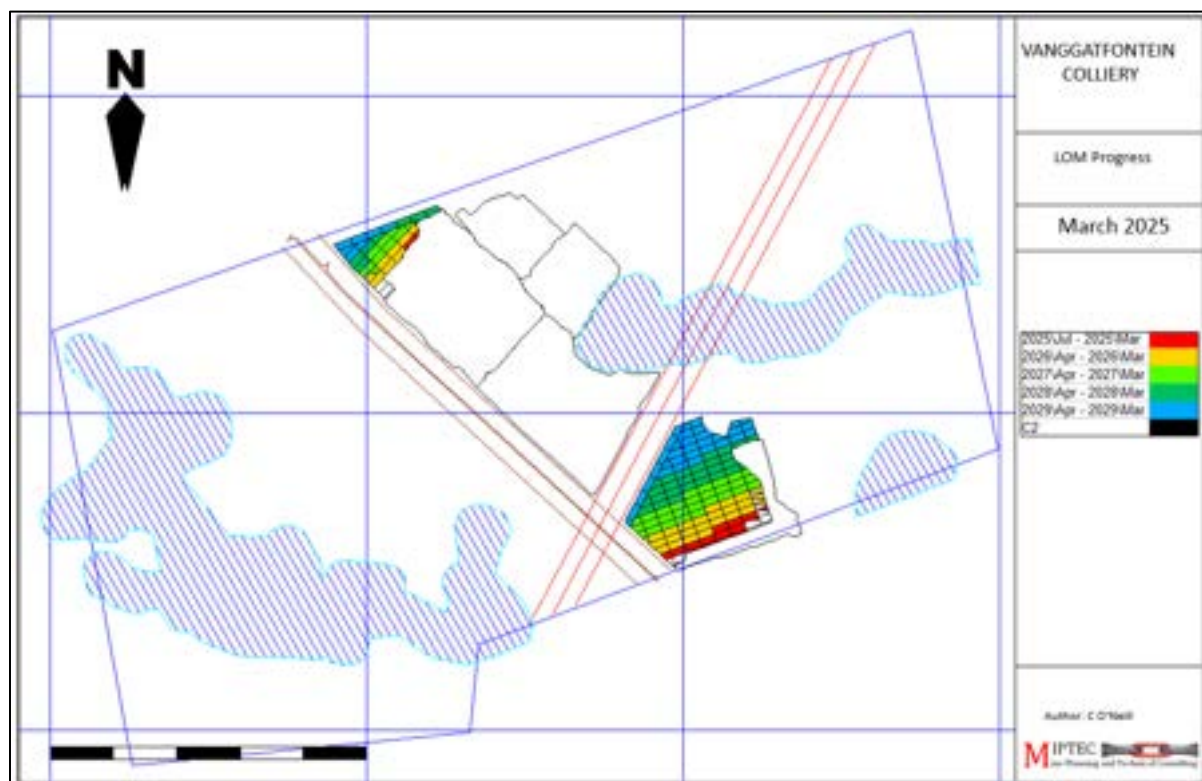


Figure 8-80. LOM S2 Progress Plan

Underground

The LOM for VG6 was scheduled, with commencement in FY27 (Figure 8-82). The commencement of the VG6 is based on an assumption and aligned with the financial model valuations. Work required for the VG6 underground implementation must still be finalised.

The life of the underground at the planned production rate is for three years. Salungano In their financial model included the underground from April 2027 to March 2030 at a monthly rate of 100 000 tons. The coal is destined for Kusile on a crush and screen basis. This would result in the same profile for saleable coal.

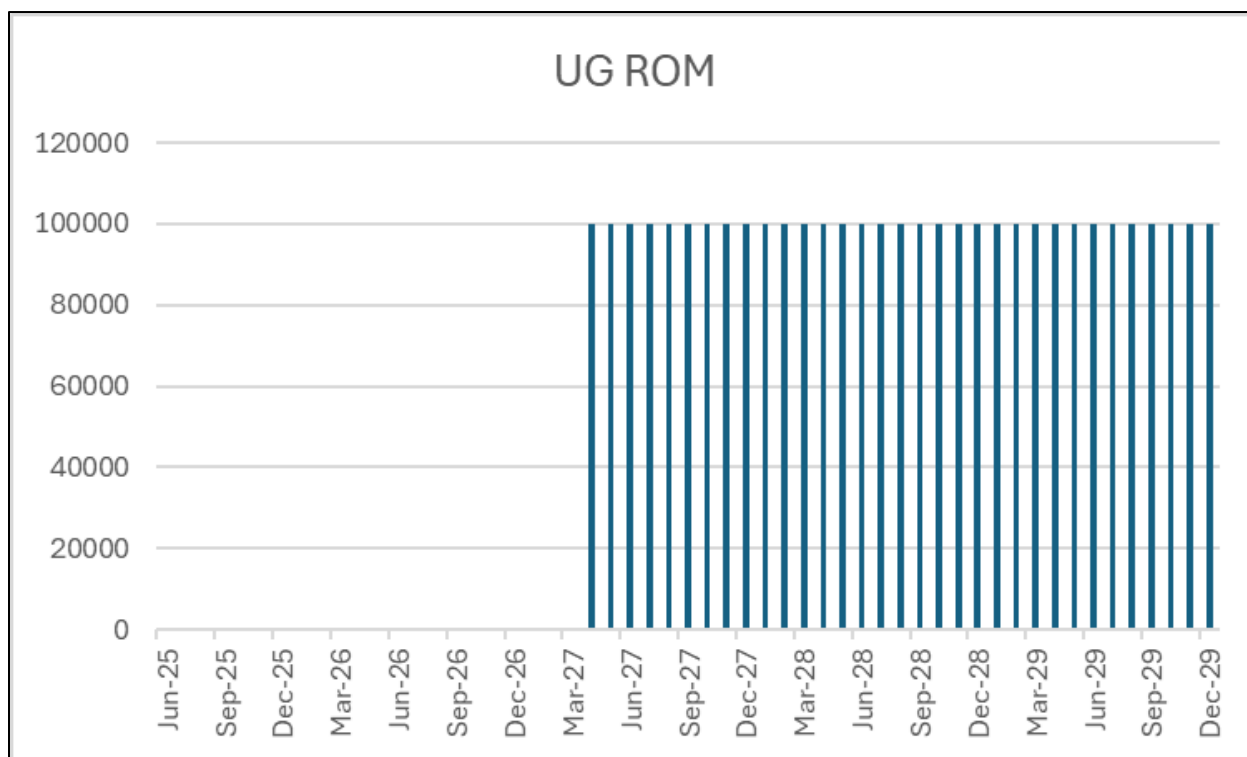


Figure 8-81. VG6 Underground Rom profile

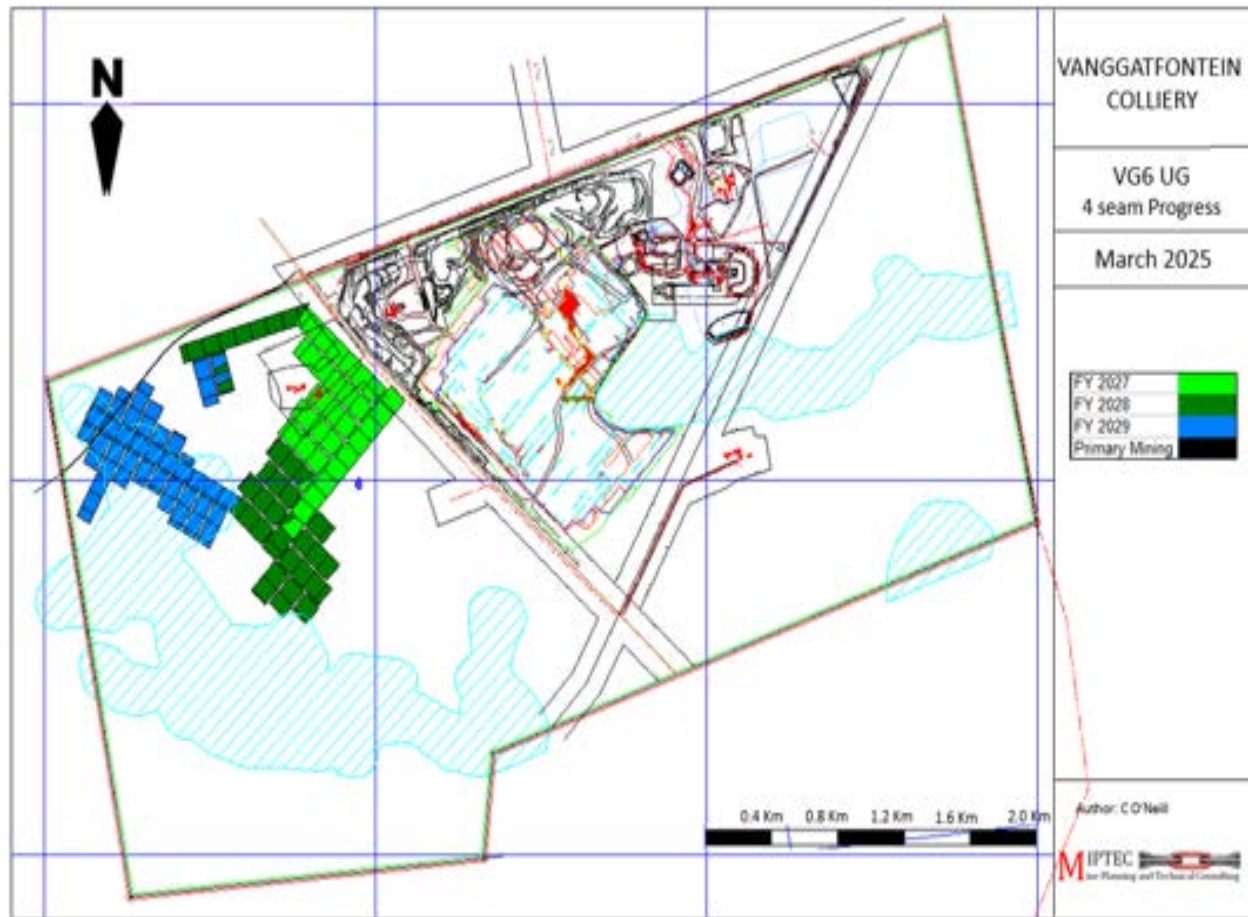


Figure 8-82. VG6 Underground Progress Plot

8.25 Mining Risks

Opencast

The risks identified for the opencast at Vanggatfontein are detailed in Table 8-26.

Table 8-26 Identified Mining Risks at Vanggatfontein.

TYPE OF RISK	RISK	MITIGATION	LEVEL OF RISK
Geotechnical	Current faulting structures and increasing depth	Survey, monitor and align COP	Medium

TYPE OF RISK	RISK	MITIGATION	LEVEL OF RISK
Production levels	Not achieving planned production levels	Create sufficient buffers between processes to allow space for equipment to be productive	High
Concurrent rehabilitation	Availability of plans and funds	Implement effective concurrent rehabilitation practices. Draft an optimised closure plan for dumps and voids. Identify closure items that can be optimised, including possibility to complete as part of concurrent mining operation	High
Current JSE section 155 compromise	Varying objectives	Ensure all stakeholders are align with the main objectives for the mine nearing the end of its life in terms of permitting and licensing requirements of which the main focus should be towards closure	High

Underground

The risks identified for the VG6 underground at Vanggatfontein are detailed in Table 8-26.

Table 8-27 Identified Mining Risks at Vanggatfontein.

TYPE OF RISK	RISK	MITIGATION	LEVEL OF RISK
Geotechnical	Significant rolls modeled, suspect presence of several faulting structures	Extend drilling program	Medium

TYPE OF RISK	RISK	MITIGATION	LEVEL OF RISK
Project startup	Delay impact on tenure and contractual conditions	Plan the startup timeously	Medium
Capital	Availability of funds to prepare the underground entrance and related infrastructure	Update the capital requirement for the required project items and include into the project financing schedules	High

8.26 Costs

SR4.3(vii); SR5.6(iii,iv,vi,ix); SR5.8(i-iv)

8.26.1.1 Operating Costs

Opencast

Table 8-28 shows the main drivers and ratios with regard to the opencast operational costs as provided for in the Salungano valuation model. The opencast LOM provided for 11.8 Mt ROM; all the coal is processed, at an average yield of 64%, providing 7.6 Mt Saleable coal at a quality of 22 MJ/kg. The Section 155 agreement dictates an agreed costing model and price per saleable tonne which includes opencast mining, coal processing and diesel. It is a nominal model; FY26 provides for an indicative current ratio of R333.3 per RoM tonne. Under the Section 155 agreement, the opencast contractor cost is based on a Rate of R531/saleable tonne as indicated in the above table. Costs for the first and last period of the LOM are skewed, based on the annual periods; both cases are based on less than a full years 12 months. The costs for the full year are more representative.

Table 8-28. Vanggatfontein Opencast Operating Costs

MINING & PROCESSING COST OC (Nominal)		TOTAL	FY26	FY27	FY28	FY29	FY30
Mining Cost (Sect. 155)	R	4,414,030,571	434,926,229	1,008,441,554	1,051,813,875	1,049,026,908	869,822,005
OC Mining	R		433,416,929	1,006,405,896	1,049,753,913	1,046,941,548	867,710,104
Tech Survey	R		1,121,670	1,495,560	1,495,560	1,495,560	1,495,560
Other Cost of Sales	R		387,630	540,098	564,402	589,800	616,341
ROM	Ton	11,803,739	1,303,812	2,781,272	2,837,673	2,817,858	2,063,125
YIELD	%	0.64	0.63	0.65	0.64	0.61	0.67
SALEABLE	Ton	7,552,520	817,768	1,817,109	1,813,757	1,731,002	1,372,883
Section 155 rate	R		532	555	580	606	634
ROM Strip Ratio			4.52	3.15	3.32	3.00	1.97
Ratio	R/ROM/SR		74	115	112	124	214
Ratio	R/Rom		333.6	362.6	370.7	372.3	421.6
Section 155 rate (Real Basis)	R		532	531	531	531	531
Ratio (Real Basis)	R/ROM/SR		73.9	110.2	102.4	108.9	179.1

8.26.1.2 Capital Costs

No Capital cost is envisaged for the opencast section. Moving waste dumps that are sterilizing reserves will be done under working capital. These volumes were included in the LOM plan burden volumes.

Underground

8.26.1.3 Operating Costs

Table 8-29. Vanggatfontein Underground Operating Costs

MINING & PROCESSING COST UG (Nominal)		TOTAL	FY26	FY27	FY28	FY29	FY30
Mining Cost	R	1,525,125,970	-	-	486,169,530	508,047,159	530,909,281
ROM	Ton	3,600,000	-	-	1,200,000	1,200,000	1,200,000
YIELD	%	100%	-	-	100%	100%	100%
SALEABLE	Ton	3,600,000	-	-	1,200,000	1,200,000	1,200,000
Ratio	R/Rom		371.00	387.70	405.14	423.37	442.42

Table 8-29 details the main drivers and associated costs for the planned underground sections. The underground base cost for FY26 is R371/ROM Tonne. This is based on mining and processing of the coal from the underground.

8.26.1.4 Capital Costs

Table 8-30. Vanggatfontein Underground Capital Cost

Asset Class Name	Description	FY2026	FY2027	FY2028	FY2029	FY2030
VG6 UG				76,056,787	125,089,814	10,493,362
				76,056,787	125,089,814	10,493,362
				-	-	-

The valuation model provided for the capital related to the commencing of the underground sections. No detail was provided, however with the current knowledge, this would be to establish a portal from the current opencast endwall, required infrastructure next to the portal, required facilities such as a lamp room, workshops and offices together with ventilation equipment.

8.26.2 Coal Processing

SR1.1 (ii), SR2.1(v), SR4.3 (i)(ii), SR4.5(iii), SR5.3(i)(ii)(iii)(iv)(v)(vi), SR5.4(ii)(iii), SR5.6(viii)

Vanggatfontein owns two CHPPs with processing capacities of 100tph and 480tph, respectively. The 100tph plant used to process S5 coal only; this plant will be reserved to wash the Moabsvelden S4U and S2U and contaminated coal on a toll basis. The 480tph plant will process RoM from the Vanggatfontein opencast S5, S4 and S2 seams, producing a washed Eskom Power Station product.

The 100tph plant was built and commissioned in 2010, whilst the 480tph plant was built in 2010 and commissioned in May 2011. Both plants were designed and constructed by DRA Mineral Projects (**DRA**) and are currently operated by a processing contractor.

8.26.2.1 Processing Method

Vangatfontein was initially commissioned as a S5 coal seam mine, as a CSA with Eskom had not yet been concluded. That said, the significantly different coal qualities of the S5 versus the S4 and S2 seams, required entirely different process flow diagrams (PFDs). The initial S5 operation did not require a large plant, and hence the initial 100tph plant was commissioned. With the introduction of the Eskom contract, the mine had to develop additional processing capacity, and the Eskom plant was constructed.

The operation therefore comprises two independent CHPPs.

No.5 Seam CHPP

This CHPP was designed to process coal from the S5 to produce sized products for the domestic metallurgical industry. It was commissioned in November 2010 and designed with a process capacity 0.6 Mtpa of RoM using a single module DMS. The plant design includes the following:

- primary jaw and secondary double rolls crusher;
- DMS feed surge bin;
- 100tph DMS module;
- downstream screening plant to product nuts, peas and duff;
- discard bin;
- thickener; and
- water reticulation system.

The following processes are achieved in the operation of this CHPP:

- RoM is reduced to a top size of 40mm;
- the -40mm+1mm material is fed into a surge bin, whilst the +40mm material is recycled into the secondary crusher;
- screening over a desliming screen, the oversize (-40mm+1mm) is fed to the DMS circuit;
- the -40mm+1mm material is fed into a DMS mixing box with circulating magnetite. The resulting mixture is pumped to a DMS cyclone to produce sinks (plant discards) and float streams (metallurgical coal products);
- the sinks from the DMS cyclone reports via a drain and rinse screen to the discard conveyor and bin; and

- the float streams from the DMS cyclone are dewatered and conveyed to the products stockpile, where they are screened into three main metallurgical coal size products. Nuts (-40mm+22mm), Peas (-22 mm+6 mm) and Duff (-6mm+0.63mm).

A simplified PFD for the No.5 Seam CHPP is presented in Figure 8-83 below.

Although this S5 CHPP was used mainly for the processing of RoM from the S5 Seam, it is currently also used in the processing of RoM from the S2 and S4 seams, as well as toll washing for the nearby Moabsvelden operation. Batch washing is carried out to produce Eskom and other inland as well as export products.

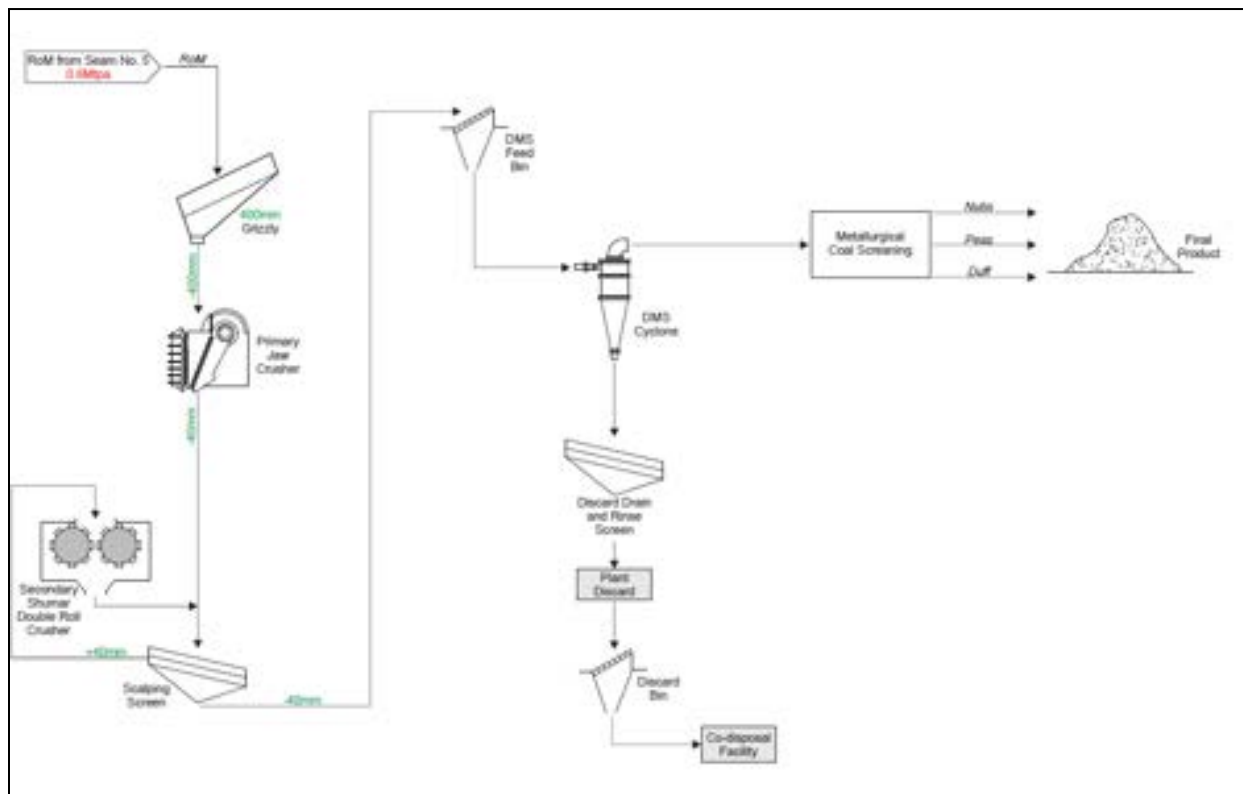


Figure 8-83. No.5 Seam CHPP process flow diagram

Main S4 and S2 Seam CHPP

This CHPP was designed to process coal from the S2 and S4 Seams with a capacity to process 3.6Mtpa (480tph) of RoM feed. This two module CHPP was commissioned in May 2011. A simplified PFD of this CHPP is presented in Figure 8-84. The plant design includes the following:

- RoM feed ramp and surge bin;

- primary and secondary double rolls crushers;
- 2 x 250t DMS feed bins;
- 2 x 250tph DMS modules;
- spiral plant;
- thickener;
- discard bin;
- slurry filter press plant; and
- water reticulation system.

The following processes are achieved in the operation of this CHPP:

- feed is crushed to a size of 40mm;
- RoM is reduced to a top size of 40mm;
- the -40mm+1mm materials reports to the respective surge bins, whilst the +40mm material is recycled to secondary crusher;
- -40mm+1mm material is pumped into the respective DMS circuits;
- the DMS modules produce sinks (coarse discard) and float streams (products);
- the -1mm+0.15mm fine fraction reports to the spiral plant for upgrade;
- the -150micron ultrafine fraction reports via the thickener to the filter press plant;
- the thickener overflow gravitates into the classified tank water from where it is pumped into various sections of the plant as recovered/recycled water;
- the filtrate water from the filter press plant is recycled and reused in the CHPP; and
- the float streams from the DMS cyclones are dewatered and conveyed to the product stockpile via a centrifuge plant.

This plant will form the base processing capability for the new Eskom Contract, processing RoM from the opencast pits to produce the required Duvha Power Station coal specification.

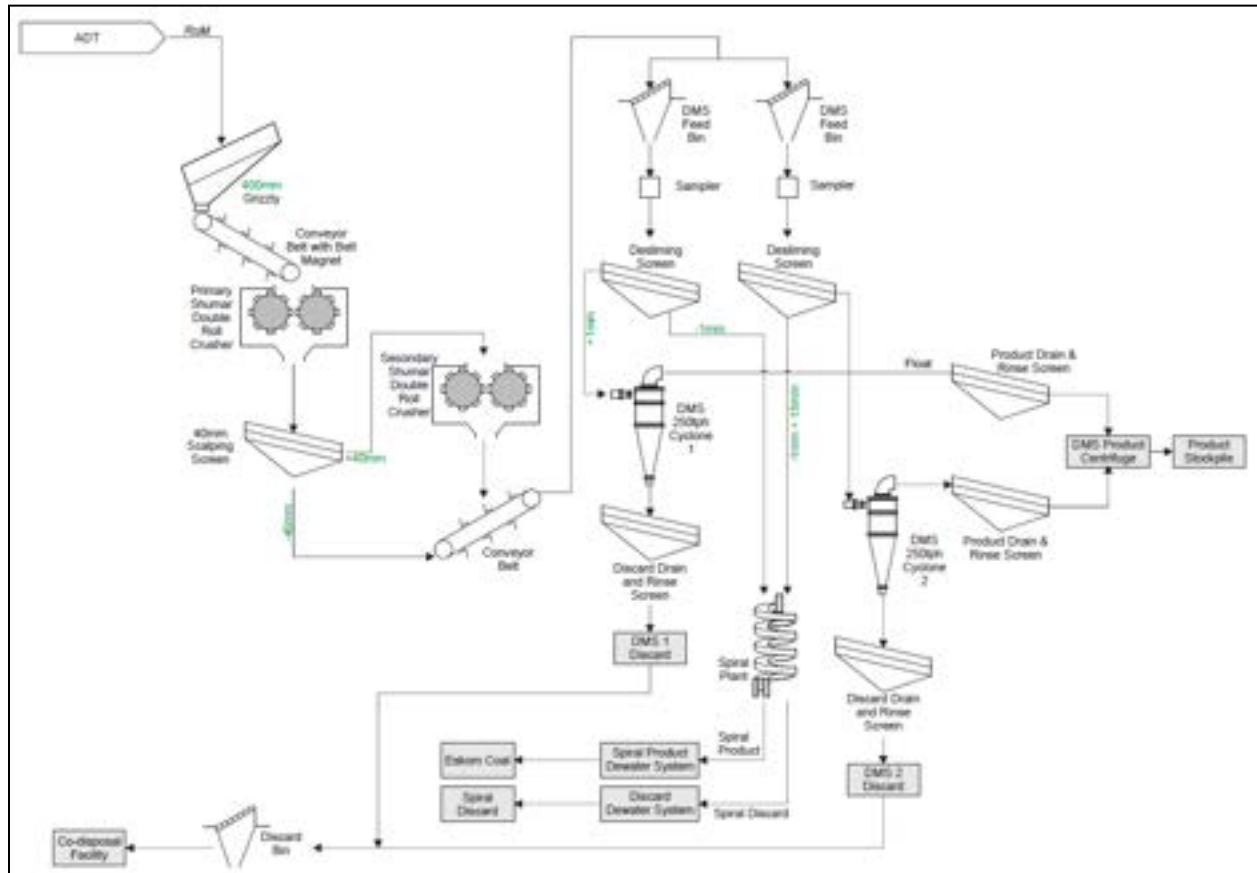


Figure 8-84. Main S4 and S2 Seam CHPP Process Flow Diagram

8.26.2.2 Tailings / Discard areas

SR1.1(ii)

The mine has an approved discard dump facility; this facility is at capacity. In addition, the mine has acquired a waste license that allows dumping of discards in the opencast voids, with associated stipulated conditions. This assists the mine in the filling of voids which form part of rehabilitation backlog.

8.26.2.3 Metallurgical test work

SR5.3(i – vi)

Vanggatfontein has been providing Eskom with a washed product, the coal characteristics of which are well known. The adjustment made to the geological borehole washabilities caters for sizing – mostly slurry losses, plant efficiency and coal liberation through the crushing process, and lastly contamination. The noted factors are reduced to an 85% adjustment. This has proven accurate historically through reconciliation.

8.26.2.4 Condition of the plants

SR5.6(viii)

Both plants are operational and in good condition. The operating contracting firm, Ngwenya processing, as part of the Creditor consortium operate the coal processing facilities at Vanggatfontein Colliery, including in the agreement with the creditors, Ngwenya maintain and operate the plants to ensure sustainable availability and guaranteed throughput.

8.26.2.5 Risk

The risk associated with the processing plants in general is low, management of the plants under the section 155 compromise JSE solution can affect the operational availability later in the plant life, based on the availability of funds in the case of major breakdowns.

8.26.2.6 Costs

SR4.3(vii); SR5.6(iii,iv,vi,ix); SR5.8(i-iv)

8.26.2.7 Operating Costs

Table 8-31. Vanggatfontein toll wash beneficiating costs

TOLL WASH COST (Nominal)		TOTAL	FY26	FY27	FY28	FY29	FY30
TOTAL	R		39,099,738	67,763,593	73,646,374	43,968,575	45,947,161
Moabsvelden Cost	R		38,712,108	67,223,495	73,081,972	43,378,775	45,330,820
Feed Ton		2,816,604	440,312	733,203	769,234	436,927	436,927
Unit Cost R/Ton			88	92	95	99	104
Other Cost of Sales	R		387,630	540,098	564,402	589,800	616,341

Coal from Vanggatfontein, in terms of processing cost, is reflected under the mining sections, as the processing cost was combined with the mining cost of coal, for both the opencast and underground.

Table 8-31 shows the costs related to the toll washing of the Moabsvelden low quality coal in the No. 5 Seam plant.

8.26.2.8 Capital Cost

Numerous items were listed for the FY26 period to refurbish and upgrade various components of the plants. Table 8-32 below reflects a FY26 amount of 23.6 Million planned.

Table 8-32. Vanggatfontein process plant capital

Asset Class Name	Description	FY2026	FY2027	FY2028	FY2029	FY2030
Plant & Equipment	Process plants refurbish	23,561,837	2,095,995			
		23,561,837	2,095,995	-	-	-

8.27 Coal Market

SR4.1(iii); SR4.3(vi); SR5.6(i-iv)

Vanggatfontein commenced operations, supplying Eskom's Tutuka Power station. The targeted CV was in the order of 21 MJ/kg, the mine did a partial wash then, where some screen panels were removed to achieve a desired bypass percentage to blended product. The average yields were in the order of 65%.

The mine reduced RoM production, following the depletion of the original CSA, in January 2022, from a total of 325 085t to 187 882t in the following month (February 2022), to zero in March 2022.

Production declined from a 3 Mt level for FY22, to 707 901t for FY23, to 280 373t for FY24 up to 510 012t for FY25. The increase from FY24 to FY25 is evidence of the current operations endeavouring to increase production back to the previous production levels.

Salungano, on behalf of Vanggatfontein is in the final stages of concluding a CSA for supply to Duvha Power Station. An informal discussion with Eskom provided an indication that this contract can be finalised before November of 2025. The mine will then have a new CSA for the remainder of the LOM reserves at Vanggatfontein.

Eskom accepted the coal after a representative product sample was provided and tested by Eskom. Eskom, as part of their fuel sourcing process, reviewed all relevant information, from boreholes, geological model, plant flow simulation and LoM plan summary. As part of the Eskom process, a mine cost model was provided to establish and motivate the product price to be finalised through discussion and negotiation for final contract purposes.

8.27.1 Vanggatfontein Product Distribution Costs

As with all Eskom contracts, the assumption is that Vanggatfontein will obtain the Eskom contract to supply the Duvha Power Station over the remaining life and reserve base. The mine manages the transport to the Power Station's and recoups their cost with a profit margin. Income from coal transport to Eskom is shown under the Revenue section, as Transport revenue (Table 8-33).

Table 8-33. Vanggatfontein product distribution costs

PRODUCT DISTRIBUTION COST (Nominal)		TOTAL	FY26	FY27	FY28	FY29	FY30
Transport Cost	R		193,222,173	448,667,142	626,724,564	632,633,738	560,174,721
Sales tonnage	Ton	7,552,520	817,768	1,817,109	3,013,757	2,931,002	2,572,883
OC Sales	Ton		817,768	1,817,109	1,813,757	1,731,002	1,372,883
UG Sales	Ton		-	-	1,200,000	1,200,000	1,200,000
Ratio	R/Saleable	-	236.28	246.91	207.95	215.84	217.72

8.28 Historical Coal Reserve Estimates

SR1.4(iii)

Table 8-34 summarises the historical Coal Reserve Estimates for Vanggatfontein from the year 2019 to the current 2025. It is evident that the VG6 S4 underground probable reserves were first declared back in FY19. Following an approval to undermine wetlands, the reserve estimate increased to 3.6 Mt for FY21. Since then, no additional work was conducted on the VG6 project. This project has an approved joint CSA with the neighbouring Moabsvelden Colliery. With regards to the opencast VG3 pit, it was depleted in FY21, with only VG4 and VG5 remaining for the outstanding life of Vanggatfontein Colliery.

Table 8-34. Historical Coal Reserve Estimates

	31-Mar-19		31-Mar-20		31-Mar-21		31-Mar-22		31-Mar-23		31-Mar-24		31-Mar-25	
	ROM (AR) Mt	SAL (AR) Mt	ROM (AR) Mt	SAL (AR) Mt	ROM (AR) Mt	SAL (AR) Mt	ROM (AR) Mt	SAL (AR) Mt	ROM (AR) Mt	SAL (AR) Mt	ROM (AR) Mt	SAL (AR) Mt	ROM (AR) Mt	SAL (AR) Mt
VG3	2.74	1.78	1.39	0.91	0.51	0.34	0	0	0	0	0	0	0	0
VG4	11.54	6.52	10.44	6.07	6.65	3.9	4.67	2.85	3.83	2.15	3.7	2.09	3.38	1.7
VG5	10.76	7.08	10.82	7.34	10.37	7.05	9.47	6.45	9.19	5.98	8.96	5.74	8.96	5.28
Total OC	25.04	15.38	22.65	14.32	17.53	11.29	14.14	9.3	13.02	8.13	12.66	7.83	12.34	6.98
VG6 UG	2.18	2.18	2.18	0	3.61	3.61	3.61	3.61	3.61	3.61	3.61	3.61	3.61	3.61
TOTAL MINE	27.22	17.56	24.83	14.32	21.14	14.9	17.75	12.91	16.63	11.74	16.27	11.44	15.95	10.59

8.29 Previous Coal Reserve Estimate (31 March 2024)

SR1.4(i-ii); SR5.6(V); 6.1(iii); SR6.2(i); SR6.3(i-iii); JSE12.10(h)(ix)

Table 8-35. Previous Coal Reserve Estimate - 31 March 2024

VANGGATFONTEIN RESERVE ESTIMATE 31 Mar 2024										
MINING AREA	RESERVE CATEGORY	SEAM	MTIS (AD) Mt	ROM (AR) Mt	SALEABLE (AR) Mt	YIELD (%)	CV (Mj/kg) (AD)	ASH (%) AD	VOL (%) AD	TS (%) AD
VG4	Proven	S5	0.25	0.26	0.21	79%	22.59	24.58	24.12	1.25
	Proven	S4	1.87	1.95	0.90	46%	22.50	23.24	23.61	0.64
	Proven	S2	1.43	1.49	0.98	66%	22.50	23.88	23.14	0.61
		TOTAL	3.55	3.70	2.09	56%	22.51	23.67	23.44	0.69
VG5	Probable	S4U	1.89	1.97	0.77	39%	22.50	27.31	14.55	1.12
	Proven	S4L	1.97	2.05	1.55	76%	22.50	25.22	19.82	1.24
	Proven	S2	4.74	4.94	3.42	69%	22.50	24.62	23.42	0.87
		TOTAL	8.60	8.96	5.74	65%	22.50	25.14	21.25	1.00
VANGGAT OPENCAST	Proven	S5	0.25	0.26	0.21	79%	22.59	24.58	24.12	1.25
	Probable	S4U	1.89	1.97	0.77	39%	22.50	27.31	14.55	1.12
	Proven	S4	3.84	4.00	2.45	61%	22.50	24.49	21.21	1.02
	Proven	S2	6.17	6.42	4.40	68%	22.50	24.46	23.36	0.81
		TOTAL	12.15	12.65	7.83	62%	22.50	24.75	21.84	0.92
VG6 UG	Probable	S4	3.47	3.61	3.61	100%	20.17	30.61	20.07	1.14
TOTAL	Proven	TOTAL	10.26	10.68	7.06	66%	22.50	24.47	22.64	0.90
TOTAL	Probable	TOTAL	5.36	5.58	4.38	79%	20.58	30.03	19.10	1.14
TOTAL MINE			15.62	16.26	11.44	70%	21.77	26.60	21.28	0.99

Table 8-35 shows the previous Coal Reserve Estimate for Vanggatfontein, with effective date of 31 March 2024. This update was based on the survey polygons as at the effective date, a geological model that has not changed from the previous estimation, and a mining model with the same mining footprint and modifying factors as was applied for the previous FY23 estimate.

8.30 Current Coal Reserve Estimate (31 March 2025)

SR5.1(i);SR5.2(ii-iv); SR5.6(V); SR6.1(i-ii); SR6.2(i); SR6.3(i,iii,v,vi); SR10.6(i-ii); SV1.9; JSE12.10(h)(ix)

8.30.1.1 Coal Reserve Classification

Opencast

For the classification of the Coal Reserves, the fact that all of the Coal Resources are classified as Measured was used as a guide, together with the historical mining statistics of the opencast. In the VG5 pit, the S4 was split into an upper S4U ply and lower S4L ply, based on the observed coal lithologies and qualities. The S4U is devolatilized by the overlying sill and does not meet the requirements of the intended PowerStation under the Eskom contracting process. The mine has successfully mined and blended this S4U into previous products, with some of the poorer areas sold as low quality, low volatile coal to individual clients. Due to these reasons, the S4U seam is classified as a Probable Reserve, with the remainder of the S5, S4L and S2 coal seams classified as Proven Reserves.

Underground

The VG6 underground, although at pre-feasibility and contracted to Eskom, still requires additional work to reduce some of the identified risks, and for this reason, it is classified as a Probable Reserve.

8.30.1.2 Coal Reserve Estimate

SR5.1(i);SR5.2(ii-iv); SR5.6(V); SR6.1(i-ii); SR6.2(i); SR6.3(i,iii,v,vi); SR10.6(i-ii); SV1.9; JSE12.10(h)(ix)

The Coal Reserve Estimate has been independently Estimated and signed-off by Mr L. Raaths of Miptec. The Coal Reserve Estimate is declared as at 31 March 2025.

The Coal Reserves for Vanggatfontein as at 31 March 2025 are summarised in Table 8-36 below.

The current update is based on the same geological model that generated the Coal Resource Estimation in the sections above. Similar coal cut-offs were applied in the mining model to simulate the resource estimation principles.

The ROM estimation shown in Table 8-36 is reflective of coal mined from the opencast pits and placed onto ROM stockpiles for processing. The saleable coal is based on ROM produced and realistic yields through the processing plant, all proven through previous reconciliations and plant performance.

This update was based on the survey polygons as at the effective date, and a geological model that has not changed from the previous estimation for the reporting period FY24. The mining model has the same mining footprint (adjusted for depletion) and modifying factors as was applied for the previous FY24 estimate.

Comparison to the LOM will have differences; these originate from the fact that the LOM was completed post the effective date and therefore reflect less tonnages.

Table 8-36. Coal Reserve Estimate For Vanggatfontein Colliery as at 31 March 2025

VANGGATFONTEIN RESERVE ESTIMATE 31 Mar 2025										
MINING AREA	RESERVE CATEGORY	SEAM	MTIS (AD) Mt	ROM (AR) Mt	SALEABLE (AR) Mt	YIELD (%)	CV (Mj/kg) (AD)	ASH (%) AD	VOL (%) AD	TS (%) AD
VG4	Proven	S5	0.23	0.24	0.18	75%	23.21	23.19	24.53	1.16
	Proven	S4	1.73	1.80	0.70	39%	23.20	21.15	24.19	0.67
	Proven	S2	1.29	1.34	0.82	61%	23.20	22.14	23.52	0.51
		TOTAL	3.24	3.38	1.70	56%	23.20	21.84	23.91	0.64
VG5	Probable	S4U	1.97	2.05	0.68	33%	23.20	25.64	14.83	1.18
	Proven	S4	2.02	2.10	1.46	69%	23.20	23.45	19.94	1.10
	Proven	S2	4.62	4.81	3.14	65%	23.20	23.09	23.74	0.82
		TOTAL	8.61	8.96	5.28	65%	23.20	23.52	21.55	0.94
VANGGAT OPENCAST	Proven	S5	0.23	0.24	0.18	75%	23.21	23.19	24.53	1.16
	Probable	S4U	1.97	2.05	0.68	33%	23.20	25.64	14.83	1.18
	Proven	S4	3.75	3.90	2.16	55%	23.20	22.70	21.32	0.96
	Proven	S2	5.90	6.15	3.96	64%	23.20	22.90	23.69	0.76
		TOTAL	11.85	12.34	6.98	57%	23.20	23.11	22.12	0.87
VG6 UG	Probable	S4	3.47	3.61	3.61	100%	20.17	30.61	20.07	1.14
TOTAL	Proven	TOTAL	9.88	10.29	6.30	61%	23.20	22.84	22.90	0.84
TOTAL	Probable	TOTAL	5.44	5.66	4.29	76%	20.65	29.82	19.24	1.15
TOTAL MINE			15.32	15.95	10.59	66%	22.17	25.67	21.42	0.96

Note:

1. CV = Calorific Value air dried, contaminated.
2. RoM (AR) = Run of Mine on an as received basis
3. Saleable (AR) = Coal sales on an as received basis
4. All coal quality data reported as air-dried contaminated basis

8.30.2 Reconciliation of Coal Reserve Estimates

Table 8-37 details the Coal Reserve reconciliation from the previously reported FY24 reserves to the current FY25 reporting period. The VG6 reserves remained unchanged at 3.6 Mt.

As for the opencast areas, a net gain of 0.2 Mt is shown, with VG5 contributing to all the gains. The mine has benefited from some upside by recovering coal outside of the planned mining footprint. The total mined RoM was 0.51 Mt for the year, which is considered low. The estimated reserves changed from 12.65 Mt in FY24 to 12.34 Mt at the end of March 2025.

Table 8-37. Reserve estimation reconciliation FY24 to FY25

	FY24 Est.	Depletion FY25	Depletion Est. FY25	Est. FY25	Variance
VG4	0.26	0.03	0.24	0.24	0.00
	1.95	0.14	1.81	1.80	-0.01
	1.49	0.06	1.42	1.34	-0.08
	3.70	0.23	3.47	3.38	-0.09
VG5	1.97	-	1.97	2.05	0.08
	2.05	0.09	1.96	2.10	0.15
	4.94	0.19	4.75	4.81	0.06
	8.96	0.28	8.68	8.96	0.29
MINE	2.23	0.03	2.21	2.29	0.08
	4.00	0.23	3.76	3.90	0.14
	6.42	0.25	6.18	6.15	-0.03
	12.65	0.51	12.14	12.34	0.20

8.30.3 Coal Reserve Estimation Risks

The risks to the Coal Reserve Estimation are listed in Table 8-38, and are primarily based on mining practices, unforeseen geological changes and poor-quality coal seams.

Table 8-38 Coal Reserve Estimation Risks

TYPE OF RISK	LEVEL OF RISK
Coal recovery is less than the reconciled average	Low
Geological conditions worse than anticipated	Medium
Reserve loss due to poor 4U seam	Medium

8.31 Environmental, Social and Governance (ESG)

8.31.1 Sensitive receptors

SR5.5(iii);

Vanggatfontein has various farming communities surrounding the mine, not in very close proximity. Blasts are planned and monitored to minimise the effect of air blast and ground vibration from blasting operations. In addition, the mine monitors dust generation and employs water bowsers and contaminated pit generated water to delay dust on all hauling roads. Plants utilise dust suppression on transfer points.

The mine has two wetlands defined. The western wetland overlays the planned underground operation that is designed to protect the surface. The second wetland system is in the opencast areas, historical mining stopped at the defined wetland buffer zones. Surface water control measures are in place to protect the areas from any dirty mine water ingress.

There are no known eco systems, apart from the defined wetlands, that are affected by the mining operations.

8.31.2 Surface water resources

The mine has a stream and wetland system to the north of the current opencast pits and infrastructure. No water is withdrawn, as the mine has sufficient water from the mining operations and stored pollution control dams.

8.31.2.1 Wetland systems

The defined wetlands can be seen in Figure 8-85. The wetlands, identified in the wetland baseline studies, is affected by the opencast operations, those defined wetlands within the VG6 area has less risk of being affected by the underground planned operation.

A recent aquatic specialist study, as part of the VG6 expansion, indicated that in the case of the opencast areas, the aquatic ecosystem shows moderate to significant modification, with potential for further deterioration post-mining. Sedimentation, water quality deterioration, altered flow regimes are major concerns identified by Ecology International as part of the Aquatic specialist assesment and impact assesment study. The recommendation was that strict mitigation and monitoring are critical.

The initial wetland study by WaterMakers, focused on the identification, assessment, and management of wetlands directly within the mining area. They found that Wetlands provide ecosystem services but have been impacted by land use and changes to water flow. The possible destruction of wetland habitat, surface water pollution, and altered hydrology are major concerns. They recommendation that the mine prioritize a holistic wetland management strategy, including monitoring and appropriate rehabilitation measures, and importantly manage the potential risks for AMD.

Both reports emphasize the importance of robust management and mitigation strategies to minimize the ecological impact of the proposed mining activities. The aquatic report focuses on the riverine ecosystems, while the wetland

report focuses on the wetland environments most immediately connected to the mine. Both also emphasize the need for AMD management strategies.

The mine has incorporated the compliance aspects with regard to wetland system in their management system, through the required internal and external audits, mine management are kept focussed on the findings, non conformances and progress with regard mitigation measures. The current status of the mine does impact the effectiveness of managing mitigation measures in general.

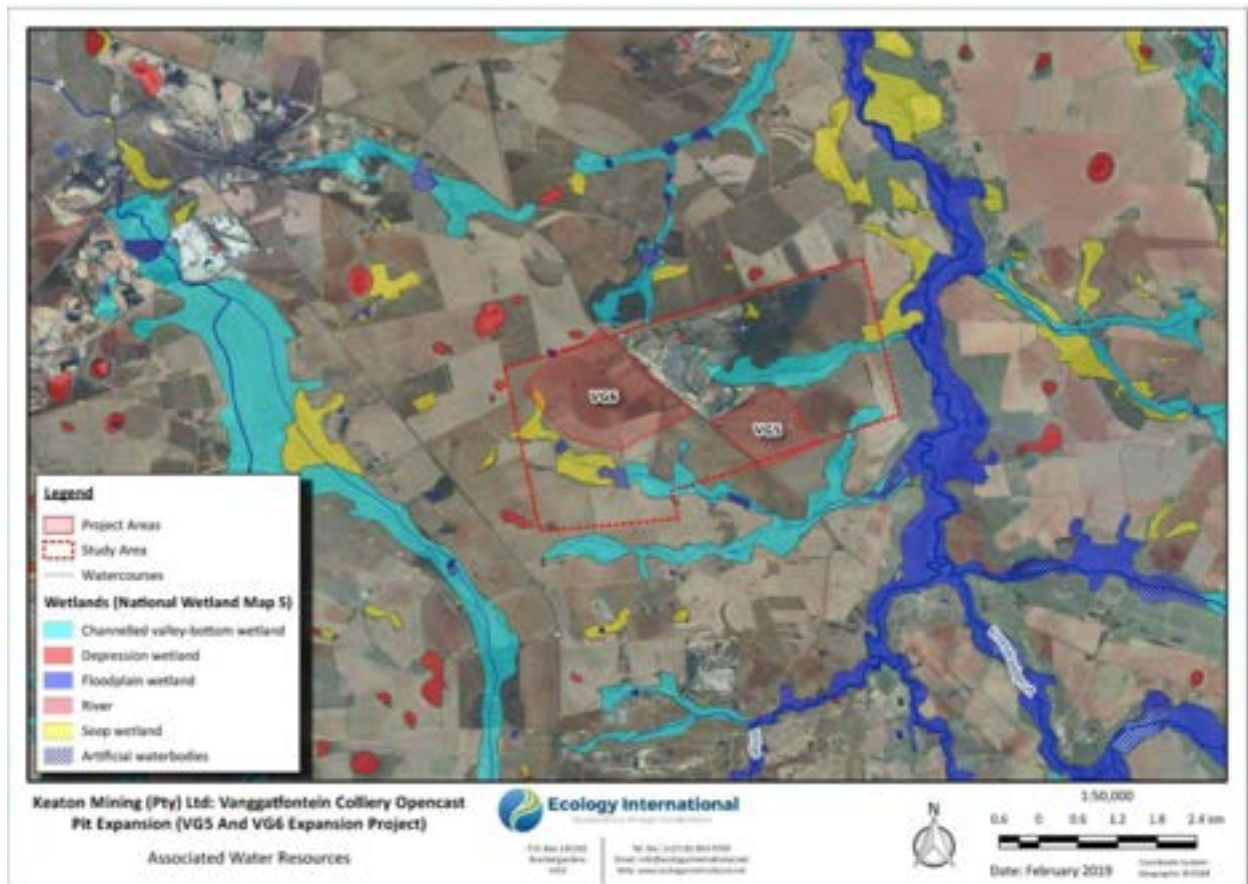


Figure 8-85 Vanggatfontein wetland systems (Aquatic study (Ecology International))

8.31.2.2 Costs

SR5.6(ix);

Environmental management cost is captured under the mine overhead costs. No specific detail was provided.

8.31.3 Environmental parameters

SR4.1(iii); SR4.3(v); JSE12.10(h)(viii)

The environmental parameters are encapsulated in the IWUL, EA and EMP for Vanggatfontein. The external audits as required by such parameters stipulated in the licenses were done in accordance with the requirements. The mine keeps a live action plan document in excel to track the findings and progress the required actions.

8.31.3.1 Conformance and compliance audits

SR7.1(i-ii)

The following findings from the WSP compliance audit Nov 2024:

- Water Management, Loss of PCD capacity due to silting, regular maintenance schedule for silt trap is required, with a monitoring plan for PCD's to be established.
- Material Contract, 2019, identified the renewal of Eskom contract as the mine is heavily exposed to the anchor customer, as of 2025, the mine is advance significantly to secure a contract for the remainder of the reserves.
- Compliance monitoring, VGF has not been able to implement all the conditions of its existing EA's due to financial constraints. This should be rectified, as it poses a business risk for continuing operation.
- Storm water management, found to be inadequate, storm water measures must be implemented and maintained as per the requirement of a storm water plan.
- Silt trap designs, silt traps were installed, designs still need to be submitted to DWS for approval.

The risks identified at Vanggatfontein (VGF) Colliery are assessed in the Corrective Action Plan (CAP) Compliance Monitoring Report of August 2024. While VGF remains operational, it has been operating on a limited basis since going into care and maintenance in 2023. This status has restricted the mine's ability to implement all conditions in its existing authorizations and address corrective actions identified in the 2022 CAP review.

8.32 Mine Closure and Financial Risks

Closure and financial provisions pose the most substantial major (Red) risk: Financial Provisioning Regulations (Ongoing Action): Salungano is using a hybrid approach (DMRE Guideline Document for DGA and contractor rates/detailed quantities for ICCA) to quantify liability. However, VGF needs to fully comply and align with the requirements of GNR 1147 upon its promulgation.

Water Management Risks

Significant issues related to water management infrastructure and compliance remain open:

- Silt Trap Malfunction and Siltation (New Finding - N/A Risk Tag): The silt trap at the operations was observed not to be functioning adequately, leading to extensive silting of the Pollution Control Dam (PCD). This siltation could result in the dam overtopping during the approaching wet season. Review of the silt trap design and prioritizing the desilting of the PCD is recommended.
- Inadequate Stormwater Management (Amber Risk): Inadequate stormwater management measures were observed, including water ponding. Runoff from the 2&4 seam stormwater dam is not contained effectively, and the dam inlet is not designed to reduce runoff velocity.
- PCD Design Submission Pending (Amber Risk): Although Salungano installed silt traps at each PCD inflow, there was no evidence that the designs were submitted to the DWS for approval, which is required for water management infrastructure.
- Water Wastage at Goose Neck (Amber Risk): Water wastage and ponding were observed at the goose neck for water bowser filling, though the area has since been redressed for efficient flow. However, the flow meter required at the goose neck is not yet installed due to financial constraints.
- Inability to Meet Authorization Conditions (N/A Risk Tag): Due to financial constraints, VGF has been unable to implement all conditions of its existing Environmental Authorizations (EAs), resulting in non-compliances that remain a business risk.

Previous Actions Closed Out

VGF has successfully closed out several past corrective actions, including:

- Approval of the EMPr Amendment for the filter press and coal processing plant.
- Development and implementation of an ESMS (Environmental and Social Management System).
- Development of an emergency preparedness and response procedure specific to the Transnet pipeline.
- Implementation of noise procedures, zones, signage, and staff training.
- Completion of high wall inspection schedules and geotechnical reports.
- Installation of lighting at the main access turn-off.
- Implementation of waste control procedures.

8.32.1 Closure Liabilities

SR1.7(i); SR5.6(ix);

Zyntha Consulting conducted the immediate closure liability assessment for Vanggatfontein in accordance with both the DMRE Guidelines and the volume-based assessment methodology. Although GNR 1147 has not yet been

promulgated, the volume-based assessment approach is regarded as providing a more accurate and site-specific estimation of closure liabilities.

Under the DMRE guideline methodology, the immediate closure liability was calculated at R263.3 million. In contrast, the volume-based assessment completed by Zyntha Consulting determined a total closure liability of R2,234.7 million, inclusive of VAT and contingencies.

A comprehensive rehabilitation survey and plan was compiled by the Chief Surveyor from African Soil as at the effective date (Figure 8-86). This plan reflects all surface features of the Vanggatfontein operation and provides volumetric data relative to the OGL. The survey identified:

- **33.2 million cubic metres** of waste material above the OGL (dumps), and
- **33.6 million cubic metres** of voids below the OGL (areas requiring backfill).

This indicates a favourable balance between available backfill material and required void infilling, providing a sound basis for rehabilitation planning.

The volumetric data from the survey formed the foundation of Zyntha Consulting's volume-based closure assessment. It is important to note that this assessment is valid as at the effective date of this report. The Vanggatfontein opencast operation is currently in a relatively steady state in terms of the development of working benches and access ramps. Mine management should, however, exercise ongoing diligence in maintaining this position. Specifically, no additional waste should be deposited on surface dumps, as this will increase both void and dump volumes and consequently elevate the closure liability in subsequent reassessments.

The detailed breakdown of Zyntha's closure cost estimate is detailed in Table 8-39. Notable is that the dump rehandling and backfilling has the highest estimated cost at R1.5 billion.

Table 8-39 Closure Cost Estimates (Zyntha Consulting)

Closure Activity	Estimated Cost (R million)
Dump rehandling and backfilling (movement of dumps to voids)	1,489.9
Water management	20.4
Post-closure maintenance and monitoring	20.4
VAT, P&G, Administration, Contingency and Plans	642.7
Total Estimated Closure Liability	2,234.7



Figure 8-86. Vanggatfontein Rehabilitation plan (African Soil)

8.32.1.1 Closure Cost

The closure cost is calculated as a present value, exclusive of the tax benefit.

The rehabilitation quantum as calculated by Zyntha consulting amounts to R2 234.7 Million, inclusive of Vat. The Salungano calculation as indicated by the Salungano valuator was checked and approved by past auditors, PWC, as well as KPMG.

The future values indicated in the table below were discounted at the calculated WACC of 15.75%.

Undiscounted total costs that make up the main inputs to the:

- Rehab Quantum – R1 659 841 778
- Water Treatment Capital – R20 612 261
- Operations cost – R3 084 855

Table 8-40. Vanggatfontein closure provision at NPV level

Life of Mine (Year)	Inflation Rate (%)	Risk Free Rate (%) @ 31 March 2025	Undiscounted Liability @	Future value (R)	Discounted at Nominal WACC (R)
4.00	4.50%	10.55%	276,640,296	329,898,699	-R183,754,824.05
5.00	4.50%	10.55%	276,640,296	344,744,141	- 165,889,759.04
6.00	4.50%	10.55%	276,640,296	360,257,627	- 149,761,576.57
7.00	4.50%	10.55%	276,640,296	376,469,220	-R135,201,412.96
8.00	4.50%	10.55%	276,640,296	393,410,335	- 122,056,821.82
9.00	4.50%	10.55%	276,640,296	411,113,800	- 110,190,177.94
9.00	4.50%	10.55%	20,612,261	30,631,781	- 8,210,187.46
50.00	4.50%	10.55%	3,084,855	27,864,372	- 18,547.10
				2,274,389,975	(875,083,307)
					(630,059,981)

Explanation of logic

Current cost to rehab the mine	1,659,841,778
Total cashflows to rehab the mine from 1st year after closure till rehab completed	2,274,389,975
PV of Total Rehab Liability	(875,083,307)
PV of Total Rehab Liability (after tax)	(630,059,981)

8.32.1.2 Sufficiency of funding

For immediate closure, Vanggatfontein has a R250.7 million financial guarantee in place against the R263.3 million immediate closure liability calculated by Zyntha Consulting. The guarantee value is therefore slightly below the required quantum as at the effective date of assessment.

For final mine closure, Salungano Group maintains a rehabilitation fund under Centriq for Keaton Mining (Vanggatfontein), with a current balance of R177.4 million. The tax-adjusted present value (PV) of further required provisions amounts to R630.1 million. Given Vanggatfontein's limited remaining life-of-mine and minimal potential to expand its reserve base, these available funds are grossly insufficient when compared to the total closure liability of R2,234.7 million. This represents a significant financial exposure for the operation.

8.32.1.3 Risk analysis

SR4.1(iii); SR5.7(i);

- Severe funding shortfall: Existing financial provisions cover only a small fraction of the total closure liability.
- Limited remaining life and low revenue potential make it unlikely that sufficient closure funds can be raised before end of life.
- Valuation model limitations: Salungano's approach records the liability at NPV level without corresponding funding instruments, leading to a negative valuation and further highlighting the underfunding.

Vanggatfontein's financial provisioning for closure is inadequate and non-compliant with the intent of Financial Provisioning Regulations (GNR 1147). Urgent strategic and financial interventions are required to address the funding gap and ensure compliance with closure obligations.

8.33 Asset Valuation

SR5.8(i-iv); SV1.12; SV1.13; JSE12.10(f); JSE12.10(h)(xii)

8.33.1 Previous valuations

No previous valuation can be justified for reference purposes.

8.33.2 Current valuation income approach

SV1.14; JSE12.10(h)(xii)

The valuation of Vanggatfontein has been undertaken in accordance with the SAMVAL Code, which prescribes internationally aligned standards for the valuation of mineral assets. As per the code, Salungano used the Income Approach to prepare the valuation model. The Valuation Model was prepared by Zaheer Saloojee, a full time Associate of Salungano.

The valuation model was reviewed by Miptec, with all required amendments communicated to the Client. Miptec considers the Income Approach to be the most appropriate method for valuing the Vanggatfontein operation, as the value derived under this approach is based on projected cash flows generated from a detailed LOM schedule. The underlying operating and capital cost assumptions are well understood and supported by historical performance data and current operational knowledge, providing a robust basis for the valuation.

8.33.2.1 Coal prices

The coal prices for both the opencast and the underground are on FY26 basis, nett of any possible retained value from Salungano. Regarding the opencast, this product is intended for the Duvha Power Station, with a cost of R585 per

saleable tonne used. As for underground, VG6 has a current CSA that it shares with Moabsvelden, an underground coal price of R524.1 per saleable tonne was applied and escalated from the FY26 base indicator prices over the LOM period

8.33.2.2 Discount Rate

The discount rate for a nominal based model was calculated at 15.75%; this rate was used as a discount rate in the calculation of the current net value of the project.

In the determination of the discount rate, the PWC valuation methodology survey 10th edition ("PWC Report") is a market survey performed by PWC. PWC obtains data on a range of discounts and premiums applied by professional valuation market practitioners. Valeo Capital also contributes to this survey. Furthermore, Valeo Capital, after taking into consideration the various range outcomes as per the PWC Report, applies its professional judgement to arrive at the appropriate discounts and premiums given the subject company and transaction dynamics.

The PWC valuation methodology was applied, the WACC inputs consists of the Risk-free rate 10 year government bond rate, Market Risk premium as per the PWC valuation survey, Beta, based on Bloomberg peer beta data and for the target debt to equity, the Bloomberg data average peer target debt to equity applies.

8.33.2.3 Taxation and Royalties

Taxation is calculated at the company rate on a positive cash flow. Government royalties are calculated based on the Salungano 0.5 % of Saleable Revenue. Compared to the royalty formula, this provision could be understated.

8.33.2.4 Operating Expenditure, Capital Expenditure and Technical Assumptions

Over and above the operating costs shown and discussed in the sections above, the fixed operating costs for Vangatfontein Colliery are shown in Table 8-41.

Table 8-41. Vangatfontein Fixed Mining costs

TOTAL FIXED MINING COST [Nominal]		TOTAL	FY26	FY27	FY28	FY29	FY30
TOTAL	R		45,269,649	47,306,783	59,322,706	61,992,228	64,781,878
ROM	Ton	11,803,739	1,303,812	2,781,272	4,037,673	4,017,858	3,263,125
Ratio	R/ROM		34.72	17.01	14.69	15.43	19.85
On Mine	R		10,719,884	11,202,279	21,593,499	22,565,206	23,580,641
Off Mine	R		14,878,769	15,548,314	16,247,988	16,979,147	17,743,209
HSEC	R		2,374,635	2,481,493	2,593,161	2,709,853	2,831,796
Other	R		17,296,362	18,074,698	18,888,059	19,738,022	20,626,233

The total capital utilised in the valuation model as declared by Salungano is depicted in Table 8-42. The VG6 underground capital was implied, as it was undefined in the original dataset, to be related to the startup of the underground indicated for FY28. No specific details with respect to this capital was available.

Table 8-42. Vangatfontein Total Capital

Asset Class Name	Description	FY2026	FY2027	FY2028	FY2029	FY2030
Plant & Equipment	Process plants refurbish	23,561,837	2,095,995			
Motor Vehicles	2 x Toyota GD4	1,600,000				
Buildings	Security Guard House and lab roof	300,000				
Computer Hardware	2 x Laptops @ R15	30,000				
Office Equipment - Admin	Aircons	45,000				
Stores	FMS System	2,500,000				
VG6 UG				76,056,787	125,089,814	10,493,362
		28,036,837	2,095,995	76,056,787	125,089,814	10,493,362

8.33.2.5 Income approach valuation results

Table 8-43 summarises the Salungano financial valuation model, over the 5-year valuation period. Before accounting for the NPV adjustment related to rehabilitation and closure provisions, the project's value amounts to approximately R73 million. However, after incorporating the discounted closure cost of R630 million, the valuation shifts to a negative net project value of –R556.9 million. This outcome highlights the significant financial impact of closure liabilities on the project's economic viability

Table 8-43. Vangatfontein Valuation Summary

VALUATION BASIS (Nominal)			TOTAL	FY26	FY27	FY28	FY29	FY30
ROM		Ton	15,403,739	1,303,812	2,781,272	4,037,673	4,017,858	3,263,125
	OC	Ton	11,803,739	1,303,812	2,781,272	2,837,673	2,817,858	2,063,125
	UG	Ton	3,600,000	-	-	1,200,000	1,200,000	1,200,000
OC SR		Ratio	3.10	4.52	3.15	3.32	3.00	1.97
OC Sales		Ton	7,552,520	817,768	1,817,109	1,813,757	1,731,002	1,372,883
OC Yield		%		0.63	0.65	0.64	0.61	0.67
UG Sales		Ton	3,600,000	-	-	1,200,000	1,200,000	1,200,000
TOTAL SALES		Ton	11,152,520	817,768	1,817,109	3,013,757	2,931,002	2,572,883
TOTAL COST	ZAR			712,517,789	1,572,179,072	2,297,677,050	2,295,648,608	2,071,635,046
OPERATIONS	ZAR			434,926,229	1,008,441,554	1,537,983,405	1,557,074,067	1,400,731,286
Opencast Cost	ZAR			434,926,229	1,008,441,554	1,051,813,875	1,049,026,908	869,822,005
Underground Cost	ZAR			-	-	486,169,530	508,047,159	530,909,281
TOLL WASH	ZAR		-	39,099,738	67,763,593	73,646,374	43,968,575	45,947,161
PRODUCT DISTRIBUTION	ZAR			193,222,173	448,667,142	626,724,564	632,613,738	580,174,721
FIXED OVERHEADS	ZAR		-	45,269,649	47,306,783	59,322,706	61,992,228	64,781,878
REVENUE	ZAR			737,769,752	1,685,995,714	2,627,174,988	2,627,437,529	2,383,718,564
Sales Revenue	ZAR			478,394,157	1,110,844,244	1,845,487,003	1,873,288,625	1,707,754,290
	OC Sales	ZAR		478,394,157	1,110,844,244	1,158,690,640	1,155,586,426	957,755,492
	UG Sales	ZAR		-	-	686,796,363	717,702,199	749,998,798
Toll Wash Revenue	ZAR			44,678,839	76,619,764	84,002,267	49,860,661	52,104,391
Transport revenue	ZAR			214,696,756	498,531,706	697,685,718	704,288,243	623,859,884
EBITDA	ZAR		-	25,251,963	113,816,642	329,497,937	331,788,921	312,083,518
Depreciation	ZAR			(120,193,966)	(153,438,949)	(571,911,216)	(629,765,293)	(629,765,293)
EBIT	ZAR			(94,942,003)	(39,622,307)	(242,413,279)	(297,976,372)	(317,681,775)
Changes in Working capital	ZAR			140,730,983	142,524,434	168,451,956	403,783	(1,394,442)
Royalty Tax	ZAR			2,615,365	5,937,320	9,647,446	9,615,746	8,799,293
Tax	ZAR			-	-	-	59,998,996	81,977,257
Capital Expenditure	ZAR			28,036,837	2,095,995	76,056,787	125,089,814	10,493,362
Free Cash Flow	ZAR			(146,111,221)	(36,741,107)	79,341,748	136,680,582	212,208,048
WACC		15.75%						
PV Factor				1.16	1.34	1.55	1.80	2.08
PV of Free Cash Flow				(126,225,793)	(27,420,875)	48,576,845	76,131,601	102,113,823

Valuation Date : 1 Apr 2025

NPV 73,175,600

NPV Of Rehab Provision 630,059,983

NPV Post Rehab Provision (556,884,383)

8.33.2.6 Sensitivity analysis

No sensitivity calculation was conducted.

8.34 Audits and reviews

SR7.1(i-11)

No audits and reviews were made available to Miptec.

8.35 Project Risks

SR4.3(viii); SR5.7(i); JSE12.10(h)(x)

Table 8-44 details the consolidated risks as identified by Miptec during the review of Vanggatfontein.

Table 8-44 Vanggatfontein Consolidated Risk Summary

Risk Area	Key Issues / Description	Recommended Actions	Risk Level
Water Management	PCD silting, malfunctioning silt traps, unsubmitted DWS designs, inadequate stormwater control, and water wastage at goose neck	Desilt PCD, maintain silt traps, submit DWS designs, implement stormwater measures	High
Environmental Authorizations (EAs)	Incomplete implementation of EA conditions due to funding constraints	Prioritize high-risk compliance actions	Medium
Closure & Financial Provisioning	Severe underfunding: R177.4M provision vs. R2.23B closure liability; negative NPV (-R556.9M)	Align provisioning with GNR 1147; update closure liability and guarantee	Extreme
Coal Resource & Geology	Faulting and dolerite throughout resource areas affecting continuity	Conduct additional drilling to refine structure locations	Medium
Geotechnical (General)	Increasing faulting and depth impacting pit and slope stability	Continue surveys and monitoring; align with COP	Medium
Geotechnical (Exploration / Modeling)	Significant seam rolls and suspected multiple faulting structures	Extend the drilling program to confirm faulting and refine models	Medium
Production Levels	Not achieving planned output; limited process buffers	Improve process scheduling and equipment utilization buffers	High
Concurrent Rehabilitation	Limited planning and funding for concurrent rehabilitation	Implement progressive rehabilitation; optimize closure plan for dumps and voids	High
Project Startup (Future Operations)	Potential delays impacting tenure and contractual commitments	Plan and schedule project startup activities proactively	Medium
Capital Availability	Insufficient funds to prepare underground access and infrastructure	Update capital requirement schedule; integrate into financing plan	High

Risk Area	Key Issues / Description	Recommended Actions	Risk Level
JSE Section 155 Compromise	Misaligned stakeholder objectives as mine nears end-of-life	Align stakeholders on closure, permitting, and compliance focus	High
Material Contracts / Eskom Exposure	Eskom contract renewal still underway	Finalize contract to secure revenue stability	Medium
Other Environmental Controls	Waste, lighting, and noise management actions completed	Maintain compliance and monitoring systems	Closed

The operation faces significant risks driven by underfunded closure liabilities, geotechnical uncertainties, production shortfalls, and insufficient capital for future development. While some environmental controls are in place, high-priority actions include addressing water management issues, aligning stakeholders under the Section 155 process, securing the Eskom contract, and improving rehabilitation planning and compliance.

8.36 Conclusions

Vanggatfontein Colliery is a technically viable operation with substantial resources supported by extensive exploration and geological modelling. However, the mine is currently under a JSE section 155 compromise agreement with the creditors, who currently manage the operation. Under this arrangement, Salungano will manage the CSA with Eskom and pay the creditor consortium on a rand per saleable ton basis. The valuation indicates a minimal intrinsic value of approximately R73.2 million over five years, which is insufficient to offset the estimated R2.2 billion rehabilitation liability, discounted by financial experts, this liability brings the NPV to around R630 million, which still significantly exceeds the projected mine value, resulting in a negative overall valuation of approximately R556.9 million. This substantial financial and operational risk underscores the critical need for resolving the liquidity, contractual, and environmental liabilities to avoid potential sale of the asset, liquidation or non-closure of the mine.

Immediate priorities include:

- Align financial provisioning with GNR 1147 and DMRE guidance.
- Implement water management and stormwater control measures.
- Extend drilling and geotechnical monitoring to improve resource and slope confidence.
- Execute concurrent rehabilitation and update closure planning.
- Plan project startup and secure capital for infrastructure development for VG6.
- Align stakeholders on unified closure objectives.

Without immediate intervention, closure, compliance, and operational risks will remain critical, requiring focused attention to secure environmental, financial, and operational sustainability.

9 ELANDSPRUIT COLLIERY

9.1 Property Description

SR1.1(i); SR5.1(i); JSE12.10(h)(ii)

Elandspruit is an operational opencast and underground coal mining operation, located about 8 km west of the town of Middelburg in the Mpumalanga Province of South Africa. Elandspruit mines the S4, S2 and S1 coal seams using truck and shovel roll-over mining methods at a historical maximum rate up to 220 000 tpm ROM from the opencast Operation and 20 000 to 30 000 tpm ROM from the underground S1 operation, based on a standard bord and pillar extraction methodology. At the time of this report, the economical underground reserves were considered depleted, and the underground operations ceased. All ROM used to be transported approximately 18 km to the Wescoal Processing Facility located south of the mining operation. The Graspan Pit located to the east of the S1 Underground, is the planned extension of the current pit, and is scheduled for development to the end of 2026.

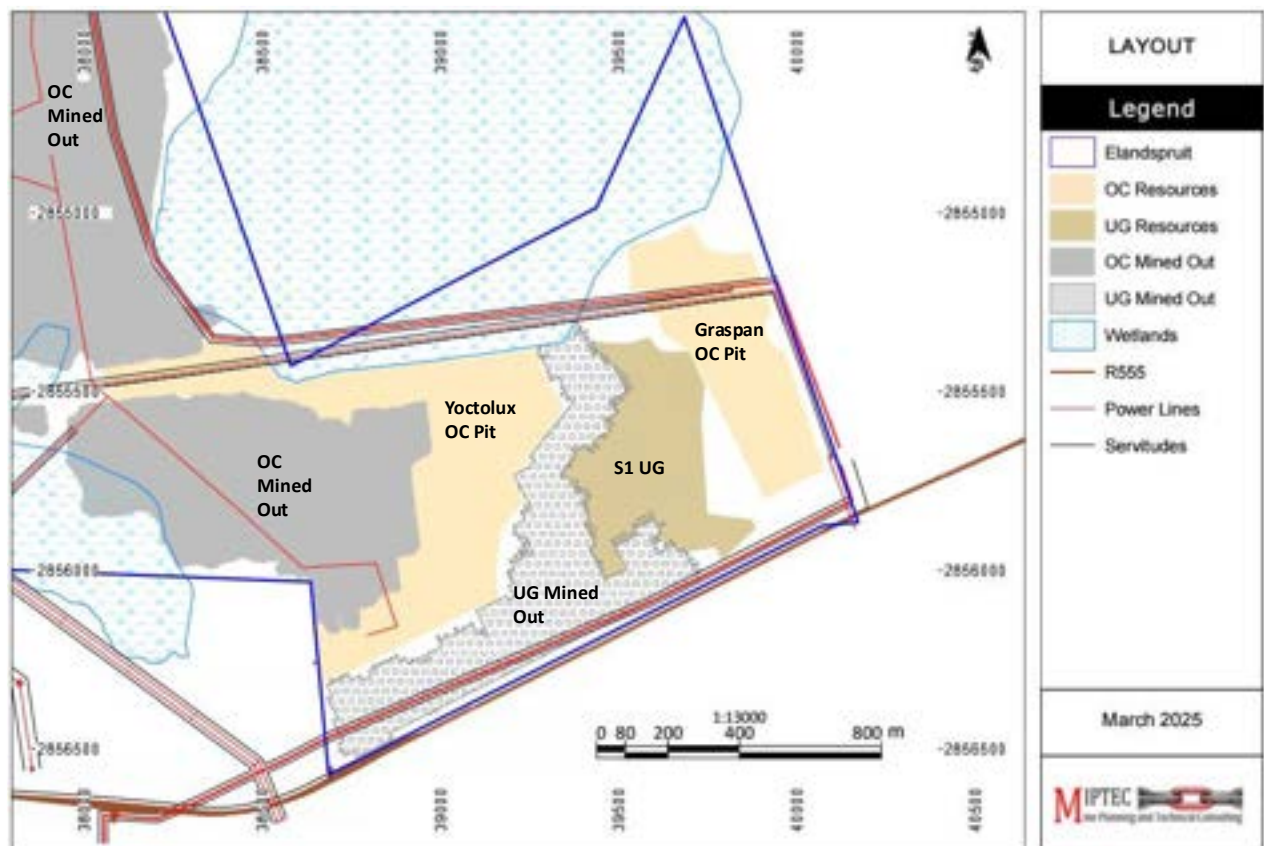


Figure 9-1. A Plan illustrating the Location of the Opencast Pits as well as the Underground Section at Elandspruit.

Elandspruit Colliery is part of Wescoal Mining, operating under Salungano as a 100% owned asset. Wescoal Mining was placed under Business Rescue, after a board resolution on 25 August 2023, and remains as such. As indicated, operations at the underground section stopped after the suitable economical reserves were depleted. In the case of the current business rescue, suitable mineable coal or suitable economic reserves, refers to the coal quality first, and seam horizons secondly. The contractor equipment did not have the flexibility to extract coal seams with a thickness less than 2.4m, with the result being that the initial thin seam underground reserves were removed. In addition, the raw underground product limited the market options, as all intraseam partings were cut with the coal and conveyed to surface. The final ROM product had abrasiveness and low-quality characteristic that made it impossible to extract value on a raw basis.

Elandspruit commenced production after a long period under which the opencast section was in care and maintenance. Salungano made a proposal to the Business Rescue Practitioners (BRP's), that was accepted, Masemanzi Mining Holdings, contracted to January 2026 to mine between 100 000 and 120 000 Rom per month. This proposal provides for the overheads, inclusive of the BRP costs and aR20/ton for historical rehabilitation. Masemanzi commenced January 2025 and as at 31 March extracted 81 960 ROM tons. At end July, the time of this report, they have extracted 326 436 Rom tons. Their plan was to ramp up to approximately 120 000

Elandspruit as at the effective date held an estimated 5.13 Mt. on reserves, of which a portion (1 Mt.) is dependent on an Eskom Powerline to be taken down. The BRP representative has indicated that the current lines and substation are in the process of being decommissioned. Part of the Reserve is dependent on a new boxcut in the east to access the Graspan portion of the reserve.

The current Mining Right for Elandspruit expires on the 27 October 2026, leaving 13 months remaining. The mine will have to follow the guidelines as stipulated by the DMRE by timeously applying to extend the Mining Right.

Life to date coal Elandspruit Colliery, extracted approximately 17.9 Mt ROM. The underground has missing statistics and could not be completed.

9.2 Recent Work

The Elandspruit Geological Model was last updated from 1st Principals in 2024, when there was a request from the BRP's to re-correlate the plies of the S1, and to reevaluate the underground mining area. the as no recent exploration has taken place at site, and no updates to the data contained in the model was required. The model is however updated

annually with the latest mining face positions as provided by the mine surveyors. These updated face positions are used during the delineation and estimation of the Coal Resources.

9.3 Location

SR1.1(ii); SR1.2(i,iii); SV1.5

The Elandspruit Mine is located 8 km west of the town Middelburg with location 25.80982°S latitude and 29.38474°E longitude. Figure 10-2. It comprises of Portions 29, 30, 32, 33, 34, 36, and 40, of the farm Elandspruit 291 JS, and encompasses an area of 538 hectares ('ha'), as per the New Order Mining Right ("NOMR"). The project has good access to services and infrastructure due to its proximity to the town of, as well as access to a large labour pool of experienced mining individuals, as well as numerous companies specialising in the supply and support of mining equipment. The N4 national highway is located approximately 3.5km south of the license area, while the R555 national road forms the southern boundary of the license area. A gravel road, D20 running north-south from the R555 to the village of Presidentsrus traverses the property. At the time of the report the new road replacing the D20, was completed.

Located about 1km to the south of the southwest corner of the property, is the Hillside Siding. Uitkyk siding, where Izimbiwa Coal Limited ('Izimbiwa') has a loading facility, is situated 2km to the east.

An Eskom sub-station is located on the southeast corner of the property and power lines extend across the site. A Telkom microwave tower and the Sentech Tower are situated close to the southern boundary.

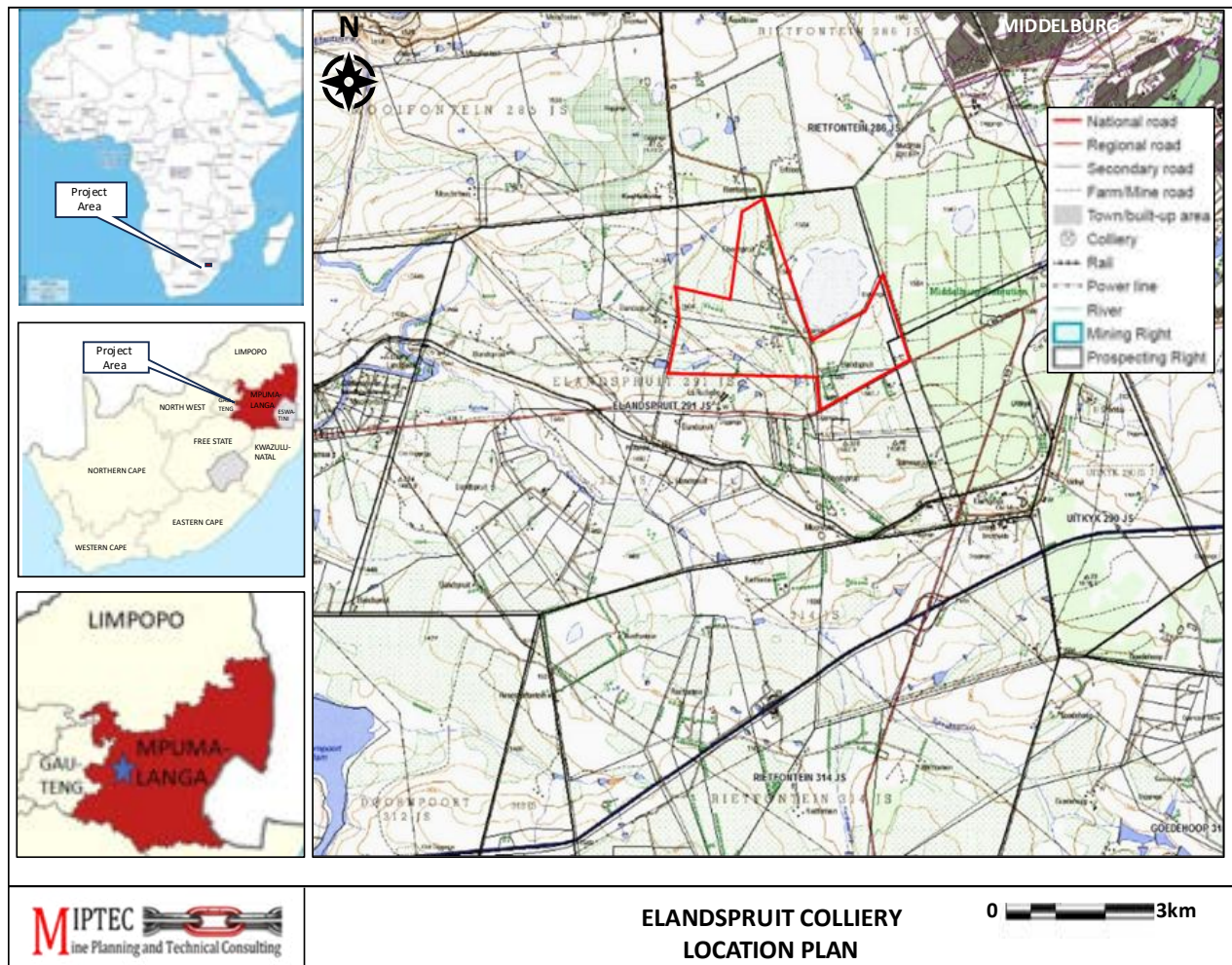


Figure 9-2. Elandspruit Locality Plan

9.4 Co-ordinate System

SR 1.2(i)

The Elandspruit coordinate system is the World Geodetic System 1984 (WGS84) datum which uses the Hartebeesthoek94 geographic 2D Coordinate Reference System (CRS) as its base and the South African Survey Grid zone 29 (Transverse Mercator (South Orientated)) as its projection. This OGL is currently in use for planning, control and design work.

9.5 Adjacent properties

SR1.3(i)

The properties adjacent to Elandspruit are utilised for both mining and agriculture. In terms of adjacent mining activities, the following collieries are located next to Elandspruit:

Yoctolux Colliery – Masemanzi Holdings. Yoctolux was an opencast operation situated to the southwest of Elandspruit and has since reached its end of life. Yoctolux was sold to Masemanzi Holdings which is operating the processing facility for their reserves in the vicinity.

Graspan Colliery – Graspan Colliery was historically owned and operated by Izimbiwa Coal but has since been acquired by the Into Africa Group. This change occurred as part of a larger merger involving Izimbiwa Coal Holdings. Coal from the mine is produced mainly for export. The project comprises a number of smaller operations, including Graspan, Townlands, Steelcoal, and Corobrik collieries which were absorbed into the complex in 2018. Graspan Colliery mines the No. 4, No. 2 and No. 1 Seams via opencast truck and shovel operations.

Nungu Colliery - Nungu Colliery is a coal mine located in the Mpumalanga province of South Africa, near the town of Middelburg. Operated by IPC Coal and IPC Mining, which are part of the Lehumo Africa Group, the colliery has historically involved both opencast and underground mining



Figure 9-3 Elandspruit adjacent properties.

9.6 Title and Rights

9.6.1 Mining and Prospecting Rights

JSE12.10(h) (SR1.2(ii); SR1.5(i); SV1.5; ESG4.1

Wescoal holds a NOMR (Department of Mineral Resources and Energy (**DMRE**) Ref.: MP 30/5/1/2/2/351 MR), (Figure 9-4) over Mineral Area 7 of Mineral Area 5 situated on Portion 29; Mineral Area 8 of Mineral Area 6 situated on Portion 32 and Portions 30, 33, 34, 36, and 40, all of the farm Elandspruit 291 JS. The MR commenced on 28 October 2010, and unless cancelled or suspended, will continue to be in force for a period of 16 (sixteen) years, ending on 27 October 2026.

A period of 1.58 years remains as at the effective date. This mining right was acquired by Wescoal in 2016, as part of a transaction with Duiker Mining, a subsidiary then of Glencore.

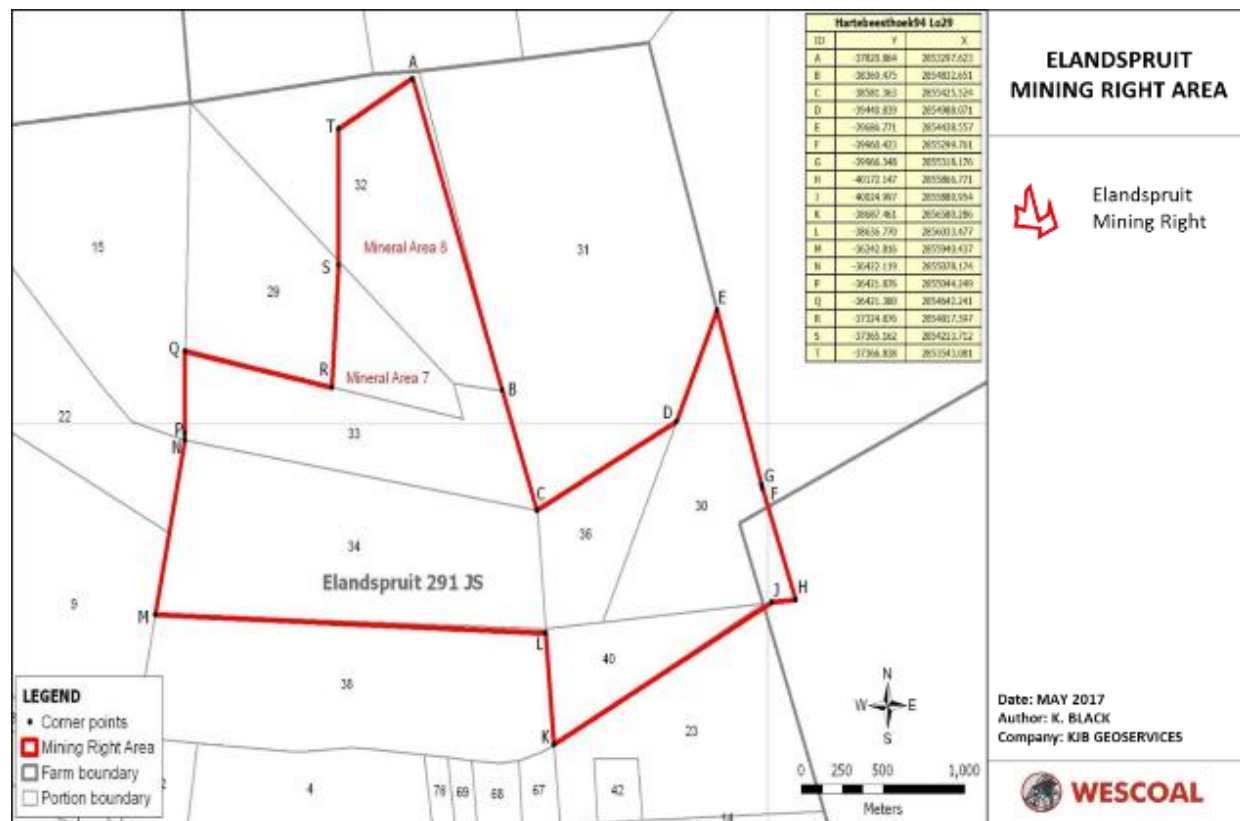


Figure 9-4. Elandspruit Mining Right Area

9.6.2 Surface rights

SR1.1(ii); SR1.5(i-ii)

Elandspruit comprises of Portions 29, 30, 32, 33, 34, 36, and 40, of the farm Elandspruit 291 JS. All the surface rights are held by Blanford 006 (Pty) Ltd, a wholly owned subsidiary of Wescoal. Figure 9-5 below shows the full extent of surface rights, covering the MR. The surface right, although owned by Salungano attracts rental costs to the Group, amounting to just more than R0.5 Mil. on a monthly basis.

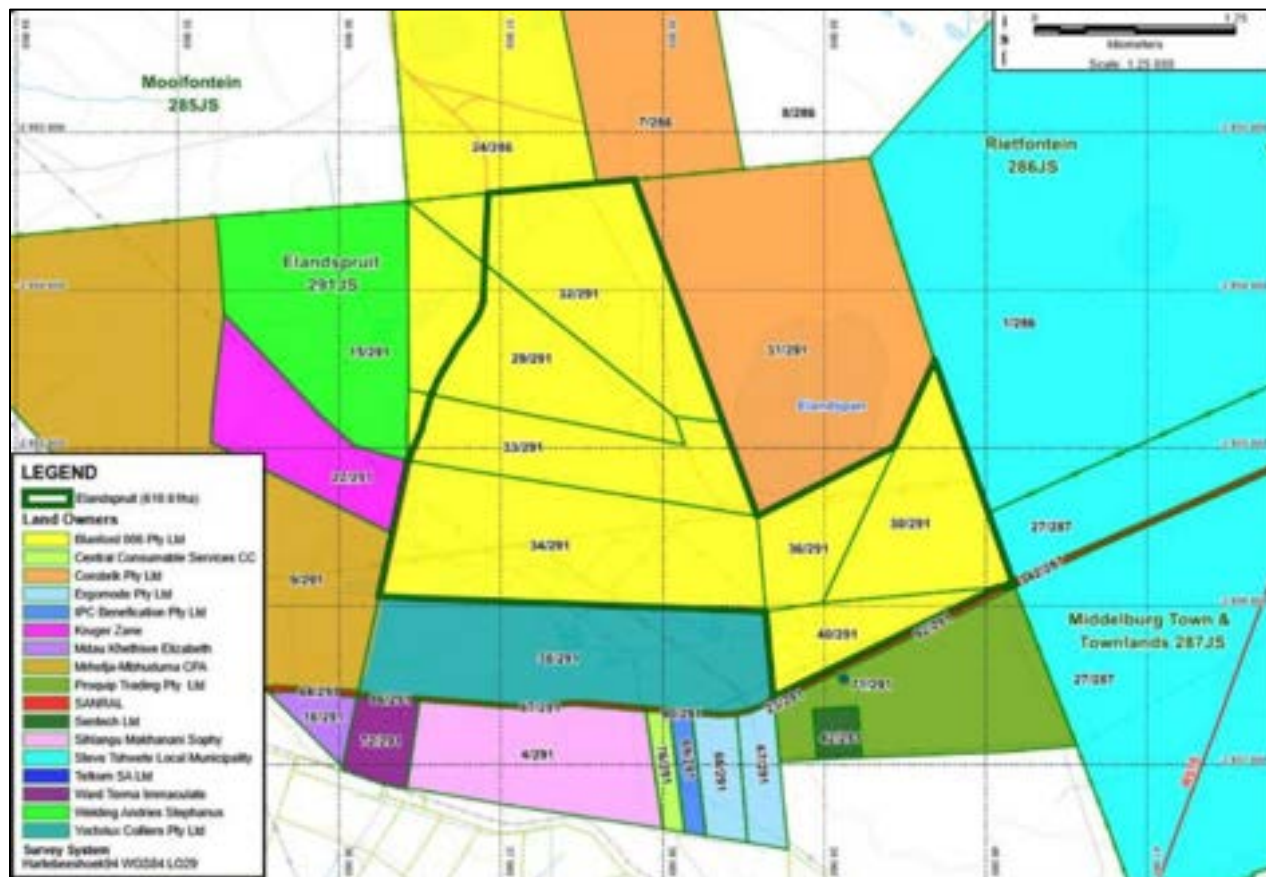


Figure 9-5. Landowners and Adjacent Landowners

9.6.3 Sufficiency of Rights

JSE12.9(e); JSE12.10(h)(iv); SR1.1(ii);

Miptec did not have sight of the licences; a license summary of the mine was provided. The MR licence details correspond to previous CPR's and technical reports reviewed.

The Mining Right covers the full area planned for the remaining LOM.

The surface rights are owned by Salungano, Wescoal Mining over the full Mining Right area.

9.7 Legal Aspects and Permitting

9.7.1 Environmental Authorizations and Licenses

SR1.5(ii)(v); SR5.5(i-ii); ESG4.3

Table 9-1. Elandspruit Water Use licenses

Licence / Registration Number	Description	Approved Date	Expiry date
ELANDSPRUIT			
04/B111/ACG11/3057	Section 21 (a), (c), (g) and (i) and (j) on Portions 29, 32, 33, 34, 36 and 40 of the farm Elandspruit 291 JS	3/28/2015	2031
03/B116/CI/5064	Section 21 (c) and (i) on Portion 34 of the farm Elandspruit 291 JS	4/10/2017	2057

9.7.2 Environmental and Social Approvals

SR1.2(ii); SR1.5(ii)(iv)(v); ESG4.3

The environmental superintendent provided the summary below; again, Miptec did not have sight of the actual licences.

The mine has numerous approved EMPs, EAs and WULs.

Table 9-2. Elandspruit Environmental Authorisations

Authorisation Type	Reference No.	Scope of Authorisation / Description of Activities	Date Issued	Valid Until	Issued To
Environmental Authorisation (Record of Decision)	17/12/34-392	The proposed Elandspruit Coal Mine on various farm portions of the Farm Elandspruit 291 JS, within Steve Tshwete Local Municipality, Mpumalanga Province	11/30/2015	Currently applicable	Wescoal Mining (Pty) Ltd
Water Use Licence	04/B111/ACG11/3057	Section 21 (a), (c), (g) and (i) and (j) on Portions 29, 32, 33, 34, 36 and 40 of the farm Elandspruit 291 JS	3/28/2015	2031	Wescoal Mining (Pty) Ltd
Section 24G Environmental Authorisation	17/12/34G-NR05/2016/19	The Construction of a provincial road on Portion 36 of the Farm Elandspruit 291 JS, Steve Tshwete Local Municipality, Mpumalanga Province	1/24/2017	Activity complete	Wescoal Mining (Pty) Ltd
Water Use Licence for Proposed Road	03/B116/CI/5064	Section 21 (c) and (i) on Portion 34 of the farm Elandspruit 291 JS	4/10/2017	2057	Wescoal Mining (Pty) Ltd
Environmental Management Plan	MP90/5/1/2/2/351MR	Managing the environmental impacts of mining taking place at Mineral Area No.7 of Mineral Area No.5 situated on Portion 28, Mineral Area No.8 situated on Portion 32, Portion 36, Portion 33, Portion 34, Portion 36 and Portion 40 all of the farm Elandspruit 291 JS	20/18/2010	Currently applicable	Shuker Mining (Pty) Ltd
Environmental Management Programme Amendment	MP90/5/1/2/2/351MR	Submitted for Environmental Authorisations in terms of the National Environmental Management Act, 1998 and the National Environmental Management Waste Act, 2008 in respect of Listed Activities that have been triggered by Application in terms of the Mineral and Petroleum Resources Development Act, 2002 (MPRDA) as amended	5/21/2018	Unknown	Compiled for Wescoal Mining (Pty) Ltd

The two critical authorisations that the mine does not have, that impacts the strategic options, is the authorisation to dispose waste (discard material) in pit and operating a full wash plant on the mining right area.

9.7.2.1 Social and Labour Plan

Internal Stakeholder Engagement

Elandspruit has several internal forums to manage workforce engagement and compliance with social obligations:

- **Employment Equity and Skills Development Forum** – quarterly, discussing employment equity and skills development.

- **Union/Management Forum** – monthly, addressing union concerns; currently, dominant union membership is below the required threshold.
- **Future Forum** – quarterly, focused on communicating mine future and measures to avoid retrenchments.
- **BBBEE Tracking Meetings** – monthly, monitoring BBBEE initiatives.
- **Women in Mining (WIM) Forum** – planned quarterly; recently reconstituted following company restructuring.

Observation: These forums are in place, but effectiveness is constrained by ongoing business rescue and financial stress.

SLP Compliance and Implementation

Expired SLP (2016–2021)

- Some projects completed: sewing project, bakery project, Reatlegile Primary School maintenance.
- Partial projects: 12 of 33 planned houses built; poultry cages delivered but stock not yet provided.
- Budget: R22 million planned, R8.5 million spent, leaving ~R13.5 million to complete obligations.

Risk: Non-completion of SLP projects may impact Mining Right compliance and risk DMRE revocation.

Current SLP (2023–2027)

- Completed: Learner Support program (Maths and Science).
- In progress: Speedhumps and ramp installation.
- Not started: Piggery project, paving bricks manufacturing.
- **Observation:** Progress is limited, primarily due to financial constraints under business rescue.

External Stakeholder Engagement

- **Elandspruit Community Forum** – monthly meetings to discuss community issues, with active participation by the mine.
- **Observation:** Engagement exists, but limited resources may hinder meaningful delivery of planned projects.

Regulatory and Statutory Compliance

- Employment Equity (EE) return submitted January 2024.
- Mining Charter annual report submitted May 2025.
- Annual SLP progress report submitted March 2025.
- Letter of good standing for Wescoal valid until December 2025.
- Non-compliance: Wescoal Mining BBBEE level has not been reviewed.
- WSP & ATR submitted May 2025; validity until April 2026.

Risks Identified

1. SLP Non-Performance: Partial and delayed project delivery creates a risk of DMRE intervention or revocation of the Mining Right.
2. Financial Constraints: Business rescue status limits the ability to fund or accelerate SLP projects.
3. Stakeholder Management: Declining union membership and partially active forums may reduce effectiveness in internal engagement.
4. Regulatory Compliance: BBBEE non-compliance and expiry of WSP & ATR could trigger penalties or reputational risk.

Elandspruit has established both internal and external stakeholder engagement forums to support social and labour objectives. However, the mine is under business rescue, which severely limits funding and operational capacity to deliver on SLP commitments. The expired 2016–2021 SLP is only partially complete, and the 2023–2027 plan is in early stages with several projects yet to commence. Regulatory compliance is generally maintained, but key areas such as BBBEE and WSP/ATR updates require attention. The primary risk is non-compliance with SLP commitments, which could threaten the Mining Right if not addressed.

9.7.3 Material contracts

SR1.5(ii)

9.7.3.1 Coal supply agreements

Elandspruit currently has no coal sales agreement with Eskom or other coal supply agreements. Salungano is in the process with Eskom on the Duvha RFP to secure a contract for Elandspruit. Miptec has enquired with Eskom about such a contract. At the time of this report, Eskom confirmed that it will accept the risk of contracting with a mine under business rescue. It was also indicated that if the mine complies in due time to submit outstanding information, a contract can be awarded as soon as December 2025. The mine will have to partially beneficiate to meet the Duvha specification. In addition to the CSA with Eskom, the mine will have to source a processing facility nearby or in the case of a mobile plant option, amend the current WUL for additional water uses, as well as a waste licence to dispose discard in the open voids. Eskom also indicated that the contract can be changed over to Kusile, as the Kusile RFP process will open in due course. This would be the most viable option for Elandspruit.

9.7.3.2 Mining

Currently Masemanzi has an agreement with the Business rescue practitioners to mine on a royalty basis. The high level of this agreement provides for a fixed fee to cover Elandspruit and business rescue costs on a monthly basis, as well as a rand per ton to provide for historical rehabilitation. In addition, they commit to conduct concurrent rehabilitation and keep or improve the status quo on rehabilitation backlog.

9.7.3.3 Coal Processing

SR5.4(ii-iii)

The Mining Contractor provides their own mobile crushing equipment.

9.7.4 Legal Claims and Proceedings

The mine under business rescue has taken care of the creditors, banking and insures claims.

9.8 Access, Climate, Physiography and Vegetation

[SR1.1(ii)] [SR5.4(i)(ii)]

9.8.1 Accessibility

[SR1.1(ii)]

The project has good access to services and infrastructure due to its proximity to the town of, as well as access to a large labour pool of experienced mining individuals, as well as numerous companies specialising in the supply and support of mining equipment. The N4 national highway is located approximately 3.5km south of the licence area, while the R555 national road forms the southern boundary of the licence area. A gravel road, D20 running north-south from

the R555 to the village of Presidentsrus traverses the property. At the time of the report the new road replacing the D20, was completed.

Located about 1km to the south of the southwest corner of the property, is the Hillside Siding. Uitkyk siding, where Izimbiwa Coal Limited has a loading facility, is situated 2 km to the east.

9.8.2 Climate

SR1.1(ii); ESG4.4

Relatively high rainfall maintains the grasslands during the summer months, with the mean annual range between 400 to 900 mm. Frequent fires, frost, and heavy grazing - formerly by wild animals and now by cattle and sheep – suppress the presence of shrubs and trees. Mean maximum temperatures range from 21 to 24°C, and mean minimums range from 3 to 6° C, with temperatures sometimes reaching 38° C in the summer and –11C in the winter. Summer rainfall is not evenly distributed throughout the region, resulting in several different habitat types. Differences in habitat types are further accentuated by the variable soil characteristics of the region. Over most of the area sandstones and shales of the Karoo sequence are dominant. Deep red sand-loam soils dominate towards the cooler and wetter northeast, and transition to shallower lithosols in the extreme northeast (Low and Rebelo 1998).

9.8.3 Topography

SR1.1(ii); SR1.2(iii); ESG4.4

Elandspruit is located within Quaternary Catchment B11F within the Upper Olifants Water Management Area. A small section of Elandspruit also falls within Quaternary Catchment B12D. Elandspruit and a tributary of Elandspruit drains into the Olifants River Figure 9-6. The Olifants River flows northwards through the Loskop - and Flag Boshielo Dams. The Olifants River continues onwards through the central part of the Kruger National Park and into Mozambique. It eventually joins the Limpopo River and discharges into the Indian Ocean on the east African coastline.

As illustrated in Figure 9-7 below, none of the Elandspruit mining activities are located within the 1:100-year flood-line. There is no river diversion within the Elandspruit area.

Environmental Consultants International, in collaboration with Malachite Specialist Services, conducted an Ecological Assessment in 2017, and a Freshwater Assessment undertaken by Scientific Aquatic Services was undertaken during February 2022. During these studies, three wetland complexes were identified within the Elandspruit license area, also illustrated in Figure 9-7. below. All three wetland complexes were categorized having a low to very low Ecoservices Importance, with an Ecological Integrity and Sensitivity (“EIS”) classification as moderate. A 100 m zone of regulation (blue dashed line in Figure 9-8 below) must be adhered to during all mining activities.

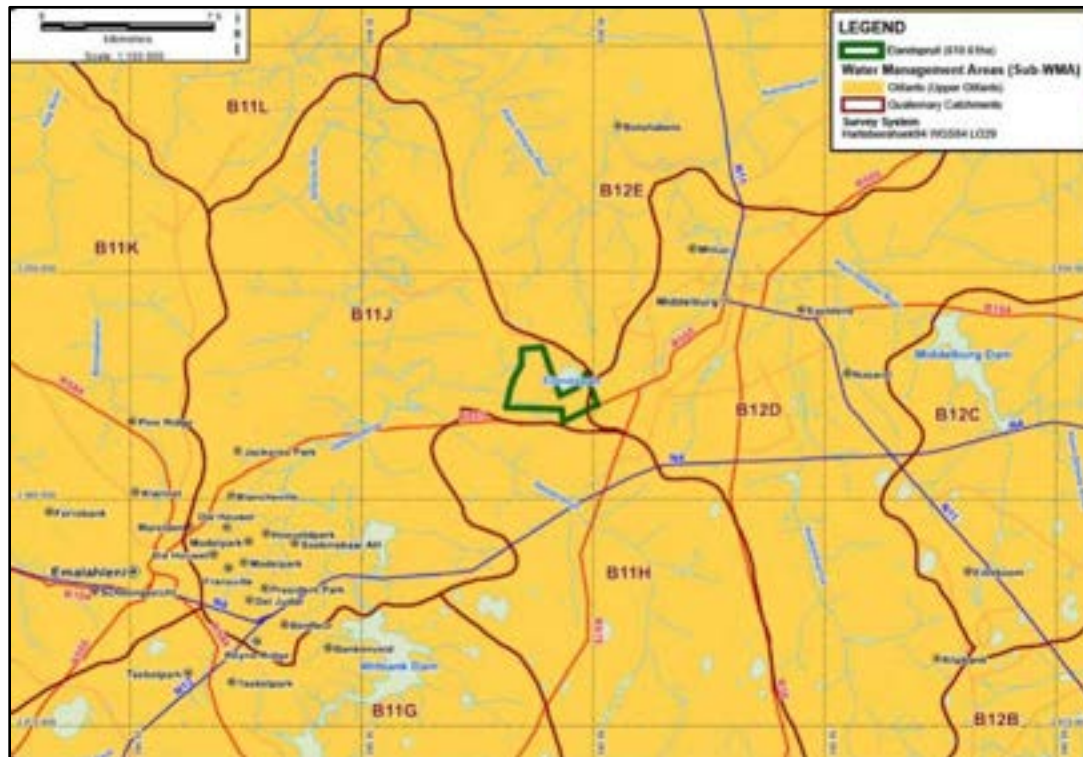


Figure 9-6. Quarternary Catchment

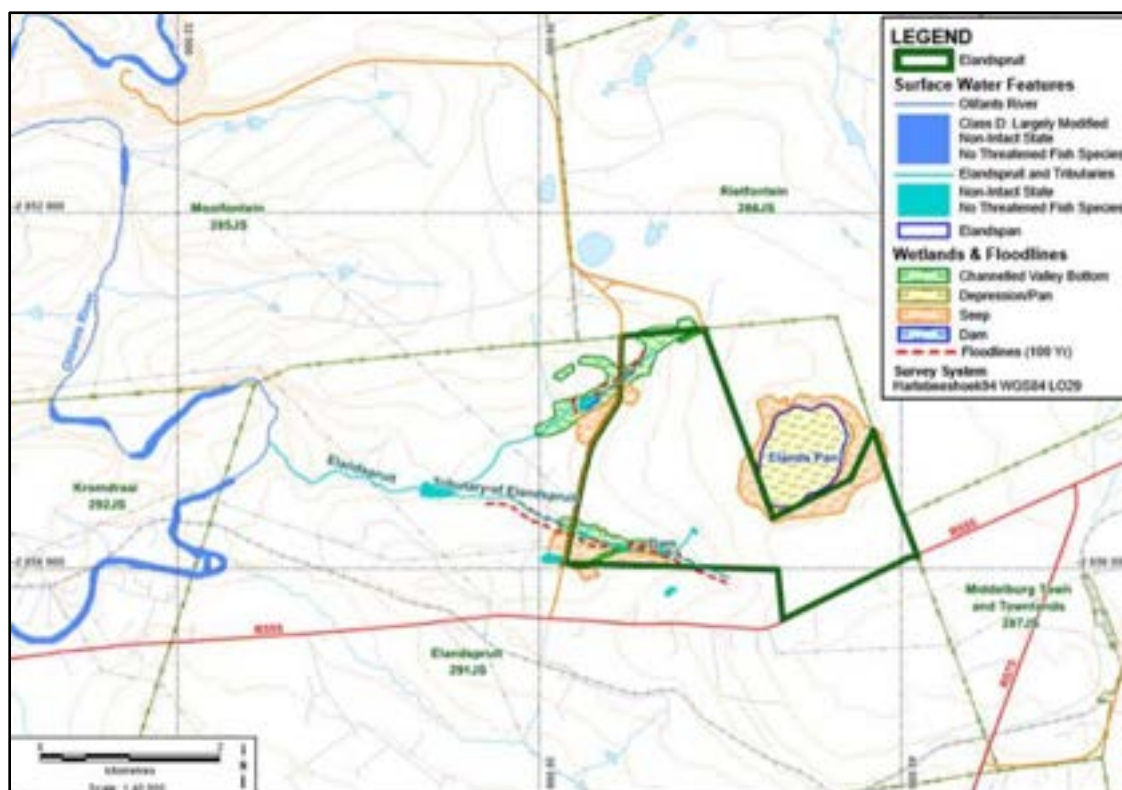


Figure 9-7. Wetlands and Floodlines

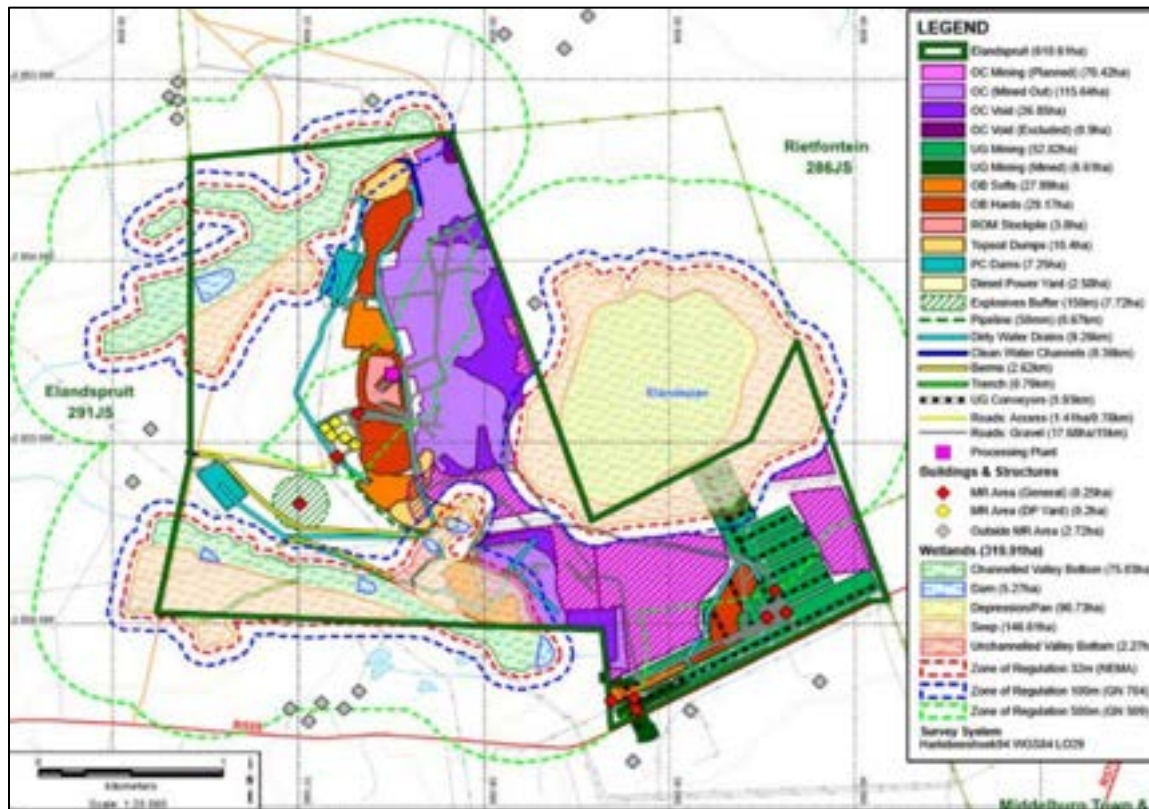


Figure 9-8. Identified Wetlands and the zones of sensitive receptors

9.8.4 Vegetation

SR1.1(ii)

From a vegetation aspect, the Elandspruit Colliery area falls within the remaining extent of the Vulnerable Mesic Highveld Grassland Group 4 vegetation type (Mucina and Rutherford, 2006). Much of the project area had previously been cleared to make way for mixed farming, with cattle and sheep the major livestock, and maize as the major crop.

9.9 Local Resources

SR1.1(ii)

The mine is located central to various towns and cities. Labour is sourced from immediate surrounding townships, if skills are unavailable, labour is sourced from the greater area, including Witbank, Middelburg, and Bronkhorstspuit.

In terms of materials, equipment and maintenance parts, various suppliers are situated from Johannesburg to the town of Middelburg, where most of the sourcing is done.

9.10 Infrastructure

SR1.1(ii); SR4.1(iii); SR4.3(iii); SR4.5(iii); SR5.4(i-iii)

Elandspruit is accessed from the R555 tar road, linking the towns of Middelburg to the east and Emalahleni to the west. The N4 highway, Pretoria to Nelspruit, is situated south of the mine, with the onramp approximately 6km from the mine. The mine commenced mid 2015 with operations and operated until August 2023 when Wescoal had difficulty in servicing most of the opencast creditors and moved to business rescue.

The opencast source water for mining operations from in pit accumulation as well as established pollution control dams. Boreholes are utilised for potable water supply to offices, workshops, change houses and store facilities. Drinking water is supplied from reputable clean water suppliers.

Electricity for offices, workshops, storage facilities and change houses are supplied from rural lines feeding from the main Eskom distribution lines passing through the Elandspruit Mining Right area. Most of the initial farm buildings with water and electrical infrastructure were preserved with functionality as offices and required facilities.

Mining contractor entrance is located to the west, on the Presidentsrus access road, leading to a security check point adjacent to the opencast equipment hard park area, workshops and offices. To the south a separate entrance exists with security checkpoint for coal trucks, accessing the ROM stockpiles, to move Rom or saleable off site.

The underground was accessed from the southern side of the R555, between Emalahleni and the town of Middelburg, and form part of the Nungu Colliery. Elandspruit had an agreement with Nungu Colliery to use their access to access the Elandspruit underground reserve. The mine still has zinc dams and generators, as backup to Eskom power supply, situated on surface immediately above the underground workings. Ventilation was provided from the Nungu Colliery side and managed underground by the Elandspruit appointed mining contractor.

Figure 9-9 below shows the main aspects relating to surface infrastructure at Elandspruit Colliery, as well as the mined underground on the 1 seam horizon. The wetlands were defined as part of specialist studies conducted during the Environmental Authorization process for a Mining Right. The Pan forms the most predominant feature (7 – to the north-east) of the mining areas. The underground mined out positions are indicated (8 – colourful polygons) The main opencast remaining reserves are shown as per the legend.



Figure 9-9. Elandspruit Infrastructure plan

9.11 Project History

SR 1.4(i),(ii),(iii),(iv)

9.11.1 Previous Ownership and Associated Activities

Wescoal purchased the Elandspruit MR from Duiker Mining Ltd (**Duiker**) - thereafter known as Xstrata Plc (**Xstrata**) and now as Glencore Coal SA. The initial exploration and Coal Resource definition was conducted by Duiker and then by Xstrata prior to Wescoal's involvement. Elandspruit was part of a portfolio of mineral assets owned by Duiker / Xstrata but was not located within the company's main operational hub and was subsequently sold to Wescoal.

Exploration was first undertaken by Tselentis in 1981 and 1982 when a total of 45 drill holes in the "ELA" series were completed. A second exploration campaign was conducted by the same company between March and November 1990 when a further 71 drill holes prefixed "EP" were drilled. In 2007, Xstrata drilled 23 drill holes in the "ESP" series.

9.12 Local Geology

SR 2.1(ii) (iii) (vi); SR 3.1(vii); SR 10.2(i)

9.12.1 Surface Geology

The surface geology over Elandspruit Colliery (Figure 9-10) is dominated by subcrops of sedimentary rocks of the Ecca Group (Vryheid Formation), with rocks from the Dwyka Group noted in the west.

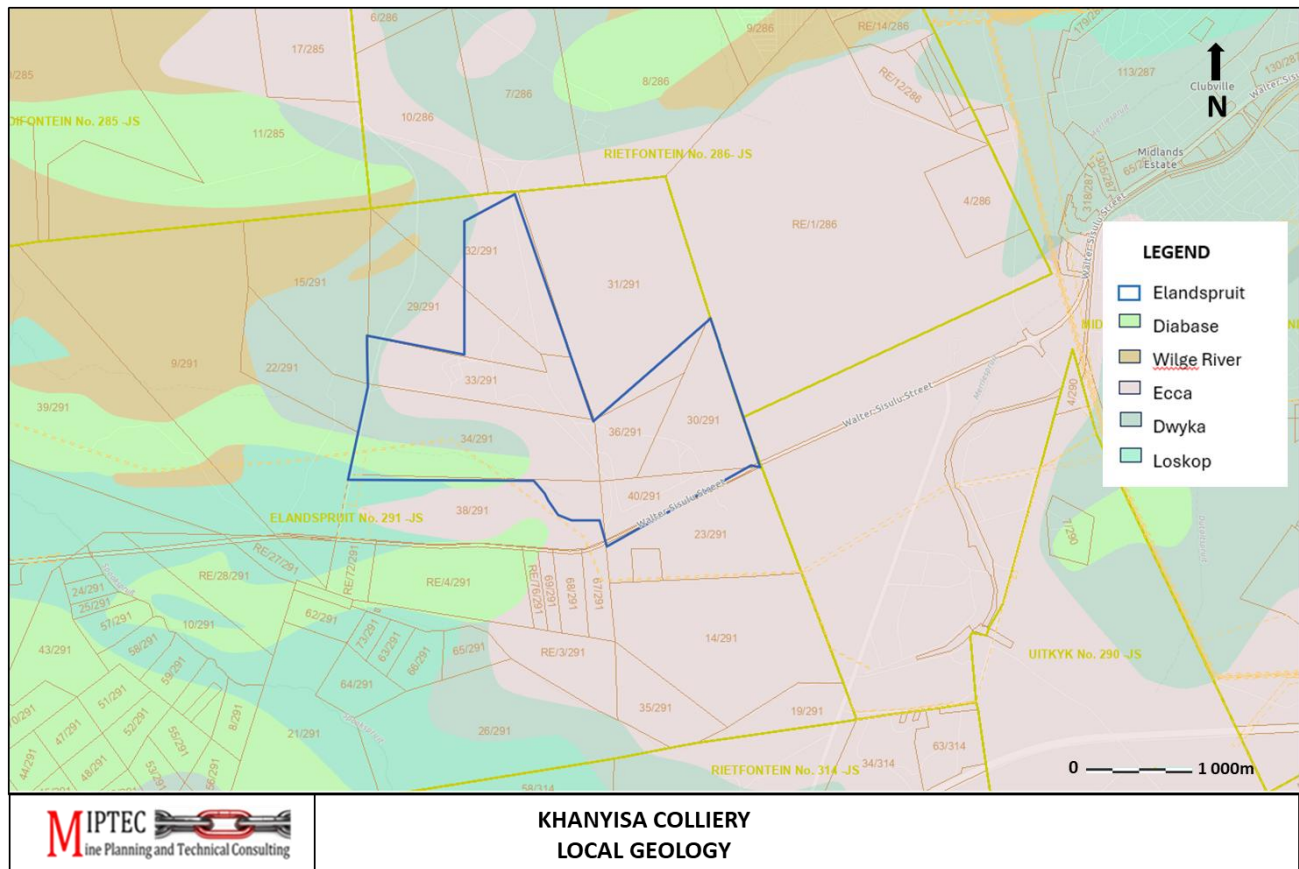


Figure 9-10 Local Geological Map

9.12.2 Weathering

The depth of weathering ranges from less than 5 m in the areas closest to the wetlands to just over 20 m in the central portion of the remaining resource area. The geological model is set to exclude all coal measures above the LOW.

9.12.3 Sub-surface Geology

Pre-Karoo Basement

The glacially-sculpted pre-Karoo basement comprises rocks of the Transvaal Supergroup. An unconformity approximately 1 800 Ma in age separates the Transvaal Supergroup rocks from the overlying Karoo Supergroup.

No drill holes were drilled past the Dwyka Group into the Pre-Karoo basement.

Dwyka Group

The Dwyka Group rocks predominantly comprise diamictites of glacial origin (tillite), but also better worked glaciofluvial outwash deposits (including reworked dolomitic breccia) and glacio-lacustrine varves.

Ecce Group

Within the Ecce Group, the Vryheid formation comprises zones of alternating conglomerates, sandstone and mudstones within which the coal seams are located. At Elandspruit the typical Witbank Coalfield sequences of the S1 to S4 are present (Figure 9-11). The S4 is split into an S4U and a S4L, and the S2 is also split into a S2U and S2L unit. Within the opencast resource areas of Elandspruit, the S1, S2 and S4 Seams are the primary economic targets, whereas in the underground area, only the S1 is considered economic.

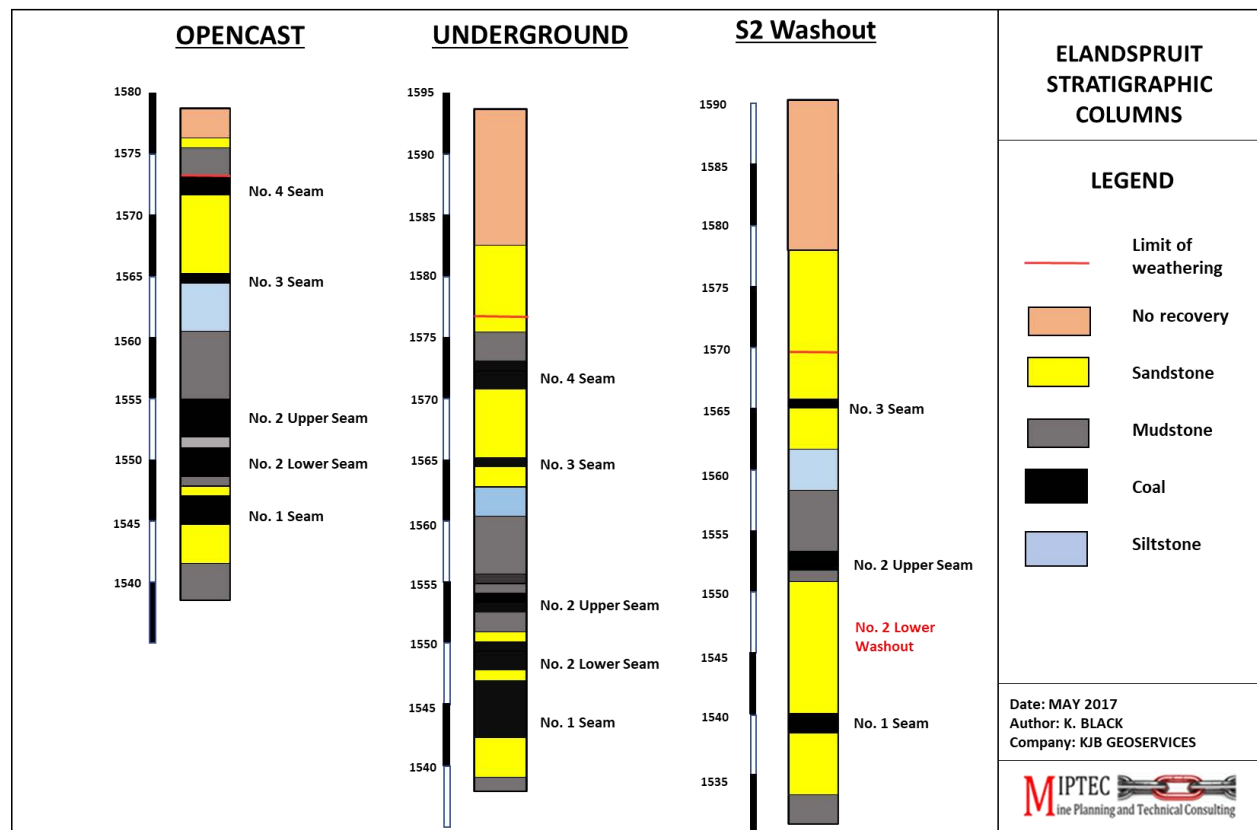


Figure 9-11 Generalised Stratigraphic Column

No. 1 Seam

The S1 is the lowermost coal seam at Elandspruit. It is generally a dull to bright coal with multiple muddy bands; these increase in number towards the base of the seam, particularly in the east (Graspan). The seam is well developed throughout Elandspruit thinning in the west where the seam subcrops against the LOW, and in the east towards

Graspan. The depth to seam roof is shallowest in the north of the remaining resource area, increasing towards the south. The S1 is around 3.8 m thick in Yoctolux, decreasing to 2.2 m in the underground section, and averaging around 1.7 m in the Graspan Pit.

The S1 accounts for 44% of the total Coal Resource Estimate at Elandspruit.

No. 2L Seam

The S2L is well-developed over Elandspruit, until it subcrops against the LOW towards the east, and the washout of the seam, also in the east. The seam comprises zones of alternating bright and dull coal, with occasional shaley coal bands in places. On average the seam is between 2 – 3.0 m thick.

In the southeast of the property, the seam is absent along a north-south trending zone approximately 400 to 500 m in width. It is possible that the seam was washed out by a syn- or post-depositional fluvial channel. On either side of the washout, the seam is relatively thin and exhibits elevated ash contents, as would be expected from overbank flow.

The S2L is usually separated from the underlying S1 by less than 1 m of sediments; however, the interval thickness increases to over 11 m in the vicinity of the washout.

The depth to seam roof ranges from 10 - 20 m along the remaining portion of the Yoctolux Pit, increasing to over 60 m in the south.

The floor of the seam is variable, ranging from a mudstone to a highly silty sandstone, and in places to a medium-grained sandstone. The roof of the seam is also variable, generally comprising a coarse-grained sandstone to granulestone; however, in some areas it consists of a carbonaceous mudstone. The floor conditions have not presented any mining challenges.

The S2L accounts for 29% of the total Coal Resource Estimate at Elandspruit.

No. 2 Upper Seam

The S2U includes zones of dull coal with bands of shaley coal throughout (washing the coal ensures the removal of the shale partings). The seam is well-developed across the licence area, subcropping as per the seams below it. The seam averages around 1.9 m thick across the remaining resource area.

The depth to seam roof ranges from 10 - 20 m along the residual portion of the remaining resource area, increasing to over 50 m in the south.

The S2U is separated from the S2L below by a parting that ranges between 2 – 4 m in thickness, increasing in places to over 8 m.

The S2U accounts for 21% of the total Coal Resource estimate at Elandspruit.

No. 3 Seam

The S3 is a good quality bright coal, with a high Calorific CV, Volatile Matter and Total Sulphur content. It is well developed over the entire resource area, ranging in thickness between 0.4 – 0.6 m, thinning slightly around S2L washout.

The seam was previously mined where it was greater than 0.4 m thick; however, it is no longer considered economic to mine.

The S3 is separated from the S2U below by a predominantly sandstone parting ranging in thickness between 12 – 14 m.

No. 4 Lower Seam

The S4L extent across the project area is dictated by the current weathering surface; due to its proximity to the LOW, the seam has a somewhat patchy distribution.

The S4L is a bright coal with excellent raw qualities. Where present, it averages around 1.5 m thick, increasing slightly in places.

It is the shallowest of the coal seams, ranging from less than 10 m deep to just over 30 m in the south.

The S4L seam is separated from the S3 below by a predominantly sandstone parting, with minor mudstone laminations, around 6 – 8 m thick.

The seam accounts for 6% of the total Coal Resource Estimate at Elandspruit.

According to the definitions laid out in SANS 10320:2020, the coal deposit at Elandspruit can be described as a multiple seam coal deposit-type as it is characterised by a discrete number of coal seams, typically between 0.5 m and 7.0 m in thickness, separated by clastic interburden units of thicknesses generally significantly exceeding the thickness of the individual coal seams.

9.12.4 Faults and Igneous Intrusions

No faulting or dolerite intrusions have been identified at Elandspruit.

9.13 Exploration and Drilling, Sampling Techniques and Data

SR2.1(iii), SR3.1, SR3.2] [JSE12.10(e)(iii), JSE12.10(h)(vi)]

9.13.1 Historical Exploration

Historical exploration refers to all work undertaken prior to Wescoal's acquisition of the Elandspruit Project.

Exploration was first undertaken by Tselentis in 1981 and 1982 when a total of 45 drill holes in the “ELA” series were completed. A second exploration campaign was conducted by the same company between March and November 1990 when a further 71 drill holes prefixed “EP” were drilled. The latest programme of exploration was conducted by Xstrata in 2007 when 23 drill holes were completed in the “ESP” series.

Figure 9-12 below details the current drilling status over the remaining portion of Elandspruit.

9.13.2 Recent Exploration

SR 3.2(v)

Recent exploration refers to all work carried out subsequent to Wescoal’s acquisition of the Elandspruit Project.

All recent geological work has been conducted by GM Geotechnical Consultants cc (**GM**) under contract to Wescoal. GM has been responsible for the design, supervision, logging and sampling of the recent drilling campaigns, all of which were carried out following GM’s standard operating procedures.

Downhole geophysical logging (also known as wireline logging) was not undertaken on any of the holes drilled between 2012 – 2017 as there are many historical project holes drilled to basement, allowing for good seam correlations; in addition, the project is located in a well-understood coalfield. The drill holes drilled between 2020 and 2021 were, however, geophysically logged.

2012

During September 2012, ten TNW-size diamond cored drill holes were drilled by PP Minnie Core Drilling across the licence area to confirm the accuracy of the historical holes.

2014

From August 2014 to September 2015, 42 TNW-size diamond cored holes were drilled by PP Minnie Core Drilling across the licence area. The purpose of the drilling was to increase the drill hole density and therefore the level of confidence (physical and quality) across the area, in fulfilment of the SAMREC Code requirements for resource category classification.

2016

Fifteen TNW-size diamond cored holes were drilled from February to March 2016, by Ubuntu Drilling. These holes were drilled to confirm the limit of the S2U and S2L merging, as well as better defining the seams’ subcrop. All intersected seams were sampled and analysed.

During July 2016, five TNW-size diamond cored holes, were drilled by Sibanibene Drilling to confirm coal qualities for the following 6 months planning, as well as 2 drill holes drilled in the planned underground area in order to confirm mining heights and qualities.

2017

Between February and March 2017, 17 TNW-size diamond cored holes were drilled by Ubuntu Drilling. Drilling was undertaken to confirm the physical and quality extents of the coal deposit, to ensure geological confidence before mine planning and to determine opencast and underground mining limits. All coal intersections were sampled and analysed.

2020 - 2021

Ten diamond cored holes were drilled across the Yoctolux Pit to confirm the extent of the seams (particularly in the subcrop vicinity), and to increase the distribution of the washability data. In November 2021, five holes were drilled across the Graspan Pit, also to confirm the seams' extents and increase the washability data distribution. All the drill holes were analysed at Sibonisiwe Laboratory, and geophysically logged by Geoline Logging Services (**Geoline**).

2024

During July 2024, four diamond cored drill holes were drilled in the vicinity of the underground area. These holes were drilled to determine the possible extent of the underground resource as well as to define the qualities of the S1.

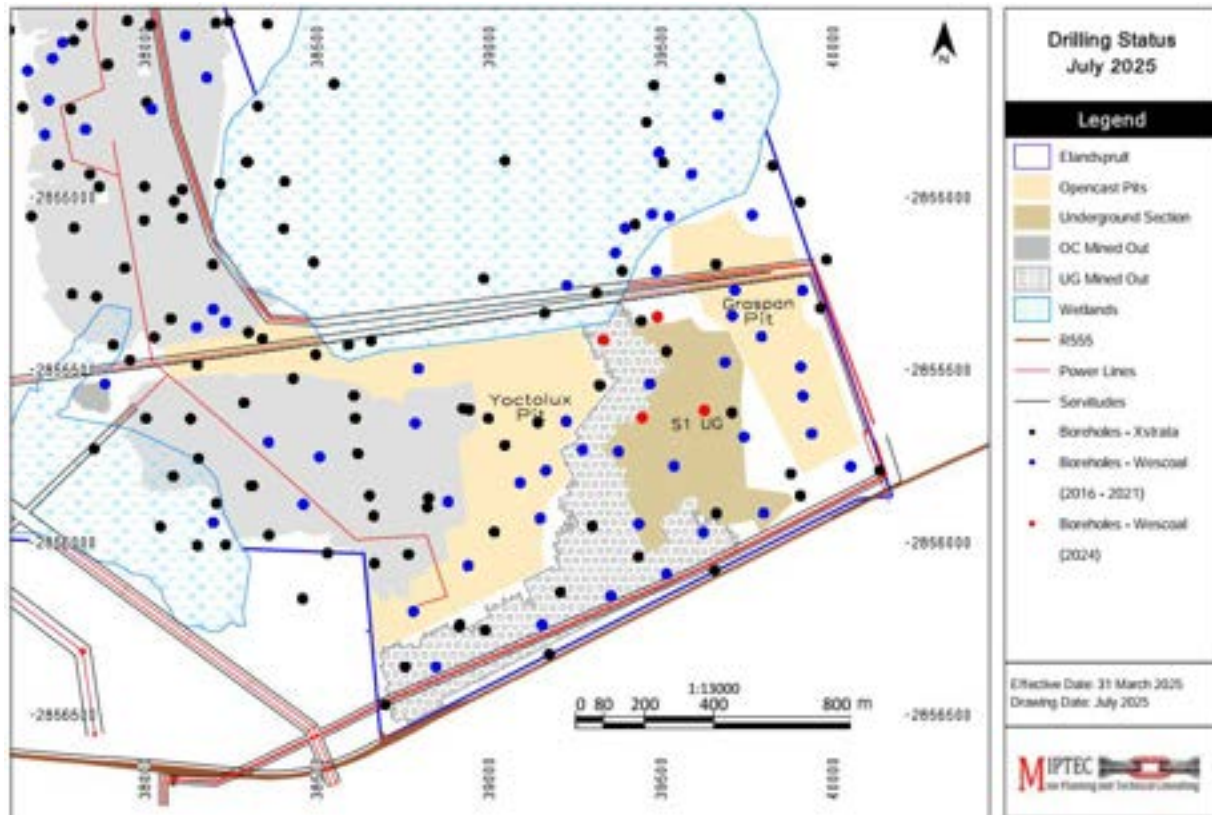


Figure 9-12. Exploration Drill Hole Positions

9.13.3 Future Planned Exploration

At this stage no additional exploration is planned for FY26.

9.14 Surface Drilling Techniques

[SR3.2(i), SR5.3(i)]

9.14.1 Cored Diamond Drilling

All drilling was undertaken using a TNW-sized (60.0 mm) diamond drill bit. Standard practice is to ensure a minimum 95% core recovery in the coal seams; where this was not achieved, a re-drill was requested. Due to the relatively flat nature of the coal seams, as well as the shallow nature of the drilling, all the holes are considered vertical, and the apparent thickness of the coal seams is considered representative of the true thickness.

9.14.2 Drill Hole Survey

[SR3.1(v)]

All recent drill hole collars at Elandspruit have been surveyed by independent registered land surveyors. All drill holes prior to 2020 were surveyed by Dan Ferreira Technical Services in Middelburg, whereas the final two drill campaigns were surveyed by Oupa Mashele of African Soil Investments.

The accuracy of the drill hole collar surveys is considered to be of sufficient standard. All available drill hole collars were checked against the current Digital Terrain Model (**DTM**) supplied by Survey & Resource Management, and all fall within a few centimetres of this surface. No drill holes were omitted from the geological model based on collar coordinate discrepancies.

9.14.3 Geological Logging

[SR3.2(iii)(iv)]

Drilling Campaigns 1 – 5 were managed and logged by GM Geotechnical Consultants (**GM Geotech**), whereas Campaigns 6 – 7 were managed and logged inhouse by the onsite geologist at Elandspruit. The inhouse logging procedures are the same as those used by GM Geotech, and therefore the description below applied to all recent campaigns.

The core was placed in core trays and transported to the core shed, where the core trays were stacked on a level floor. Once at the core logging area, the drill hole cores were laid out for logging. The core was then meter-marked with depths using reliable drilling breaks and correcting the depths through core runs with any over -or under-recovery of core. The geophysical logs were used to verify the depths in every drill hole. The different lithological types were identified and correlated to the downhole geophysical logs (where available). The detailed sections of the geophysical logs were used to distinguish between coal and mudstone as well as other different lithological types.

Digital photographs of the drill holes were taken prior to logging. All cores were logged onto handwritten logging sheets, following the company's standard logging procedures, which are aligned with industry best practice. The handwritten logs are then captured into MS Excel™ spreadsheets and interrogated for errors.

The geological logging sheet typically included information on the following:

- date of drilling;
- geologist;
- drill hole number;
- collar coordinates;

- interval from and to depths;
- lithology;
- colour;
- grain size;
- contact and
- comments.

Record of the core recoveries as well as the RQD were determined for every hole.

None of the drill holes were geotechnically logged.

The nature and detail of the geological drill hole logging undertaken at Elandspruit was sufficient to support the classification of Resources.

As part of Miptec's inhouse QAQC procedures, there is continuous checking between the correlations of the newly drilled drill holes and the older drill holes. This process is used to flag any irregularities between the new and old data. Additionally, the drill hole data and geological model data are compared to the actual survey information; there is always a good correlation.

9.14.4 Core Recovery

[SR3.2(i)(v)]

The logging geologist is responsible for calculating the core recoveries for all of the cored drill holes.

After each drill run, the driller calculates the depth of the hole by adding together the lengths of each of the drill strings, from the base of the drilling bit to the top of the quill rod and then subtracting the portion of the drill string protruding above surface. The measurement from ground level to the top of the quill rod is known as the "stick-up". The driller records the calculated depths onto wooden or plastic blocks and places it at the base of the last piece of core extracted from the core barrel. As well as recording the depths on blocks within the sequence of core, the driller also captures the depth calculations on the driller's daily report sheet.

The responsible geologist performs depth checks on each hole. The standard procedure during Campaigns 1 - 5 was to rely on the drillers stick-ups, whereas during Campaigns 6 – 7, the geophysical logs were available to confirm the core recoveries, determine where the core losses/gains occurred and to ultimately confirm that the core recovery within the coal seams was greater than 95%; if this was found not to be the case, a re-drill was requested. Drill holes that were weathered or burnt were exempt from this stipulation.

9.14.5 Geophysical Logging

SR3.1(vii); SR3.2(iii-v); SR10.3(i)

Geophysical logging was undertaken on the Campaigns 6 - 7 drill holes to allow for stratigraphic correlation, core recovery calculations and to aid in the interpretation and sampling of the various coal zones. Geoline was the dedicated contractor for the geophysical logging.

Drill holes were geophysically logged for the following:

- Long and short spaced density;
- Natural gamma and
- Three-armed Calliper.

The geophysical logging was completed to at least 3 m beyond the base of the deepest coal unit to have been logged, to ensure enough space for any rock debris which may have filled the hole. The stability of the drill hole was checked using a calliper in a dummy run prior to geophysical logging, and calibration of the tools was checked periodically to ensure accuracy. Once geophysical logging was complete, printed geophysical logs were provided to the responsible geologist with the electronic copies and LAS files transferred by email and stored appropriately.

9.15 Coal Sampling and Analysis

SR 3.3(i); SR 3.3(ii); SR 3.3(iii); SR 3.2(iv); SR 3.3(v); SR 3.3(vi); SR 3.3(vii); SR 3.5(ii); SR 3.6(i)

9.15.1 Coal Sampling Methodology

Detailed sampling of the coal seams was undertaken once the cores had been accurately logged and photographed. The samples are typically determined based on the intra-seam lithological boundaries. The minimum length of the sample was 30 cm. Partings greater than 30 cm were sampled separately, but where partings were less than 30 cm these were included with the poorer quality coal sample. Where thin intra-seam clastic partings were noted, these were duly sampled together with the coal seam to ensure representivity. All intersected coal seams were sampled.

Where the geophysical logs were available, the sampling was based on the geophysical logging results. Due to the nature of the seams at Elandspruit, the logging and sampling results for both the geophysically logged holes, and those without geophysical logs were comparable.

All samples were bagged, labelled (one label inside and one affixed outside the bag) and sealed. Sample handling throughout the sampling, bagging and transport process was done in such a way as to ensure minimal change to the

original sample. Once the samples were bagged and the sample data recorded, the samples were transported to the laboratory as soon as possible.

Due to the fact that the core recovery was good, and minimal fines material was lost during the drilling process, the samples and subsequent quality results are considered representative of the actual coal intersections.

9.15.2 Coal Sampling Preparation and Laboratory Analysis

SR 3.4(i); SR 3.4(ii); SR 3.4(iii); SR 3.5(i); SR 3.5(iv)

The samples for Campaigns 1 – 5 were analysed by Noko Laboratory in Witbank. Noko Laboratories received accreditation from the South African National Accreditation System (**SANAS**) in August 2011.

The samples for Campaigns 6 – 7 were analysed by Sibonisiwe Coal Laboratory Services (**SCLS**) in Middelburg, according to the International Organisation for Standardisation (**ISO**) standards. SCLS is an independent company specialising in coal sampling and analysis, is currently ISO 17205 accredited and SANAS accredited (T0590). SCLS is utilised by other South African coal mining companies including the Mbuyelo Group, Optimum Colliery and Glencore, and is subjected to regular laboratory audits. They frequently participate in recognised “round robin” quality control procedures and the results and certificates thereof are available for inspection.

The analytical instructions were the same to both laboratories

The coal samples and select partings were analysed for Ash Content (AS), Inherent Moisture (IM) and VM, as well as for CV, TS and for Phosphorus (TP) in coal on selected samples only. This was done on a raw air-dried basis for all samples. Apparent relative densities (RD) were determined by the laboratories for each sample (raw RD).

Washability analyses were conducted on all samples at float density fractions (in grammes per cubic centimetre - gcm^{-3}) 1.45, 1.55, 1.65, 1.75, 1.8; a 1.8 gcm^{-3} sink fraction was also analysed.

It is standard practice for laboratories to keep sample remains and pulps for approximately six months after analysis to allow for any re-analysis if required.

The ISO and South African National Standard (SANS) have a typical set of tests and methods that are used for coal analysis by South African laboratories. The standard South African method of coal sample preparation is summarised as follows:

- Receipt of the sample into the laboratory's electronic information management and sample tracking system;
- Drying of sample. All drying oven temperatures do not exceed 40°C;
- Measuring the mass of sample;
- Determining the relative density of the sample;
- Crushing the sample to -25 mm;

- Screening out of the -0.5 mm fraction for proximate, calorific value and total sulphur analysis;
- Pulverising the -25 mm +0.5 mm sample;
- Pulverised material split using a rotary splitter;
- Carrying out the raw proximate, CV and TS analyses on one sample split;
- Washing the balance of the -25 mm +0.5 mm material at the client-specified densities;
- Drying and weighing the material recovered for each density fraction;
- Conditioning each sample for one hour;
- Carrying out the raw proximate, CV and TS analysis for each density fraction;
- Automatically generating an electronic laboratory report, which is emailed to the client; and
- An officially signed laboratory certificate reporting on the fractional and cumulative results is delivered to the client.

The South African laboratories use standard methods for the analysis of coal samples as presented in Table 9-3.

Table 9-3. Standard Tests for Thermal Coal Analysis

PARAMETER	STANDARDS / TEST METHOD
Sample Preparation	ISO 13909-4 / ISO 18283
Calorific Value (Sulphur Corrected)	ISO 1928
Total Sulphur	ASTM D4239
Apparent Relative Density	Water Displacement / ISO 1014 / AS 1038.26 - 2005
Float and Sink (Washability)	ISO 7936
Proximate Analysis	ISO 17246:2010

9.15.3 Laboratory QA/QC

Laboratories are required to calibrate their coal analytical equipment daily as well as participate in round robin proficiency tests to ensure a high standard of results as part of their quality assurance/quality control (**QA/QC**).

All result reports were verified by the laboratory manager and any inconsistencies or variations in the results are re-analysed.

9.16 Data Management and Validation

SR 3.1(i); SR 3.1(ii) SR 2.1(iv); SR 3.1(vi); SR 4.1(i); SR 4.1(ii); SR 4.2(iii)

All drill hole collar and lithology information as well as the laboratory results are currently housed within an MS Excel™ database, managed and maintained by GM. Copies of the original drill hole logs, photographs, laboratory certificates, as well as the digital data, are available for viewing at the GM offices in Middelburg.

9.16.1 Drill Hole Data Validation

Drill hole data are checked for physical data errors including overlapping and missing intervals. Quality verifications are also performed on each sample analysis:

- Raw and wash data - proximate analyses are checked to total 100%;
- Wash data - cumulative AS is checked to ensure the values increase with increasing float fraction density; while the cumulative VM values decrease

Any errors identified were investigated by the responsible person. All drill holes were presented graphically as well as plotted on plans for additional verification.

The historical data received included collar coordinates, detailed lithological logs and coal qualities. The lithological information was detailed and allowed for good correlations between the historical and recent holes. All historical data were subject to the same stringent data checks as the recent data and were found to be reliable and of a good standard.

All the historical holes were checked and verified by GM, who, under contract to Wescoal, are responsible for data collation, management and verification. The Elandspruit drill hole database containing the historical drill hole data was supplied to Miptec as MS Excel™ spreadsheets, and PDF files. Prior to inclusion in the geological model, the historical drill holes were further interrogated by the CP.

The majority of the recent geological work on Elandspruit was conducted by GM; GM has been responsible for the design, supervision, logging and sampling of the recent drilling campaigns, all of which were carried out following their company Standard Operating Procedures (**SOPs**).

The last two drilling campaigns were planned and managed inhouse by Wescoal, following the GM SOPs to ensure continuity in the geological logging and sampling. Miptec conducted checks and verified all the data prior to inclusion in the geological model.

Based on the verification techniques applied, the CP is satisfied that the data are valid and fit for purpose for the construction of a geological model that accurately reflects the original drill hole data and is suitable for the estimation of Coal Resources over the Elandspruit area.

9.17 Coal Resources

[JSE12.10(h)(ix)]

9.17.1 Target Seams

All the seams present at Elandspruit are considered opencast economic targets (where the seam thickness and quality allow) in the Yoctolux and Graspan Pits. Within the central portion of the area, in the vicinity of the S2L washout, only the S1 is considered as an underground economic target.

9.17.2 Geological Modelling

SR 2.1(iii); SR 4.2 (i); SR 4.2 (iv); SR 4.2(v)

The current 2025 geological modelling was undertaken by Ms. K. Black (Pri. Sci. Nat), a Resource Specialist under contract to Miptec. The model was created using Datamine's MineScape™ Software, Version 2023, Update 4; specialist software designed for the three-dimensional (3D) modelling of tabular ore deposits such as coal. The model was peer reviewed by Leon Raaths based on the geological grids that were supplied from the geological model. The model is dated May 2025.

9.17.2.1 Modelling Process and Validation

SR 4.1(i); SR 4.2(ii); SR 4.2(iii)

The database was validated and the necessary input files for the model created in MS Excel™ format. These files, namely a drill hole collar and lithology file (including the seam picks and LOW), along with the Topography file were uploaded directly into StratModel. The modelling software includes a user-generated Schema, where the interpolators are set, modelled units are listed in downhole stratigraphic order (a form of model control), the relationships between parent and daughter seams defined and the nature of each unit set (e.g., conformable/non-conformable, transgressive, contiguous). Should the input lithology file contain seams that are in the uncorrected stratigraphic sequence, then upon upload, the model will report an error (logged as an error report). This is the first level of data verification while modelling.

The structural model is built by first creating a table model with the information from the uploaded drill hole data, controlled by the set of rules contained in the Schema. The construction of the table model also produces an error report, that is checked, and the data corrected accordingly.

Once the table model has been built, a 3D grid model is constructed. The grid modelling process interpolates the table data onto the grid block nodes. The grids' spatial orientation is determined by the centre point coordinates of the project area and the cell size determined by the user from the drill hole spacing. The interpolators used to model the data are specified by the modeller and can vary from project to project depending on the data. For this project, the Inverse

Distance Cubed interpolator was used to ensure close honouring of the actual data. Various checks were done to compare the model data with the drill hole data in order to ensure accurate data honouring.

Two hundred and thirty fully cored and sampled drill holes were used to create the geological model. The average spacing of the drill holes across the licence area is 80 m; based on this, a grid cell size of 20 m was used. The structural model is set to truncate the coal seams where they intersect the LOW, ensuring resources for only unweathered coal are estimated. Extrapolation of data was constrained to 250 m beyond the last known data point.

Besides lithological verifications, the quality data were checked against the drill hole intervals to ensure that there were no missing or overlapping samples. If it was found that partings within coal seams were not sampled, then appropriate standard values (based on lithology) were assigned, to reflect the quality of the coal more accurately. However, very few standard values were required, and predominantly pertain to mudstone/sandstone partings that were not sampled.

Verification routines regarding the import of quality data are also built into StratModel. Should any inconsistencies between the modelled lithology and imported sample depths be detected, these are reported in a Quality Load error report. This report is then interrogated, the listed errors corrected, and the edited quality file reloaded.

The quality model is created similarly to the structural model – first by loading the quality data into a table file, interrogating the error log, compositing the individual ply data, and lastly, creating the grid model.

The resultant grid model is interrogated by creating data value posts, statistical reports, contour plots, various grid arithmetic plots and posts, and both two- and three-dimensional cross sections.

The following surfaces were modelled for each of the mineable coal seams:

- Topography;
- Limit of weathering;
- Seam roof and floor elevations;
- Seam thickness;
- Interburden thicknesses;
- Raw Air-Dried Qualities; and
- Washed Qualities.

In addition, the interburden thicknesses, the dolerite roof and floor elevations and thickness were also modelled.

The target coal seams and the parting bands, namely the S4L, S2U, S2L, and S1 were modelled. The resource boundaries are based on the seams' subcrops, seam thickness and quality cut-offs, the mining right boundary, and the servitude and environmental boundaries.

The model is an established model, which undergoes annual scrutiny during the annual Resource and Reserve reporting process, whereby the actual coal mined is reconciled against the model, and any necessary adjustments made. There has always been a good correlation between actual mining and the model.

9.17.2.2 Physical Results

SR 2.1(v); SR 2.1(vi); SR4.1(vi); SR 4.5(i)

For each seam, the physical parameters of the seam elevation and the depth from surface of the seam floor and roof were modelled; the LOW was similarly modelled. The thickness of each seam was also modelled and used as the basis for the estimation of the Coal Resource volumes. Although all these parameters were modelled, only the floor elevation, depth from surface and the seam thickness results are presented in Figure 9-13 to Figure 9-27, along with a brief description of the results. In addition, classical statistics for the modelled seams are compared with similar statistics derived from the drill hole data. The purpose for this comparison is to determine whether the model is a true reflection of the data or if the modelling algorithm has changed the apparent nature of the deposit.

Please note that the plans, discussion and statistics that follow refer to the in situ characteristics of the seams over the coal remaining after the previous mining, i.e. within the remaining resource footprint of each seam.

No. 1 Seam

Physical statistics for the S1 are presented in Table 7-7 (drill hole statistics) and Table 8-8 (model statistics) and illustrated Figure 9-13 to Figure 9-15.

Table 9-4. No. 1 Seam Drill Hole Statistics

No. 1 Seam Borehole Statistics										
Resource Area	Seam	Parameter	Number	Average	Minimum Hole Name	Value	Maximum Hole Name	Value	Standard Deviation	Skewness Kurtosis
Yoctolux OC Pit	S1	Thick (m)	16	3.87	PBH10	2.96	E291069	5.27	0.68	0.41 -0.88
		Depth to Roof (m)	16	46.81	EP98	20.59	PBH07	61.27	10.53	-0.86 0.55
		Floor Elevation (mamsl)	16	1532.63	PBH07	1523.07	EP25	1537.90	4.79	-0.58 -1.09
Graspan OC Pit	S1	Thick (m)	8	1.60	PBH15	0.55	E291024	2.11	0.56	-0.95 -0.44
		Depth to Roof (m)	8	44.24	ELA30_8	36.76	PBH14	51.43	4.09	-0.10 0.39
		Floor Elevation (mamsl)	8	1539.88	PBH14	1534.94	PBH12	1543.79	2.68	-0.51 -0.24
Underground	S1	Thick (m)	8	2.30	E291093	1.74	E291018	3.10	0.43	0.68 -0.43
		Depth to Roof (m)	8	52.27	ELA30_11	44.21	E291019	62.52	6.65	0.25 -1.34
		Floor Elevation (mamsl)	8	1535.05	E291019	1527.96	ELA30_11	1538.01	3.44	-1.10 0.18

Table 9-5. No. 1 Seam Model Statistics

No. 1 Seam Model Statistics									
Resource Area	Seam	Parameter	Number	Average	Minimum	Maximum	Standard Deviation	Skewness	Kurtosis
Yoctolux OC Pit	S1	Thick (m)	850	3.80	0.11	5.23	0.54	-1.55	9.10
		Depth to Roof (m)	850	46.85	18.59	63.46	10.50	-0.53	-0.18
		Floor Elevation (mamsl)	850	1531.91	1522.34	1543.41	5.12	-0.32	-1.32
Graspan OC Pit	S1	Thick (m)	446	1.72	0.59	2.40	0.41	-0.89	-0.22
		Depth to Roof (m)	446	44.21	29.86	52.00	4.60	-1.17	0.96
		Floor Elevation (mamsl)	446	1539.44	1534.42	1543.84	1.94	-0.34	-0.15
Underground	S1	Thick (m)	360	2.19	1.77	3.30	0.27	1.23	1.82
		Depth to Roof (m)	360	51.09	40.69	64.91	5.67	0.20	-0.99
		Floor Elevation (mamsl)	360	1535.83	1526.08	1539.23	2.78	-1.18	1.11

The S1 increases in thickness from less than 1 m along the eastern boundary where the seam pinches out, to over 4 m in the west. In the Yoctolux Pit, the seam averages 3.8 m in thickness whereas in the Graspan Pit and underground area it averages 1.7 m, and 2.2 m respectively (Figure 9-13). The depth to seam roof ranges from less than 20 m along the far western extent of the Yoctolux Pit, increasing to between 60 – 70 m at its deepest in the south (Figure 9-14). The average depth to roof across all three resource areas is between 45 – 52 m. The gently dipping seam generally ranges in elevation from about 1 540 mamsl in the east to 1 520 mamsl (Figure 9-15) in the west.

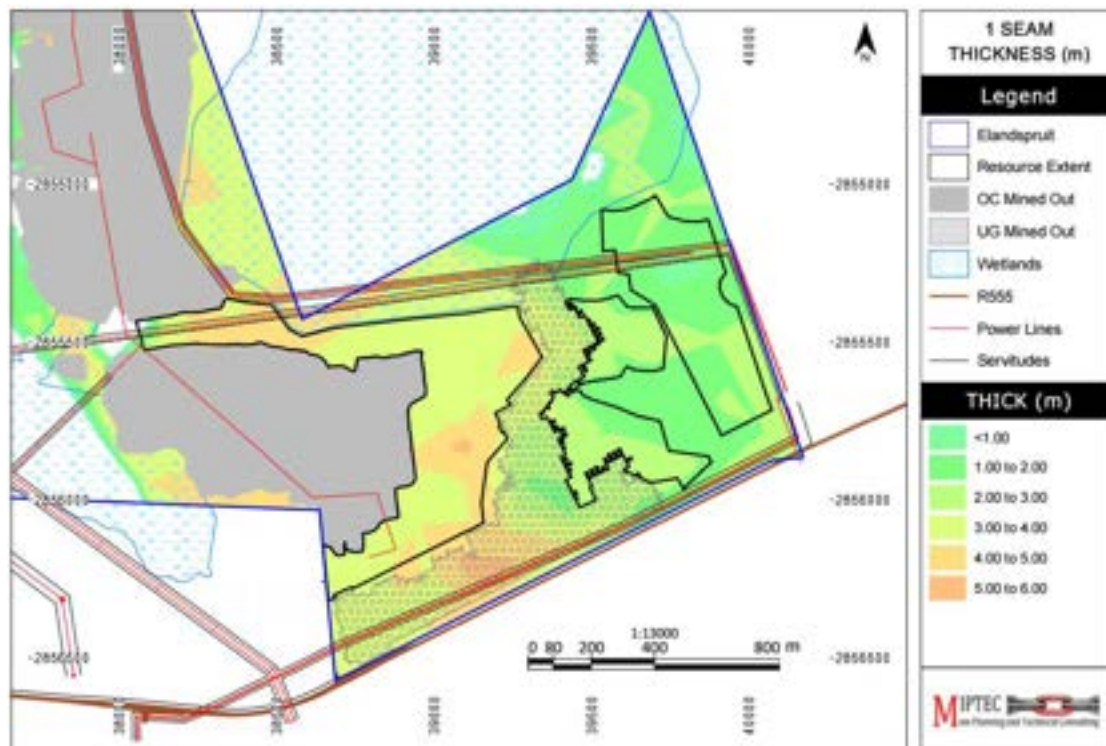


Figure 9-13. No. 1 Coal Seam Thickness (m)

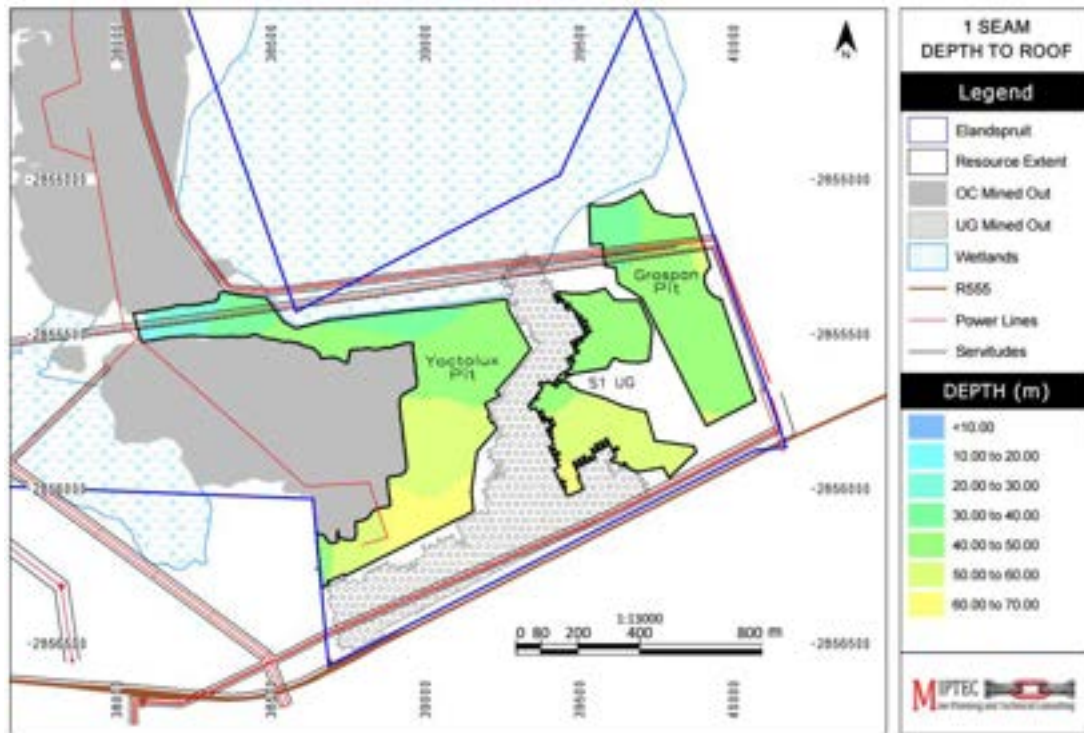


Figure 9-14. No. 1 Coal Seam Depth to Roof (m)

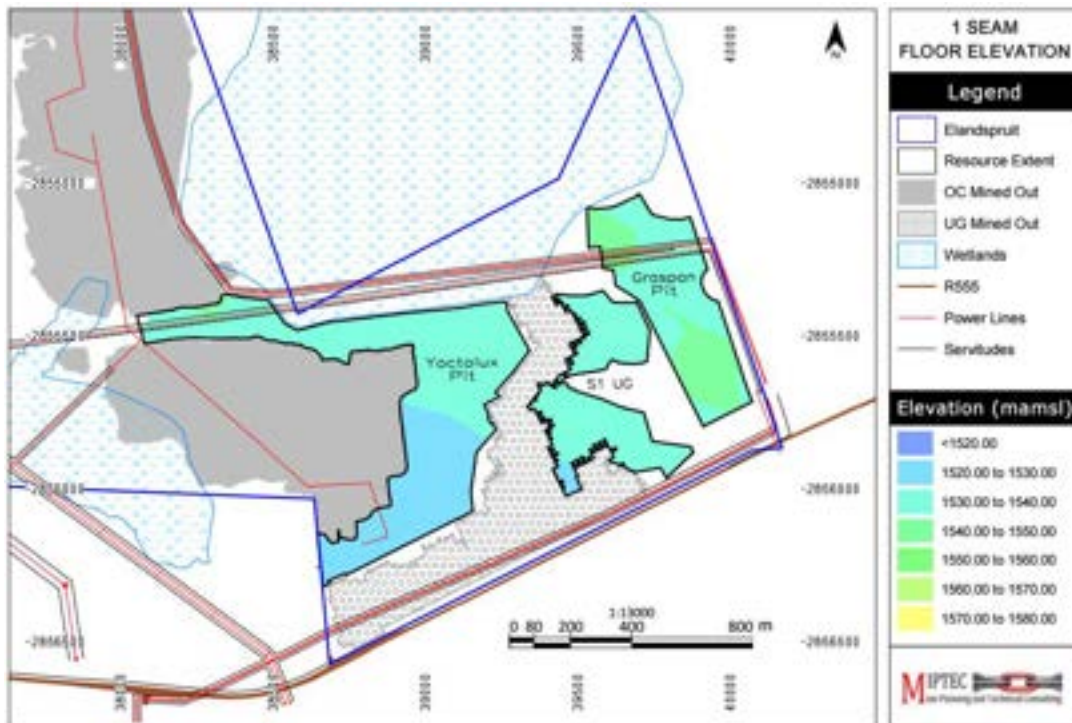


Figure 9-15. No. 1 Coal Seam Floor Elevation (mamsl)

No. 2 Lower Seam

Physical statistics for the S2L are presented in Table 9-6 (drill hole statistics) and Table 9-7 (model statistics) and are illustrated in Figure 9-16 to Figure 9-19.

Table 9-6. No. 2L Seam Drill Hole Statistics

No. 2L Seam Borehole Statistics											
Resource Area	Seam	Parameter	Number	Average	Minimum Hole Name	Value	Maximum Hole Name	Value	Standard Deviation	Skewness	Kurtosis
Yoctolux OC Pit	S2L	Thick (m)	16	2.37	ED_10	0.58	EP68	3.71	0.95	-0.87	-0.44
		Depth to Roof (m)	16	42.47	EP98	17.10	PBH05	56.75	10.76	-0.61	0.04
		Floor Elevation (mamsl)	16	1538.47	PBH07	1528.30	ED_10	1548.58	6.16	0.07	-0.95
Graspan OC Pit	S2L	Thick (m)	9	2.56	E291014	1.83	PBH12	3.41	0.51	0.12	-0.95
		Depth to Roof (m)	9	37.57	ELA30_8	30.86	PBH14	42.88	3.29	-0.54	0.45
		Floor Elevation (mamsl)	9	1545.18	PBH14	1541.55	PBH12	1548.37	2.31	-0.18	-1.18

Table 9-7. No. 2L Seam Model Statistics

No. 2L Seam Model Statistics									
Resource Area	Seam	Parameter	Number	Average	Minimum	Maximum	Standard Deviation	Skewness	Kurtosis
Yoctolux OC Pit	S2L	Thick (m)	779	2.60	0.00	4.34	0.92	-0.93	0.25
		Depth to Roof (m)	779	42.87	14.40	60.18	10.73	-0.49	-0.33
		Floor Elevation (mamsl)	779	1537.18	1527.12	1548.85	5.69	-0.02	-1.21
Yoctolux OC Pit	S2L	Thick (m)	518	2.42	0.87	3.61	0.43	-0.35	0.64
		Depth to Roof (m)	518	37.05	24.19	43.78	3.97	-1.09	0.88
		Floor Elevation (mamsl)	518	1545.44	1541.08	1550.04	2.26	0.03	-1.08

The S2L is present across the majority of the remaining resource area, with the exception of a north-south trending zone approximately 400 to 500 m in width. In this area, it is possible that the seam was washed-out by a syn- or post-depositional fluvial channel. On either side of the washout, the seam is relatively thin and exhibits elevated ash content. In the area of the washout, only the S1 is considered economic, and the resource block has been classified as an underground resource.

The S2L ranges in thickness from less than 1 m in the area of the washout, to greater between 3 – 4 m in places on either side of the washout (Figure 9-16). The seam is usually separated from the underlying S1 Seam by less than 2 m of sediments; however, this interval thickness increases to over 8 m in the vicinity of S2L washout (Figure 9-17).

The depth to seam roof (Figure 9-18) ranges from 10 - 20 m along the western extent of the remaining portion of the Yoctolux Pit, increasing to over 50 m in the south. The floor elevation ranges from less than 1 530 mamsl within the southwestern corner of the Yoctolux Pit to over 1 550 mamsl in the Graspan Pit (Figure 9-19).

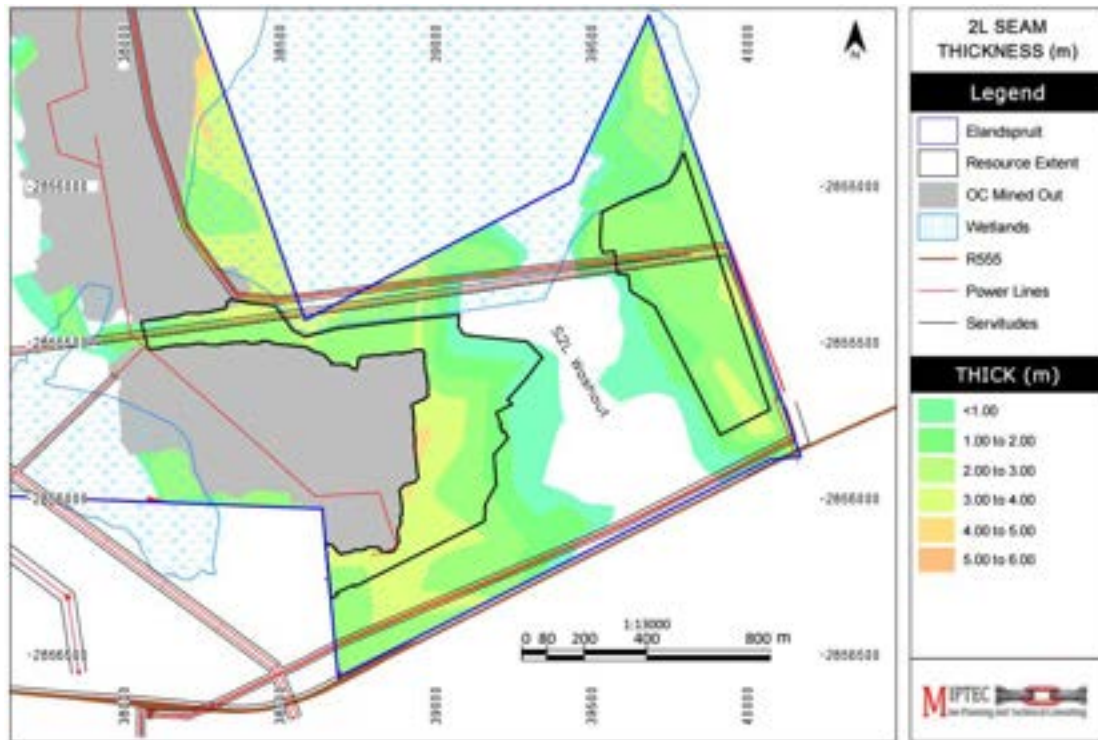


Figure 9-16. No. 2 Lower Coal Seam Thickness (m)

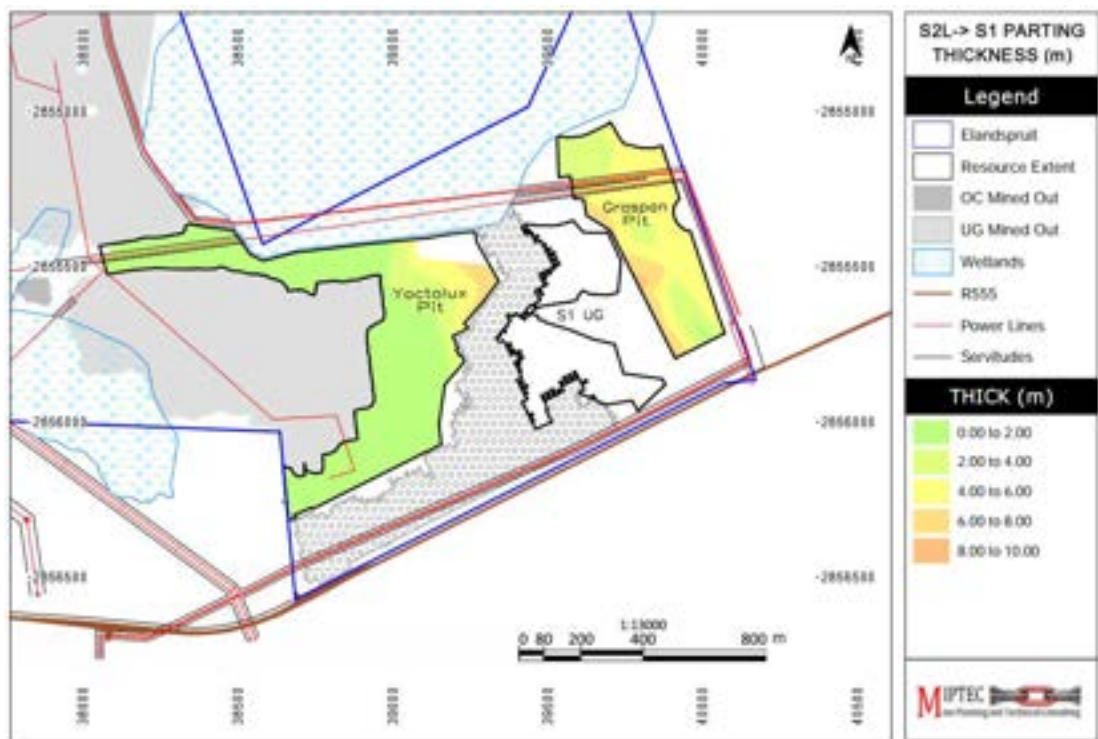


Figure 9-17. No. 2 Lower Coal Seam to No. 1 Coal Seam Parting Thickness (m)

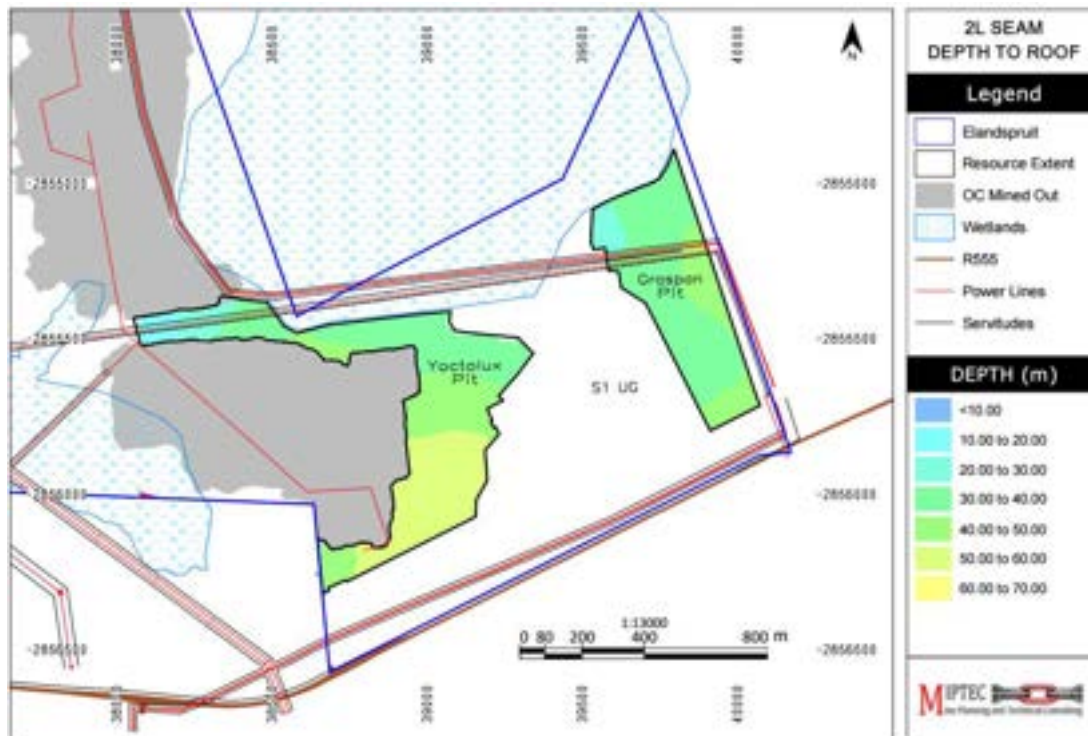


Figure 9-18. No. 2 Lower Coal Seam Depth to Roof (m)

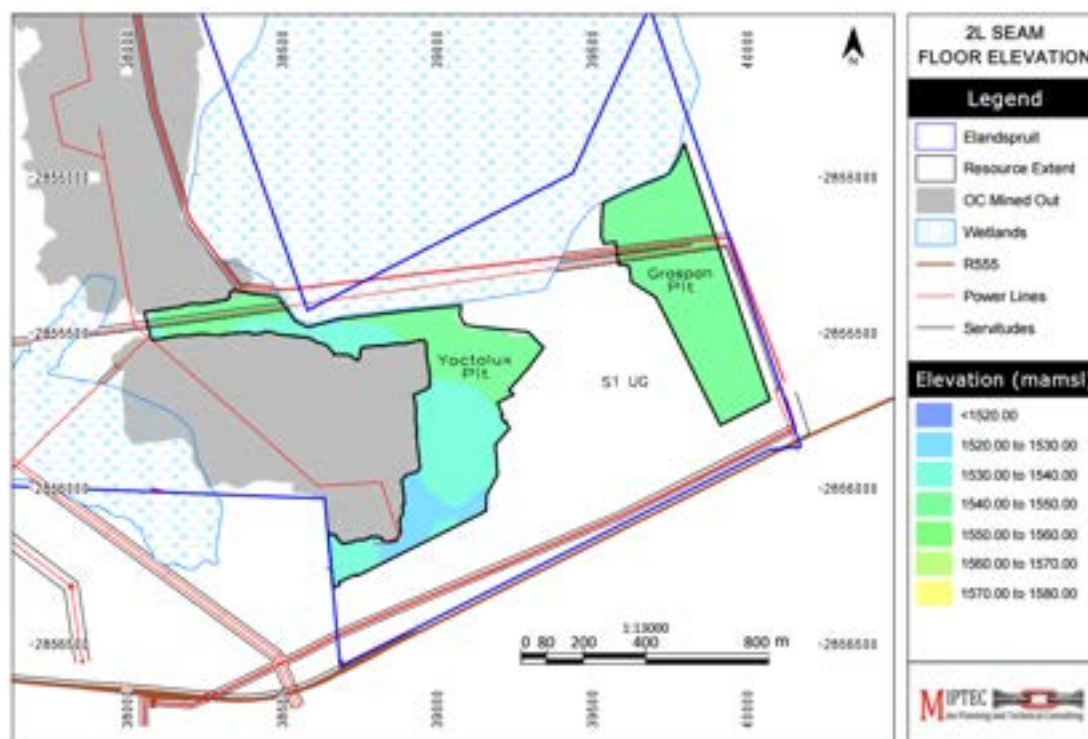


Figure 9-19. No. 2 Lower Coal Seam Floor Elevation (mamsl)

No. 2 Upper Coal Seam

Physical statistics for the S2U are presented in Table 7-7 (drill hole statistics) and in Table 9-9 (model statistics) and are illustrated in Figure 9-20 to Figure 9-23.

Table 9-8. No. 2U Seam Drill Hole Statistics

No. 2U Seam Borehole Statistics											
Resource Area	Seam	Parameter	Number	Average	Minimum		Maximum		Standard Deviation	Skewness	Kurtosis
					Hole Name	Value	Hole Name	Value			
Yoctolux OC Pit	S2U	Thick (m)	13	1.83	E291070	0.51	ELA30_4	2.66	0.56	-0.66	0.58
		Depth to Roof (m)	13	41.00	E291001	31.54	PBH07	52.28	7.27	0.15	-1.35
		Floor Elevation (mamsl)	13	1543.29	PBH07	1534.07	E291001	1552.65	5.82	0.31	-0.86
Graspan OC Pit	S2U	Thick (m)	10	1.87	E291024	1.67	E291064	2.04	0.14	-0.12	-1.43
		Depth to Roof (m)	10	31.38	E291073	19.50	PBH14	37.98	5.09	-1.25	1.14
		Floor Elevation (mamsl)	10	1551.03	E291064	1547.65	PBH12	1554.37	2.51	-0.29	-1.30

Table 9-9. No. 2U Seam Model Statistics

No. 2U Seam Model Statistics									
Resource Area	Seam	Parameter	Number	Average	Minimum	Maximum	Standard Deviation	Skewness	Kurtosis
Yoctolux OC Pit	S2U	Thick (m)	685	1.89	0.55	2.60	0.33	-0.88	2.25
		Depth to Roof (m)	685	40.14	25.24	54.90	8.25	0.09	-1.38
		Floor Elevation (mamsl)	685	1542.67	1533.69	1553.88	5.21	0.17	-1.12
Graspan OC Pit	S2U	Thick (m)	538	1.88	1.49	2.22	0.13	0.08	0.08
		Depth to Roof (m)	538	31.68	17.15	39.15	4.69	-1.22	1.01
		Floor Elevation (mamsl)	538	1550.94	1546.53	1554.85	2.12	-0.19	-0.95

The S2U thickness averages between 1 – 2 m across the licence area; however, it does attain thicknesses of over 2 m in places (Figure 9-20). On average, the S2U averages 1.8 m thick across both the Yoctolux and Graspan Pits.

The interval between the S2U and S2L ranges from less than 2 m to over 6 m in the west (

Figure 9-21), averaging 3.6 m. The depth to roof of the seam ranges from less than 10 m to the north of both the Yoctolux and Graspan Pits, in the vicinity of the wetland, to over 50 m in the south of Yoctolux (

Figure 9-21). The average depth to roof of the S2U in Yoctolux is 40.1 m and 31.7 m in Graspan. The seam floor elevation is lowest is the west (<1 540 mamsl), increasing to over 1 555 mamsl in the east (Figure 9-23).

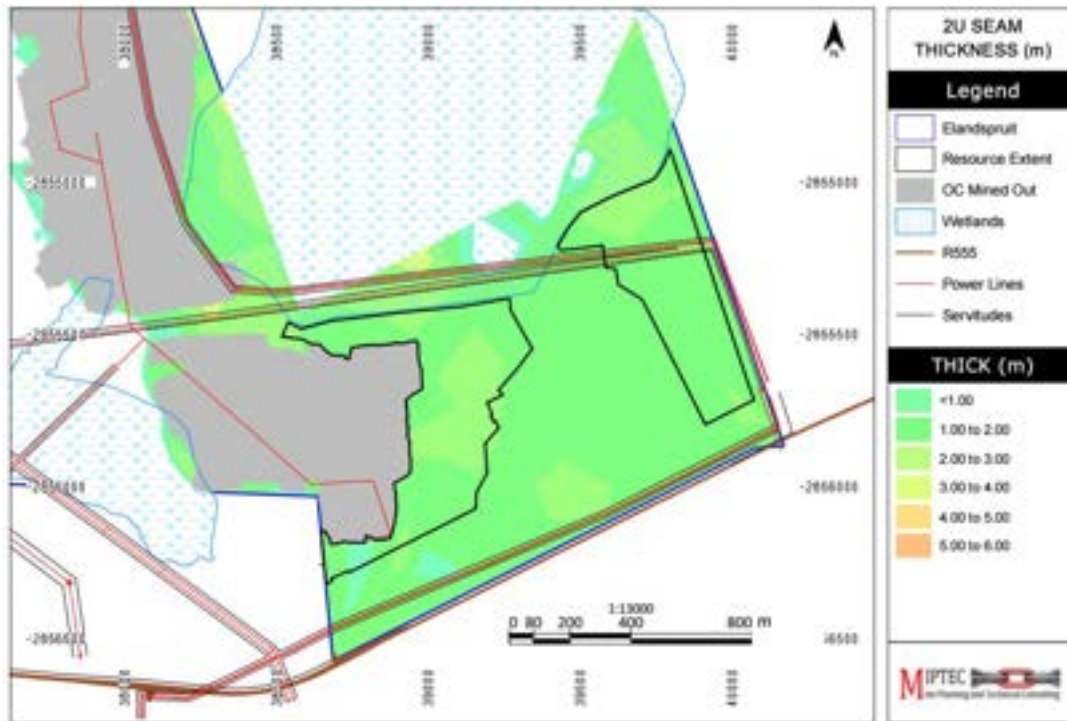


Figure 9-20. No. 2 Upper Coal Seam Thickness (m)

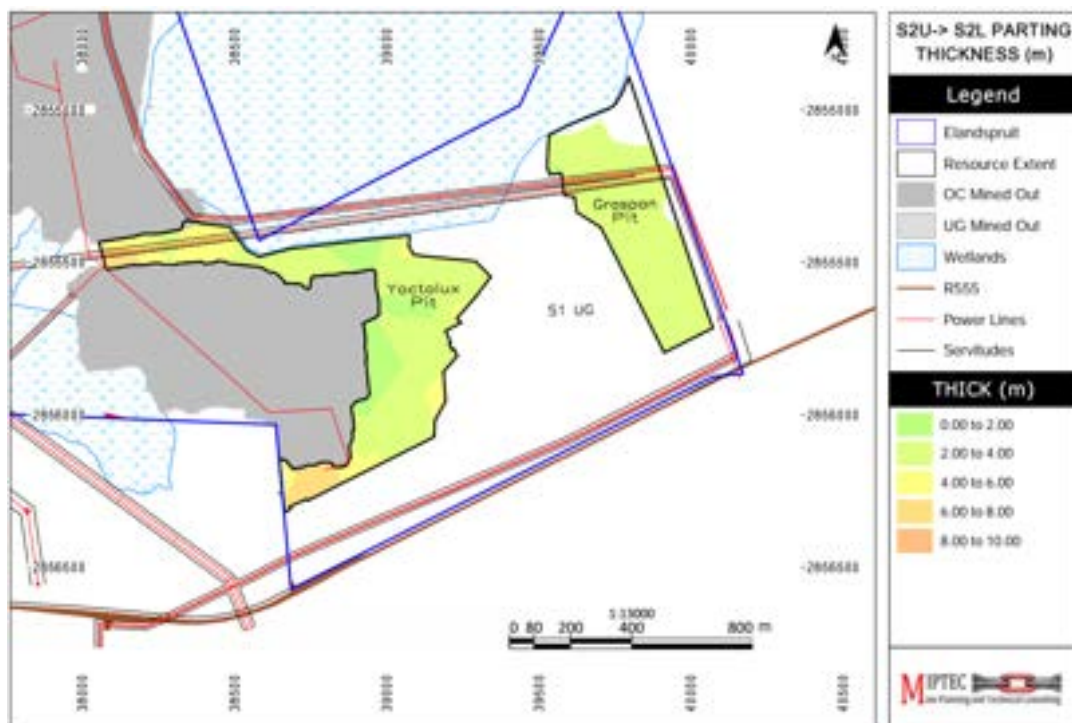


Figure 9-21. No. 2 Upper to No. 2 Lower Coal Seam Parting Thickness (m)

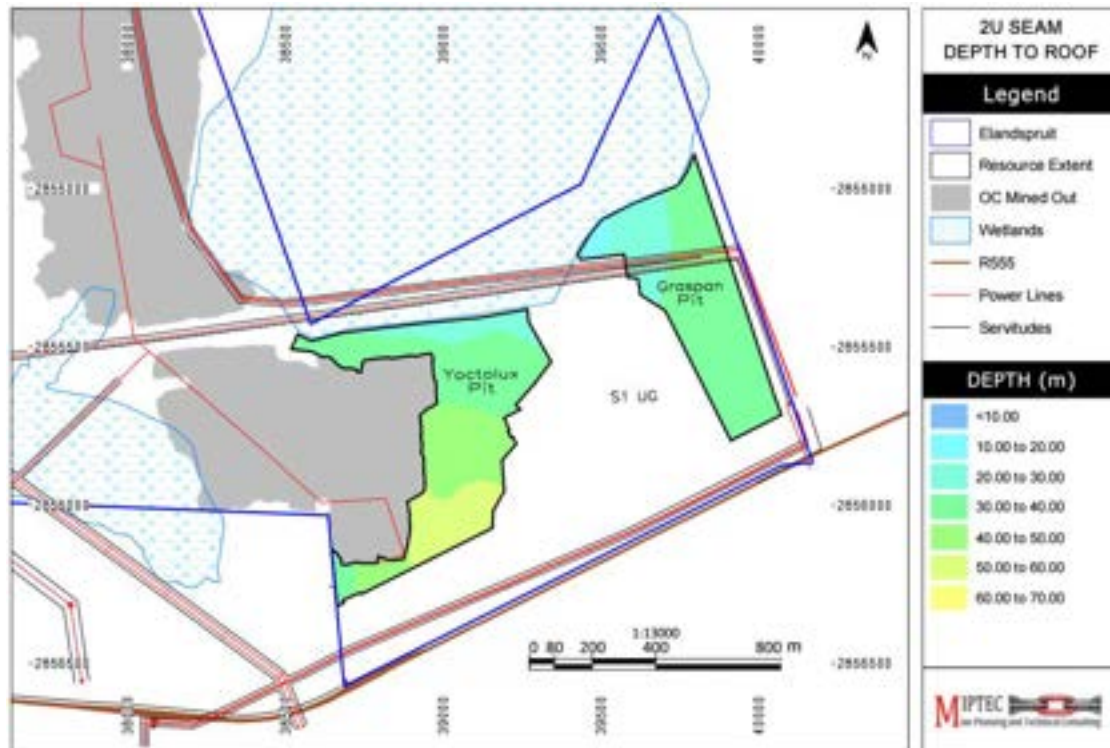


Figure 9-22. No. 2 Upper Coal Seam Depth to Roof (m)

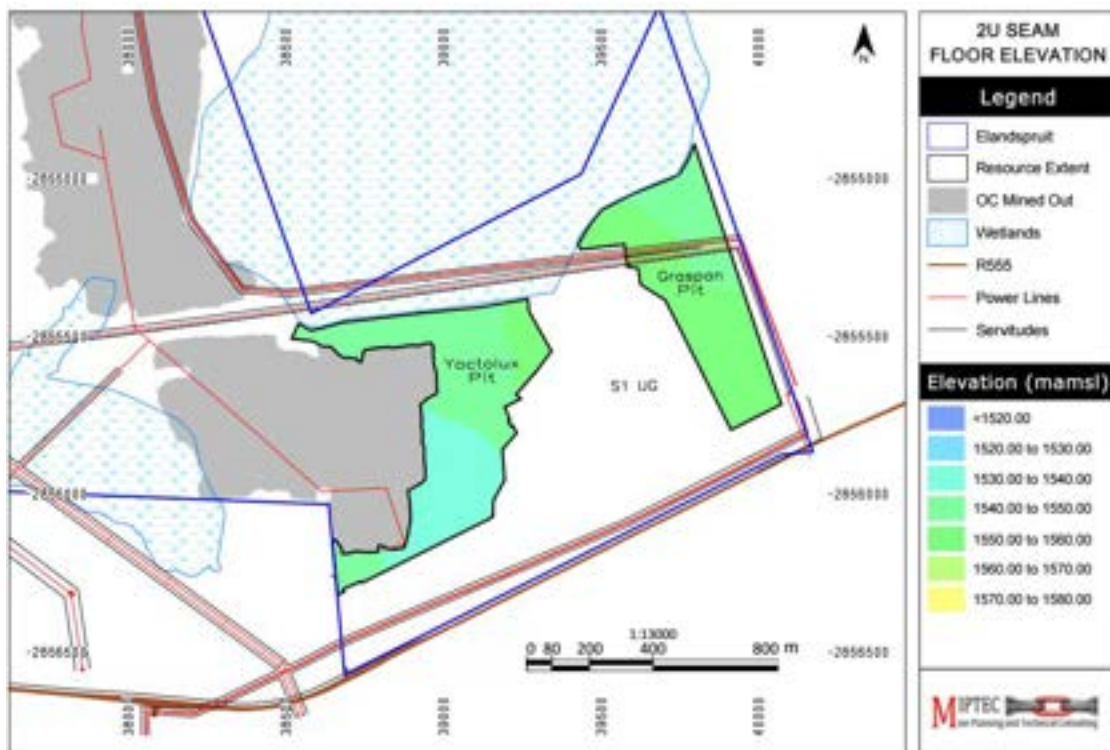


Figure 9-23. No. 2 Upper Coal Seam Floor Elevation (mamsl)

No. 4 Lower Coal Seam

Physical statistics for the S4L are presented in Table 7-7 (drill hole statistics) and in Table 9-11 (model statistics). The parting thickness between the S4L and the underlying S2U is shown in Figure 9-24, while Figure 9-25 to Figure 9-27 illustrates the physical characteristics of the S4L.

Table 9-10. No. 4L Seam Drill Hole Statistics

No. 4L Seam Borehole Statistics											
Resource Area	Seam	Parameter	Number	Average	Minimum Hole Name	Value	Maximum Hole Name	Value	Standard Deviation	Skewness	Kurtosis
Yoctolux OC Pit	S4L	Thick (m)	4	2.00	ELA30_12	1.49	PBH05	2.23	0.34	-1.09	-0.71
		Depth to Roof (m)	4	23.68	PBH09	20.15	PBH05	27.04	2.96	-0.08	-1.34
		Floor Elevation (mamsl)	4	1563.01	PBH05	1560.62	PBH09	1565.77	2.13	0.30	-1.03
Graspan OC Pit	S4L	Thick (m)	3	2.26	E291024	1.99	PBH14	2.56	0.29	0.23	
		Depth to Roof (m)	3	12.57	E291065	10.57	PBH14	14.77	2.11	0.18	-0.36
		Floor Elevation (mamsl)	3	1573.52	PBH14	1570.05	E291065	1575.41	3.01	-0.70	1.62

Table 9-11. No. 4L Seam Model Statistics

No. 4L Seam Model Statistics									
Resource Area	Seam	Parameter	Number	Average	Minimum	Maximum	Standard Deviation	Skewness	Kurtosis
Yoctolux OC Pit	S4L	Thick (m)	255	1.54	0.05	2.22	0.59	-0.93	-0.22
		Depth to Roof (m)	255	21.21	8.53	29.01	5.82	-0.63	-0.88
		Floor Elevation (mamsl)	255	1564.18	1559.75	1570.72	2.98	0.64	-0.89
Graspan OC Pit	S4L	Thick (m)	227	1.67	0.04	2.54	0.55	-1.28	0.93
		Depth to Roof (m)	227	11.94	8.41	15.84	1.95	-0.15	-1.18
		Floor Elevation (mamsl)	227	1574.93	1569.66	1577.36	1.80	-0.88	0.05

The S4L is present only in areas of elevated topography; elsewhere it has been eroded. It ranges in thickness from less than 1 m as the seam approaches the subcrop, to between 1 - 2 m across the remaining extent (Figure 9-25). The S4L is on average 20 - 22 m above the S2U Seam (Figure 9-24). The depth to roof ranges from less than 10 m up to 30 m in the southwest (Figure 9-26). The average depth to roof in the Yoctolux Pit is 21.2 m, and 12.0 m in Graspan Pit. The floor elevation ranges from 1 570 – 1 580 mamsl in Graspan, decreasing to between 1 560 – 1 570 mamsl in Yoctolux (Figure 9-27).

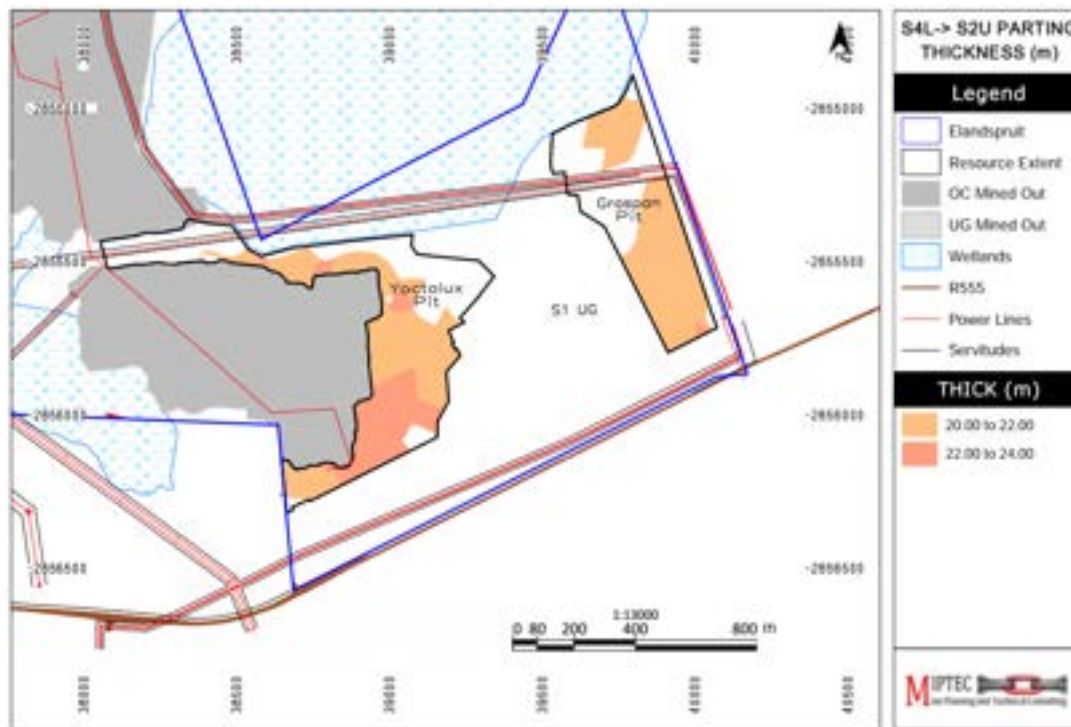


Figure 9-24. No. 4 Lower Coal Seam to No. 2U Coal Seam Parting Thickness (m)

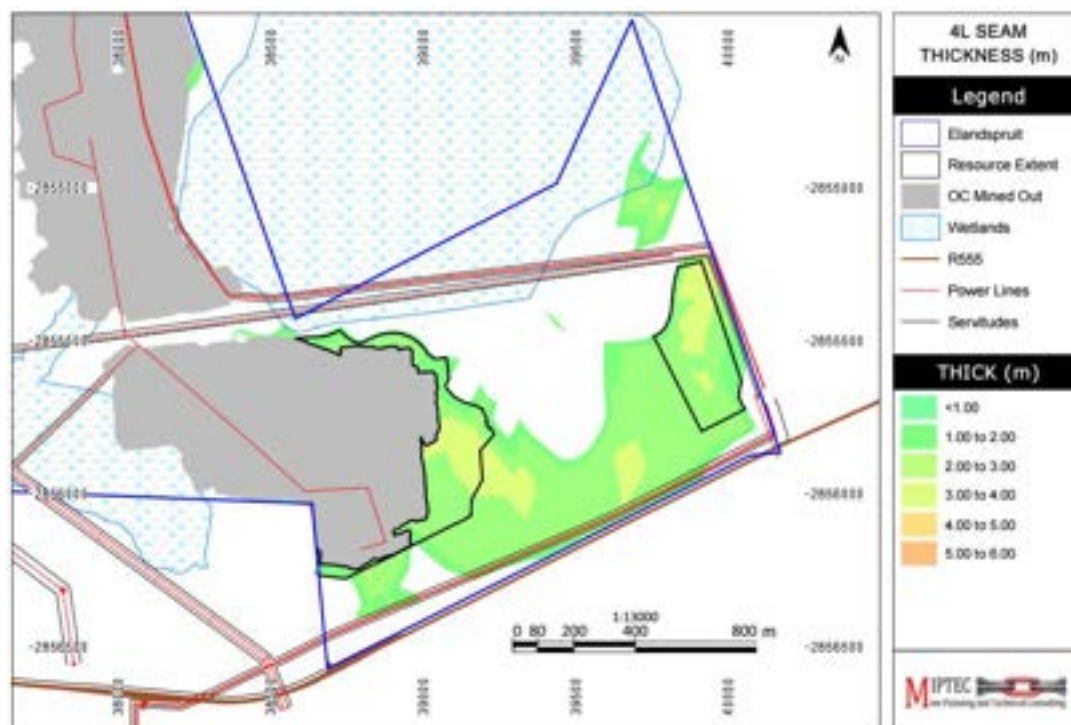


Figure 9-25. No. 4 Lower Coal Seam Thickness (m)

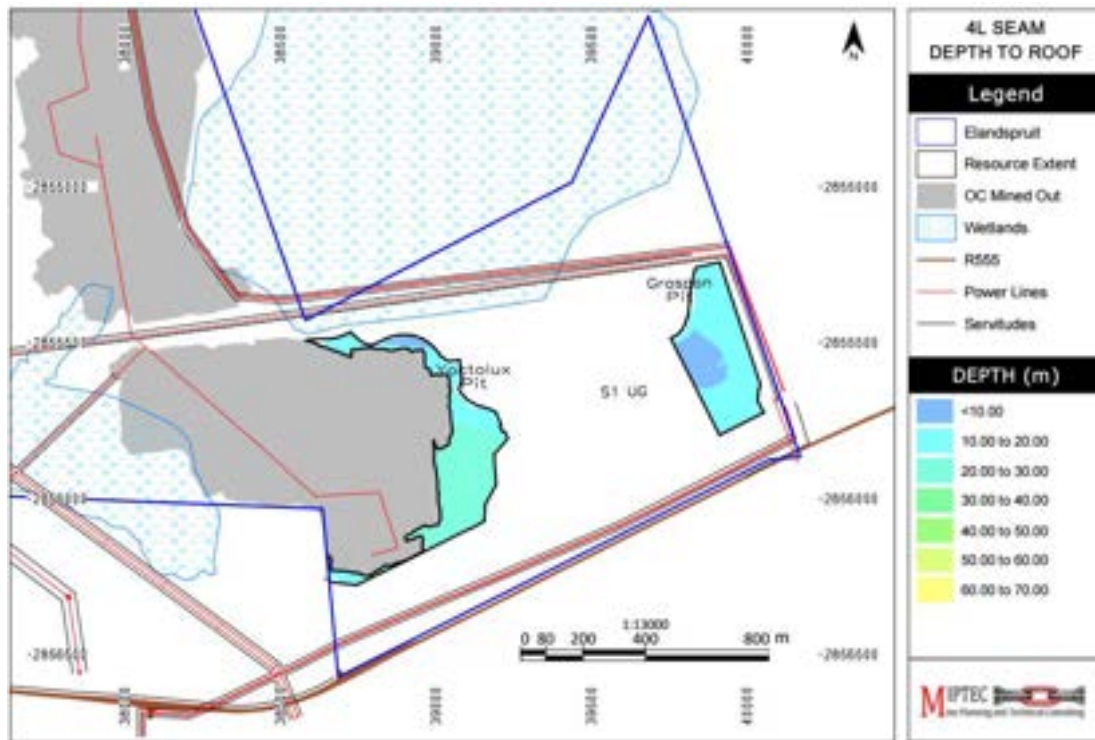


Figure 9-26. No. 4 Lower Coal Seam Depth to Roof (m)

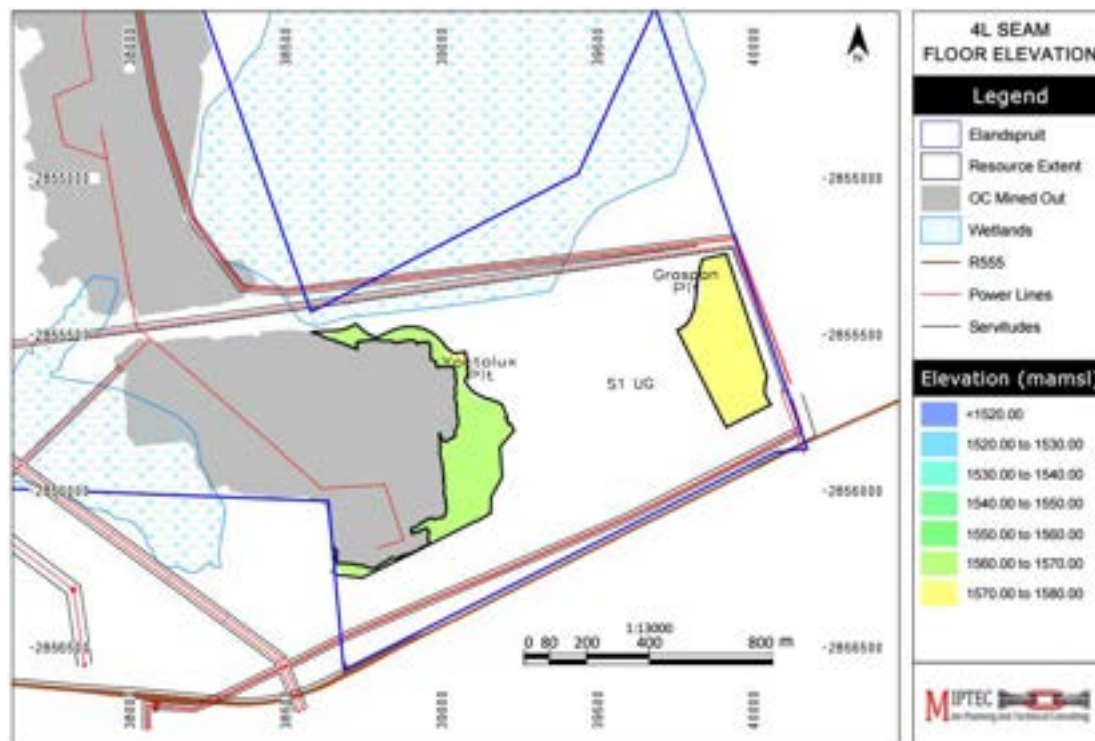


Figure 9-27. No. 4 Lower Coal Seam Floor Elevation (mamsl)

Cross Sections and Structural Interpretations

Five cross-sections, whose locations are depicted in Figure 9-28, were generated to test the geological model; four of these are included below.

A four times vertical exaggeration has been applied to the cross sections; no major structural disturbances such as dolerite intrusions or displacements are noted. The major irregularity present is the S2L washout, which has completely removed the seam in the vicinity of the underground section. The S1 is only considered economic in the underground area as the strip ratio is high due to the missing S2L.

Evident in both the West-East sections (Figure 9-29) as well as the North-South Sections (Figure 9-30), is the gentle dip of the seams towards the southwest and the proximity of the S4L to the weathering surface, resulting in its sometimes 'patchy' occurrence. The presence of gentle floor undulations can be seen; however, they appear exaggerated due to the vertical exaggeration applied.

To date, there has only been one hole which intersected dolerite, which had no effect on the coal. No dolerite or faulting has been encountered during mining, and it is not envisaged that this single intersection will affect future mining operations.

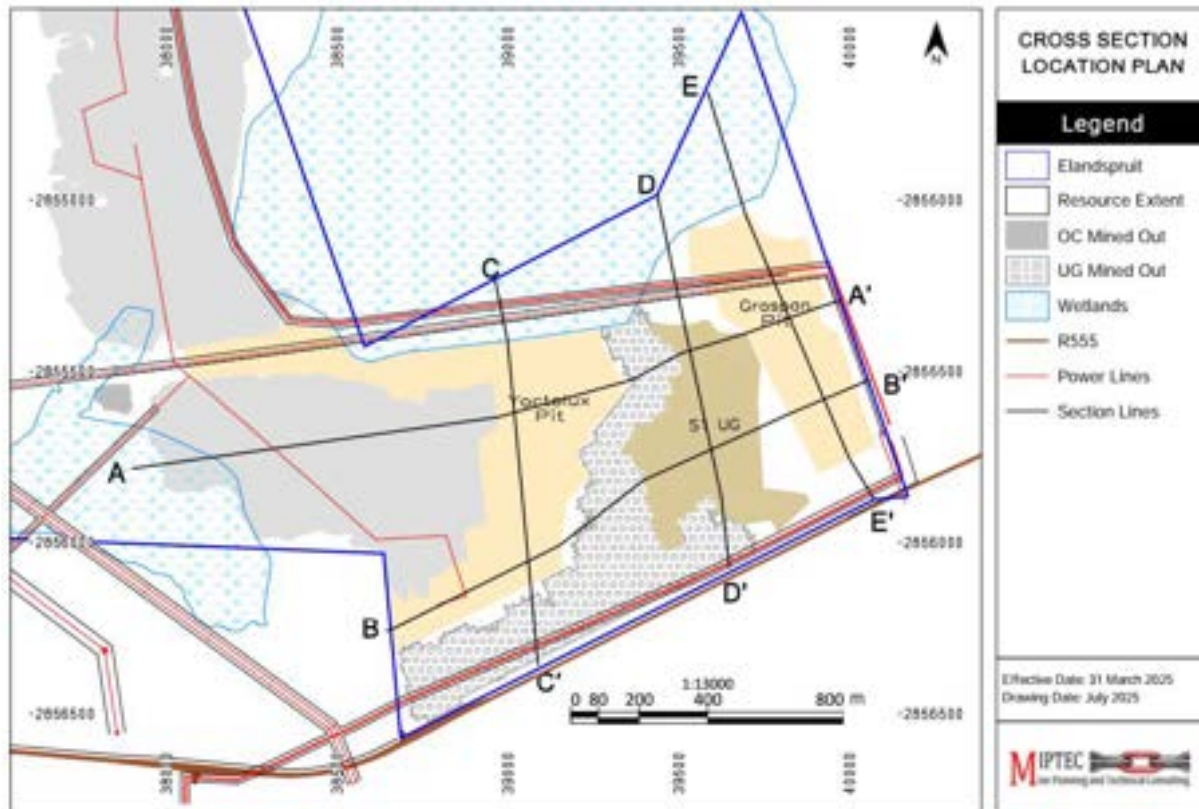


Figure 9-28. Location of the cross sections

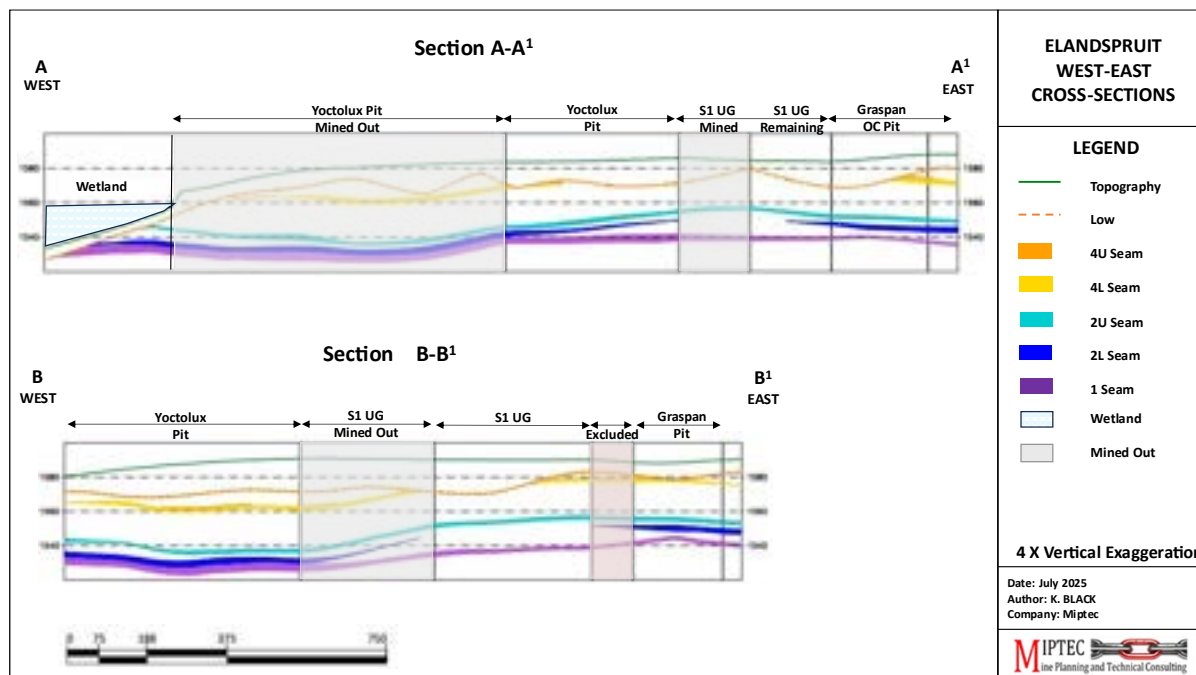


Figure 9-29. West - East Cross Sections

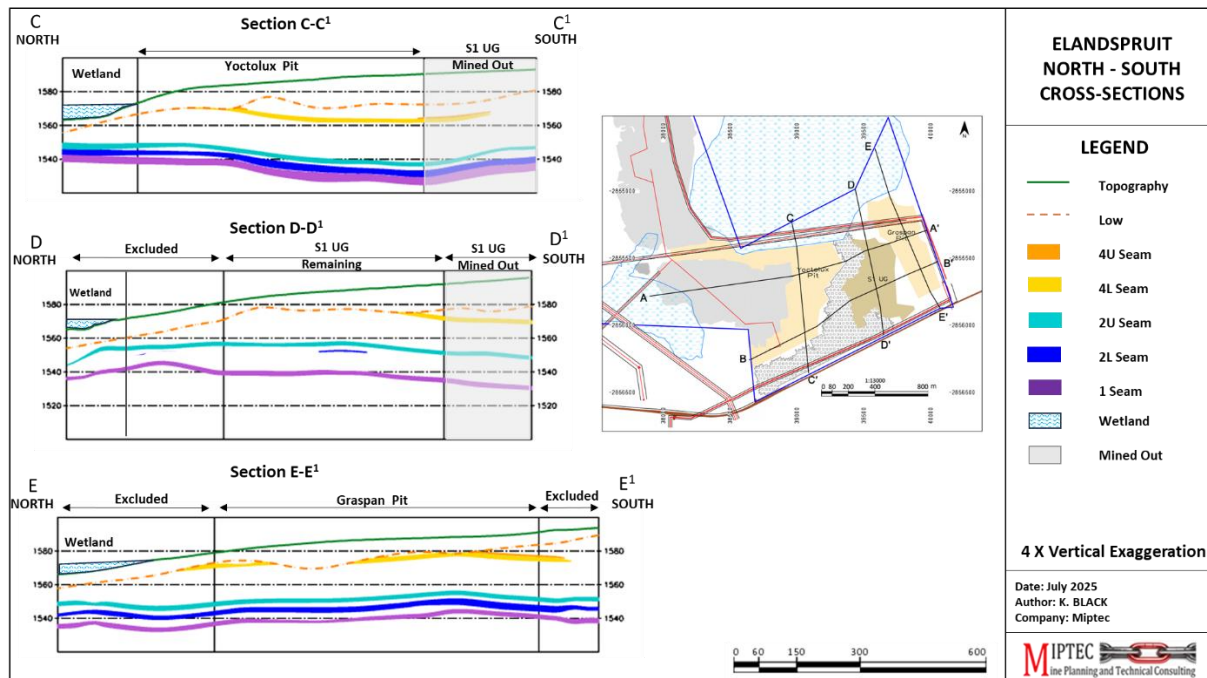


Figure 9-30. North-South Cross Sections

9.17.3 Quality Results

SR 4.5(i); SR 4.5(ii)

Raw and washed coal qualities (adb) were modelled for each seam. These include AS, CV, IM, Fixed Carbon (FC), TS, VM and dry ash-free volatiles (DAFV). The average raw coal qualities were estimated by weight-averaging the individual coal ply qualities on both thickness and density, whereas the washed coal qualities were weight-averaged on ply thickness and yield.

The wash data as received from the laboratory are loaded into StratModel, where the wash tables are normalised to a standard set of wash densities prior to compositing and gridding the data on a per seam, per wash density basis. The wash quality model can then be used to estimate potential products and their associated Coal Resources.

Figure 9-31 to Figure 9-65 contains plots of the coal qualities for each seam. Raw qualities (CV, AS, VM, DAFV and TS) are shown for all seams, whereas only qualities at a cut density of 1.8 g/cm^3 (**F1.8**) are included for the S2U, S2L and S1 as these seams require washing to produce the specified Eskom product. The better-quality S4L is suitable as a raw crush and screen product for Eskom. It is, however, important to note that the S4L could be washed to improve the Eskom grade, if and when required.

No. 1 Coal Seam

The raw ash content of the S1 averages 30% in Yoctolux, increasing to 34% in the underground section, and 41% in the Graspan Pit (Figure 9-31). The area of poorer quality in the eastern portion of the licence area is due to the presence of mudstone bands at the base of the coal seam. At F1.8, the ash content decreases to between 24 – 26% in the west, increasing to between 26 – 32% in the east (Figure 9-32).

The average raw CV content is between 20 - 22 MJ/kg in Yoctolux and the underground area, decreasing to around 17 MJ/kg in the Graspan Pit (Figure 9-33). At F1.8, the 84% of the data analysed have a CV content greater than 22 MJ/kg, and 25% of that has a CV content greater than 24 MJ/kg (Figure 9-34).

The S1 has an average TS content of around 0.9% in the Yoctolux and underground areas, decreasing to around 0.6% in Graspan (Figure 9-35). As the sulphur is primarily inorganic in nature, in the form of pyrite nodules, it has been shown to easily decrease with washing. At F1.8, the TS reduces to less than 0.5% across the entire area (Figure 9-36).

The raw VM content of the seam ranges from 21 – 24% across the majority of the area, averaging around 22% (Figure 9-37). The lower VM contents in the east are due to the inclusion of clastic sediments within the seam. Analysis of the DAFV values indicates that all the coal has a DAFV content greater than 30% (Figure 9-38). At F1.8, the VM content increases to between 22 – 26% (Figure 9-39). None of the S1 coal is heat-affected.

The S1 theoretical yield decreases from west to east (Figure 9-40). The average F1.8 yield is 80% in Yoctolux, 77% in the underground, and 72% in Graspan.

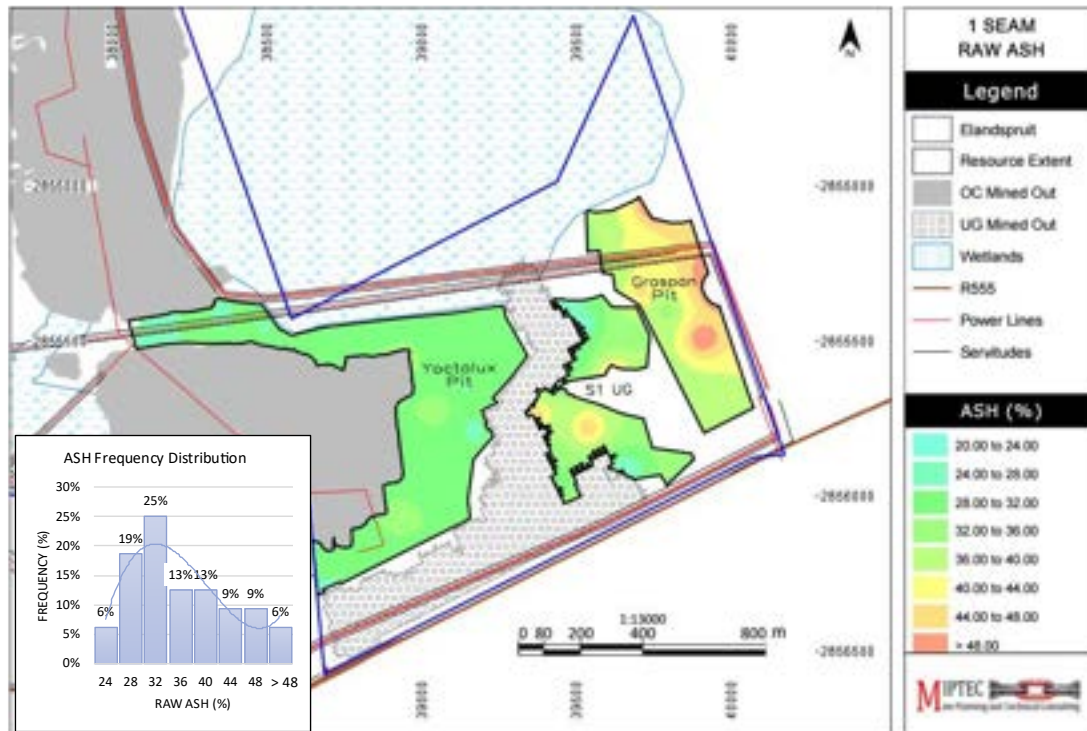


Figure 9-31. No. 1 Seam Raw Ash Content Distribution

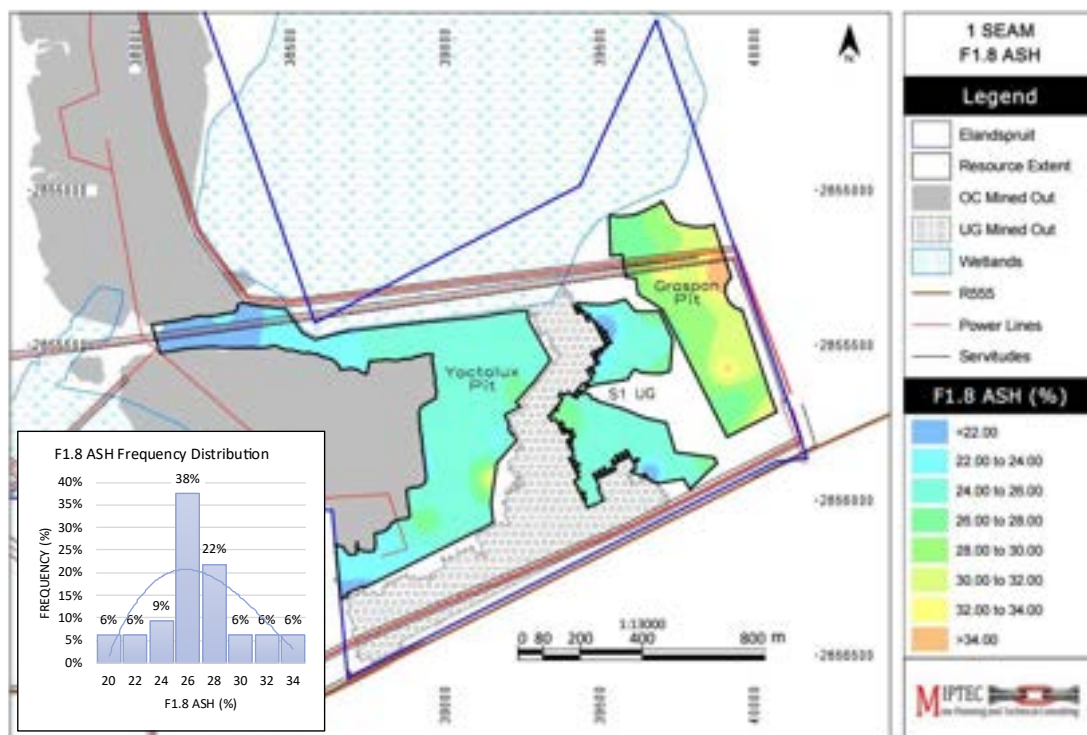


Figure 9-32. No. 1 Seam F1.8 Ash Content Distribution

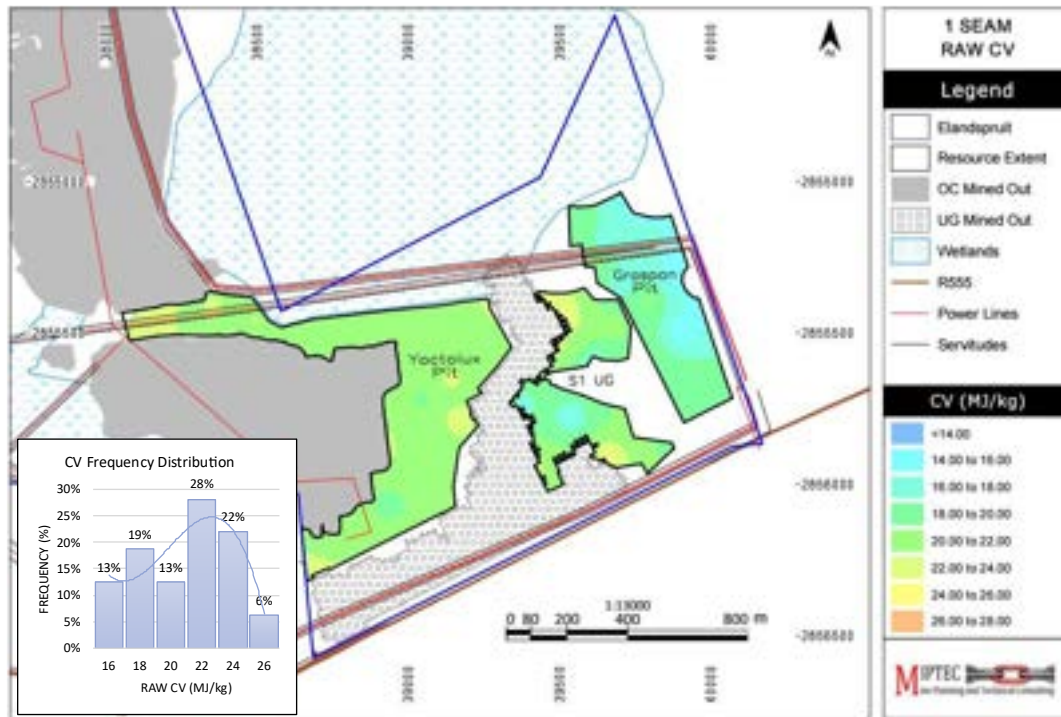


Figure 9-33. No. 1 Seam Raw Calorific Value Content Distribution

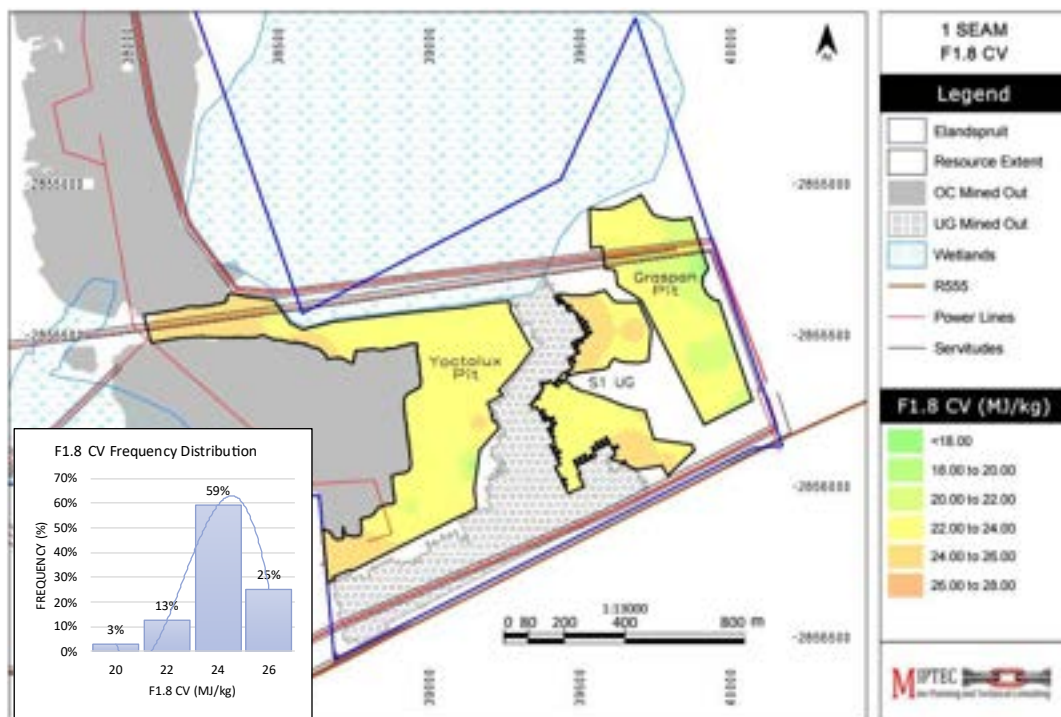


Figure 9-34. No. 1 Seam F1.8 Calorific Value Content Distribution

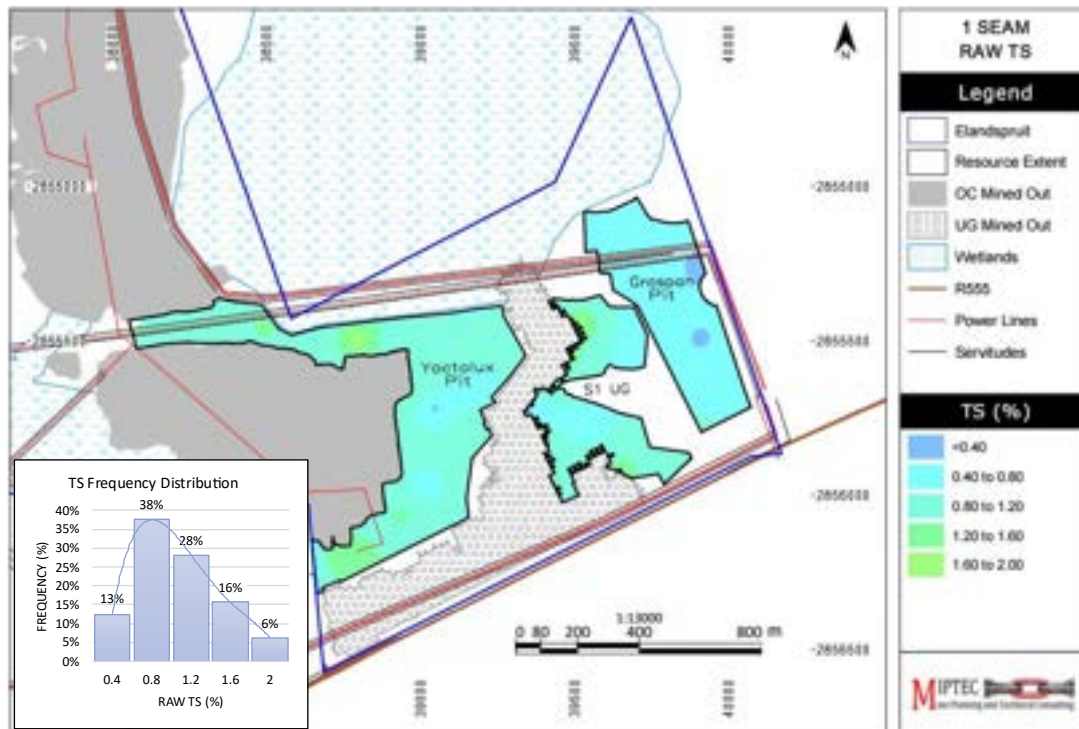


Figure 9-35. No. 1 Seam Raw Total Sulphur Content Distribution



Figure 9-36. No. 1 Seam F1.8 Total Sulphur Content Distribution

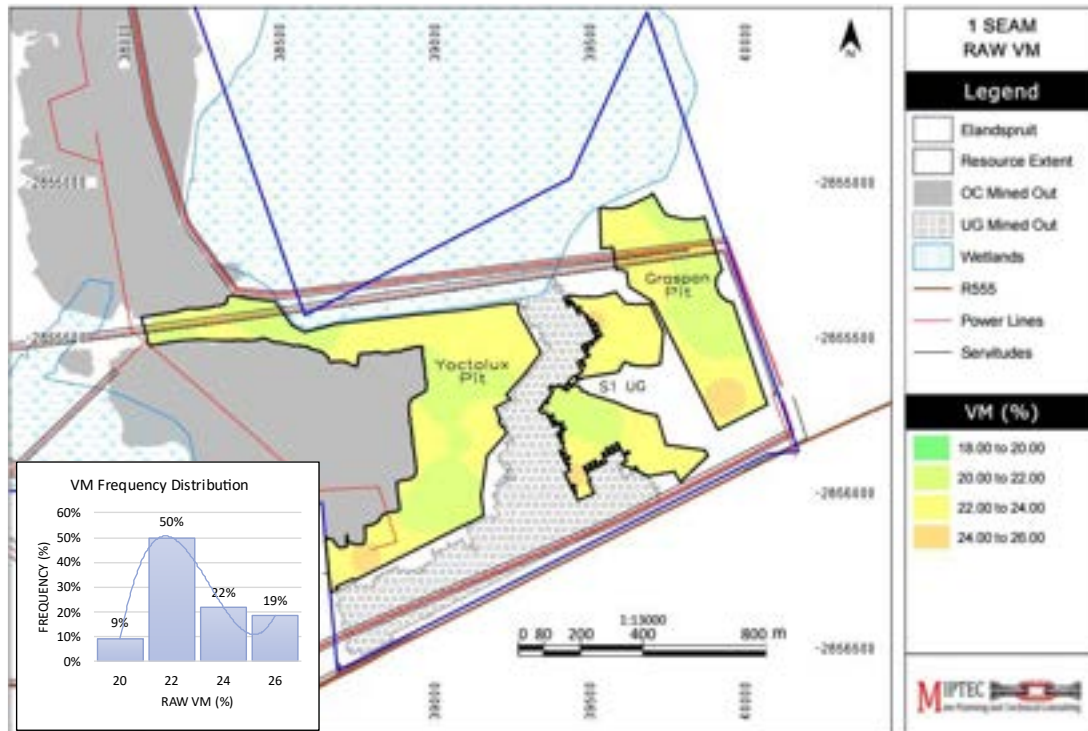


Figure 9-37. No. 1 Seam Raw Volatile Matter Content Distribution

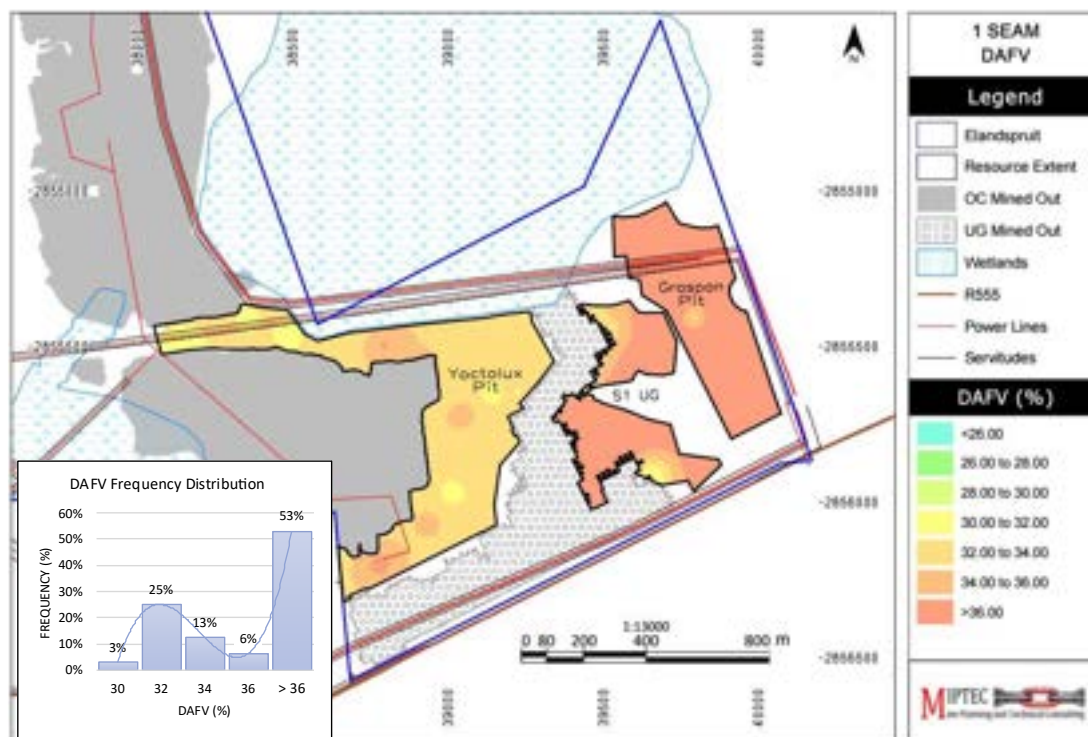


Figure 9-38. No. 1 Seam Raw Dry Ash Free Volatile Matter Distribution

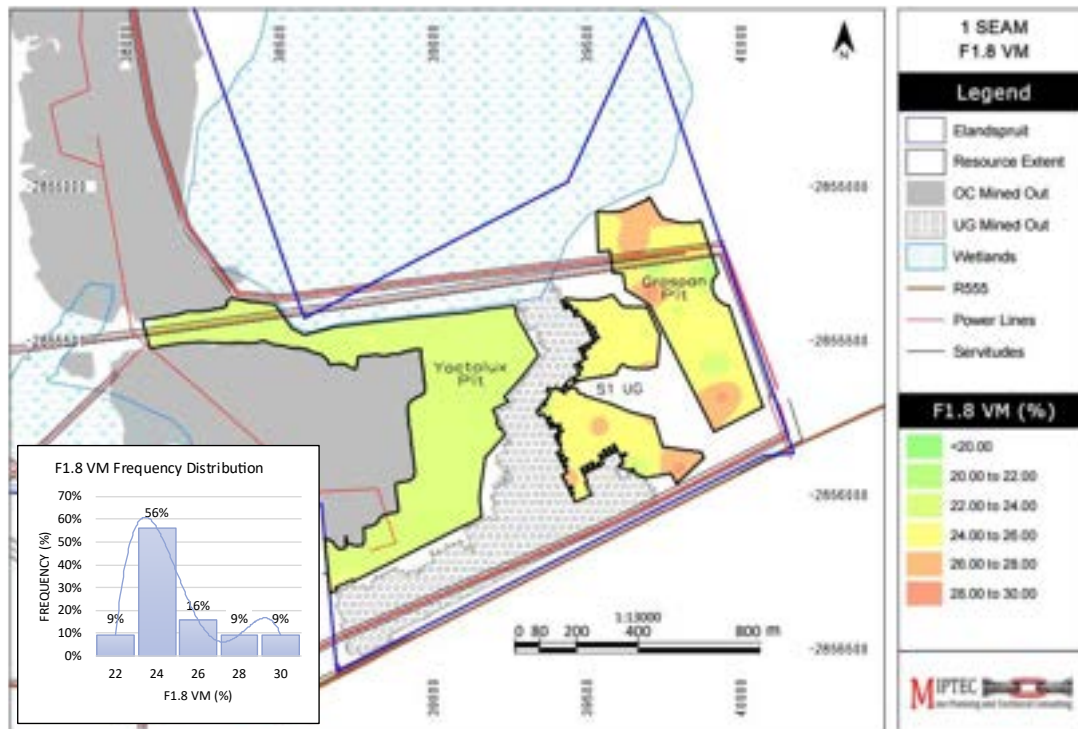


Figure 9-39. No. 1 Seam F1.8 Volatile Matter Content Distribution

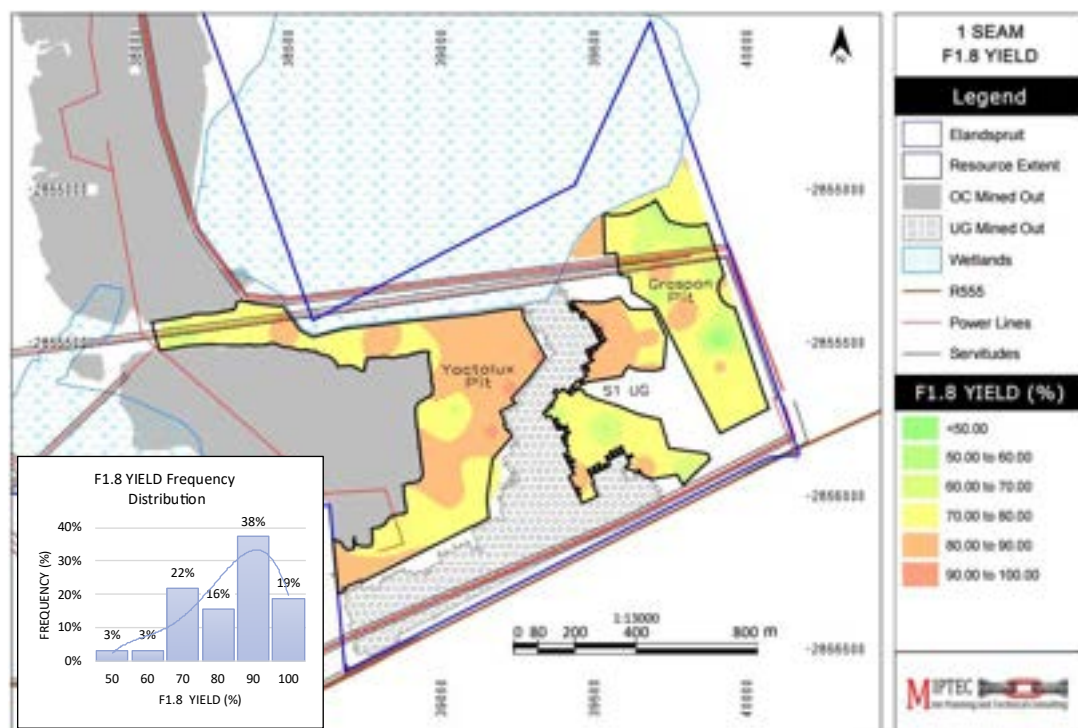


Figure 9-40. No. 1 Seam F1.8 Yield Distribution.

No. 2 Lower Seam

The raw ash content of the S2L is somewhat variable, ranging from 20 - 28% across the two pits, increasing to over 36% in the area of the washout (Figure 9-41). At F1.8 (Figure 9-42), the ash content decreases to less than 28% across the whole area, averaging 22.7% in Yoctolux, and 21.8% in Graspan.

The average raw CV across the project area is around 20 - 24 MJ/kg (Figure 9-43). The area flanking the washout zone shows a decrease in the CV content due to increasing amounts of ash in the thinning seam. Figure 9-43 also indicates that 96% of the data analysed has a raw CV content greater than 20 MJ/kg, averaging around 22MJ/kg. At F1.8, the CV content increases to between 23 – 25 MJ/kg (Figure 9-44), with 67% of the F1.8 data analysed indicating a CV content greater than 24%.

The TS content of the S2L ranges from 0.4 – 1.2% across the entire area, averaging 0.9% and 1% in Yoctolux and Graspan respectively (Figure 9-45). At F1.8, the TS content decreases to 0.35% in Yoctolux, and 0.42% in Graspan (Figure 9-46). As per the S1, the sulphur is inorganic in nature and is therefore easily reduced during the beneficiation process. The S2L is not heat affected; where lower than average VM contents are noted, these are due to the increasing amount of ash in the sample – particularly in the area of the washout. The raw average VM content of the 2L Seam (Figure 9-47) is 20.7% in Yoctolux and 21.8% in Graspan. Analysis of the DAFV data (Figure 9-48), indicates that all of the coal has a DAFV content greater than 28%. At F1.8, the VM content increases to 21.4% in Yoctolux, and 22.6% in Graspan (Figure 9-49).

The theoretical yield of the S2L at F1.8 is 81% in Yoctolux and 87% in Graspan (Figure 9-50).

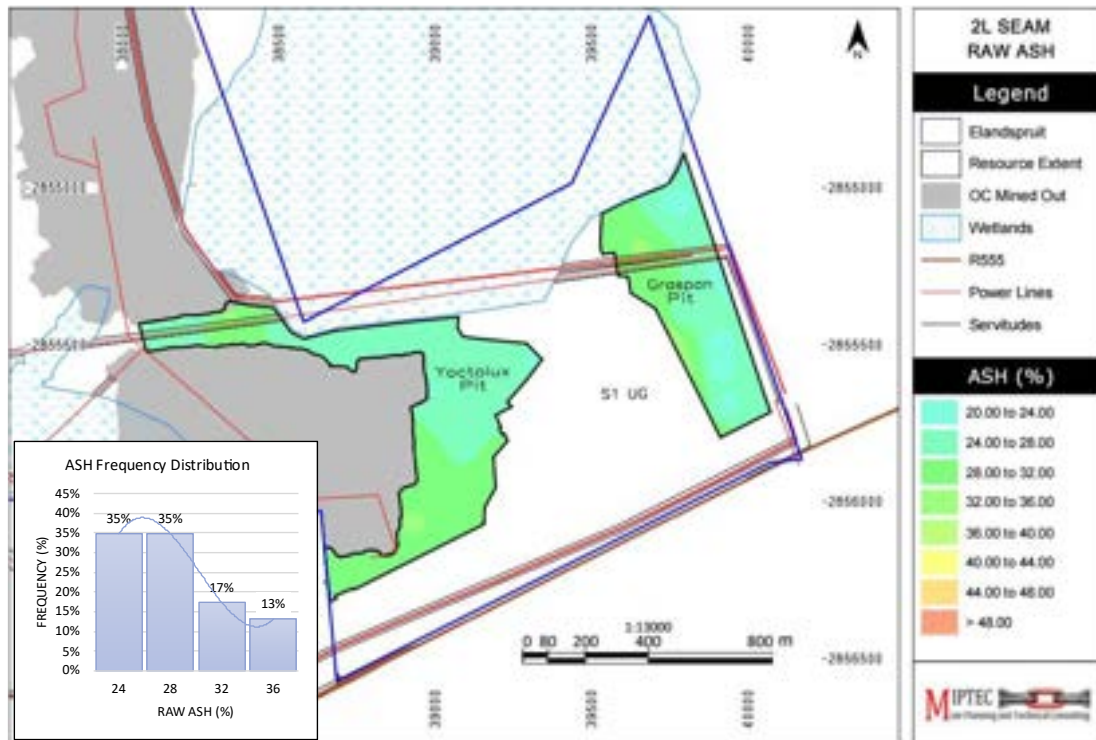


Figure 9-41. No. 2 Lower Seam Raw Ash Content Distribution

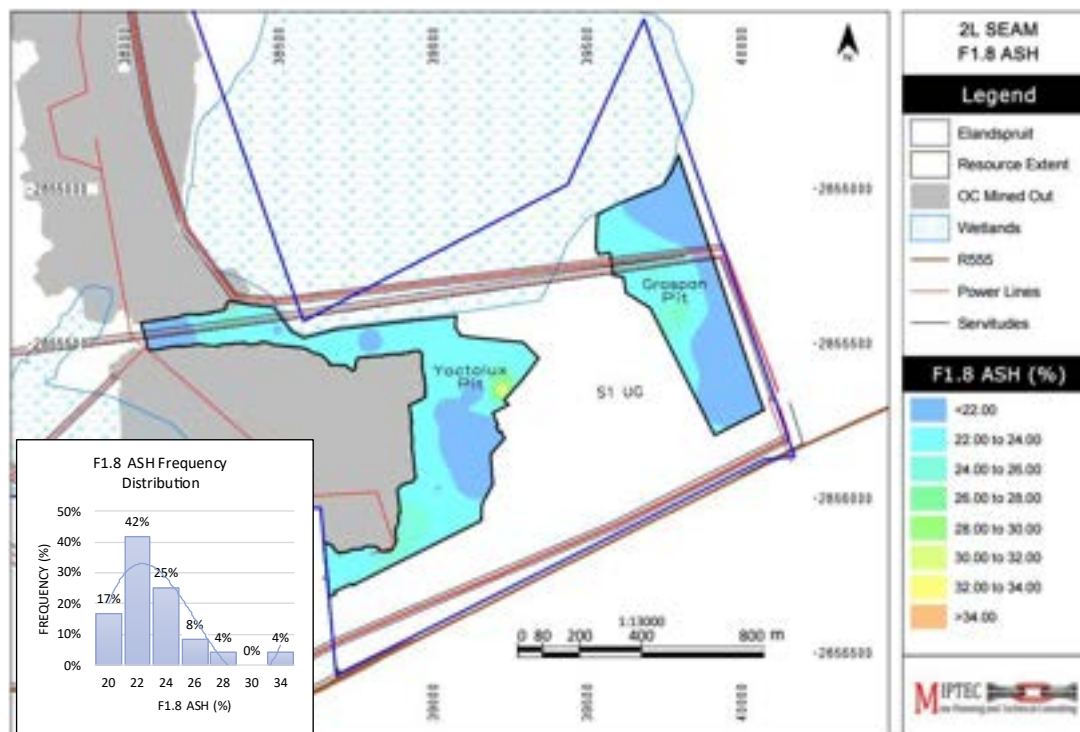


Figure 9-42. No. 2 Lower Seam F1.8 Ash Content Distribution

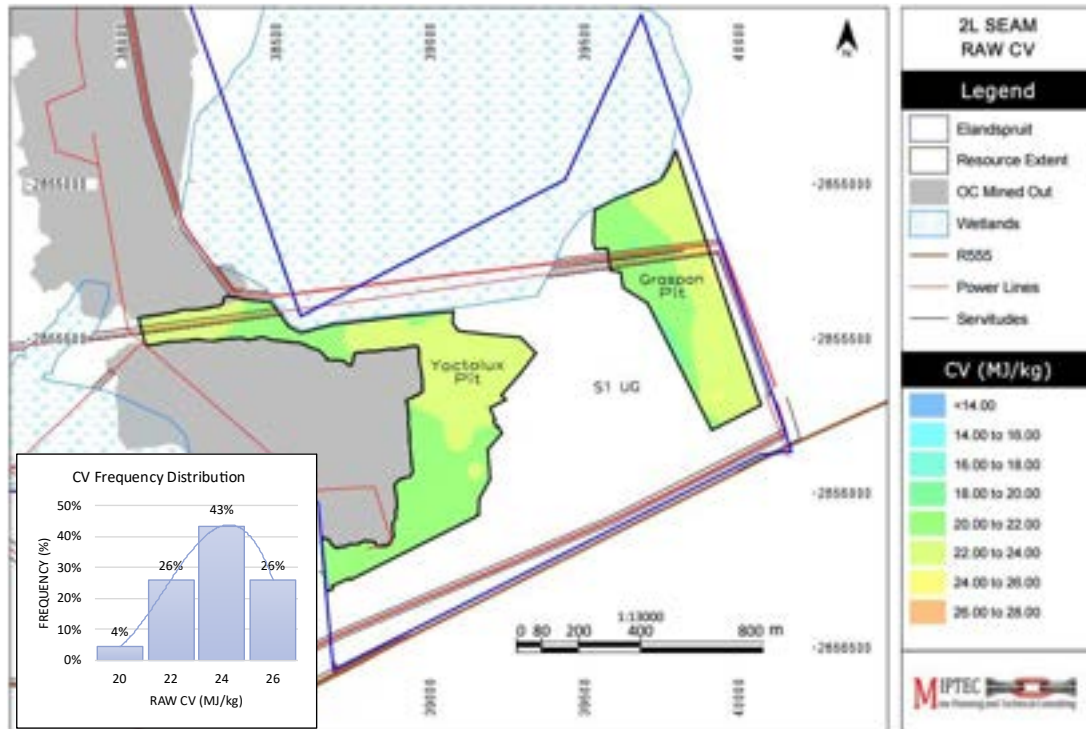


Figure 9-43. No. 2 Lower Seam Raw Calorific Value Content Distribution

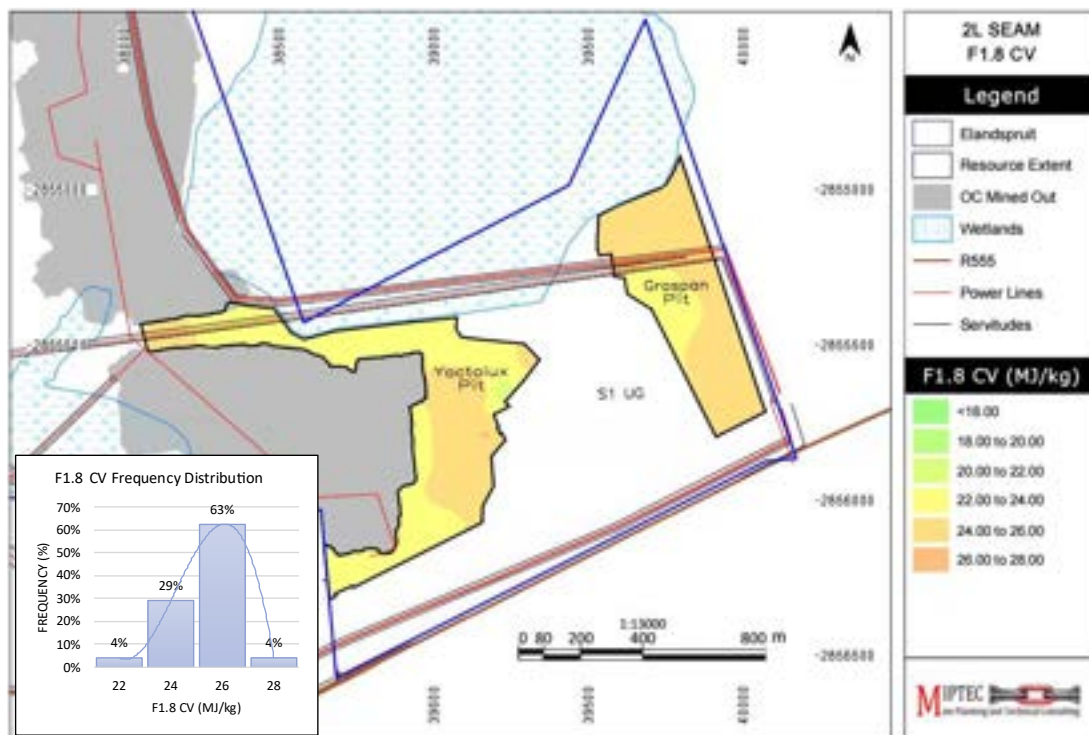


Figure 9-44. No. 2 Lower Seam F1.8 Calorific Value Content Distribution

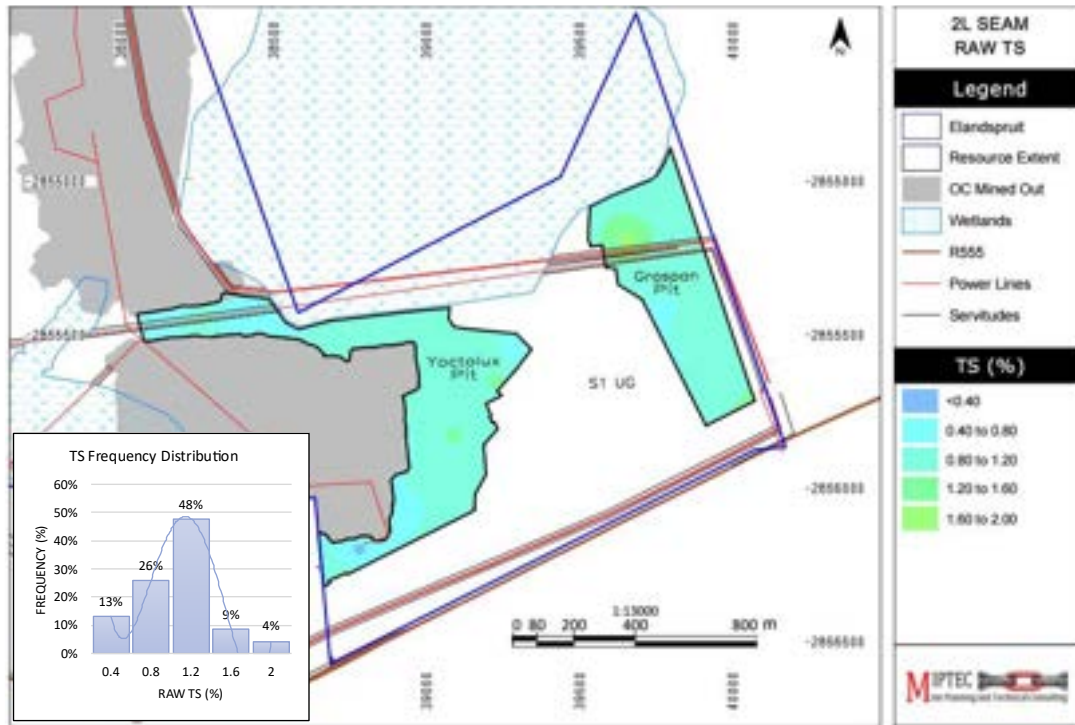


Figure 9-45. No. 2 Lower Seam Raw Total Sulphur Content Distribution

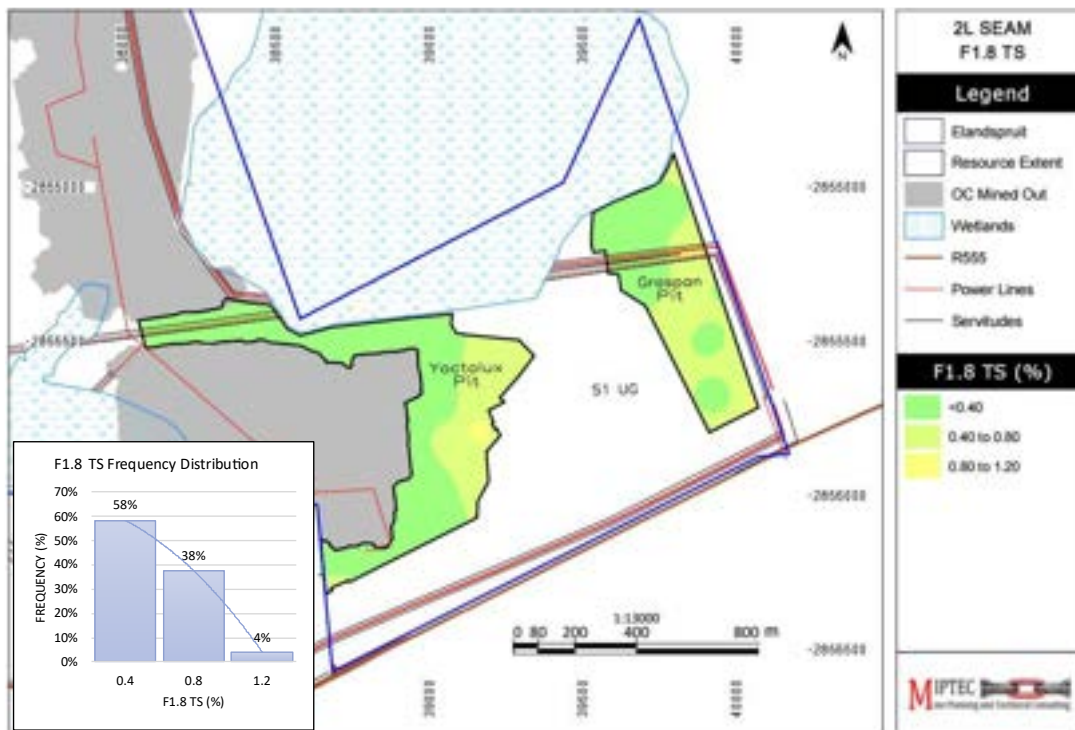


Figure 9-46. No. 2 Lower Seam F1.8 Total Sulphur Content Distribution

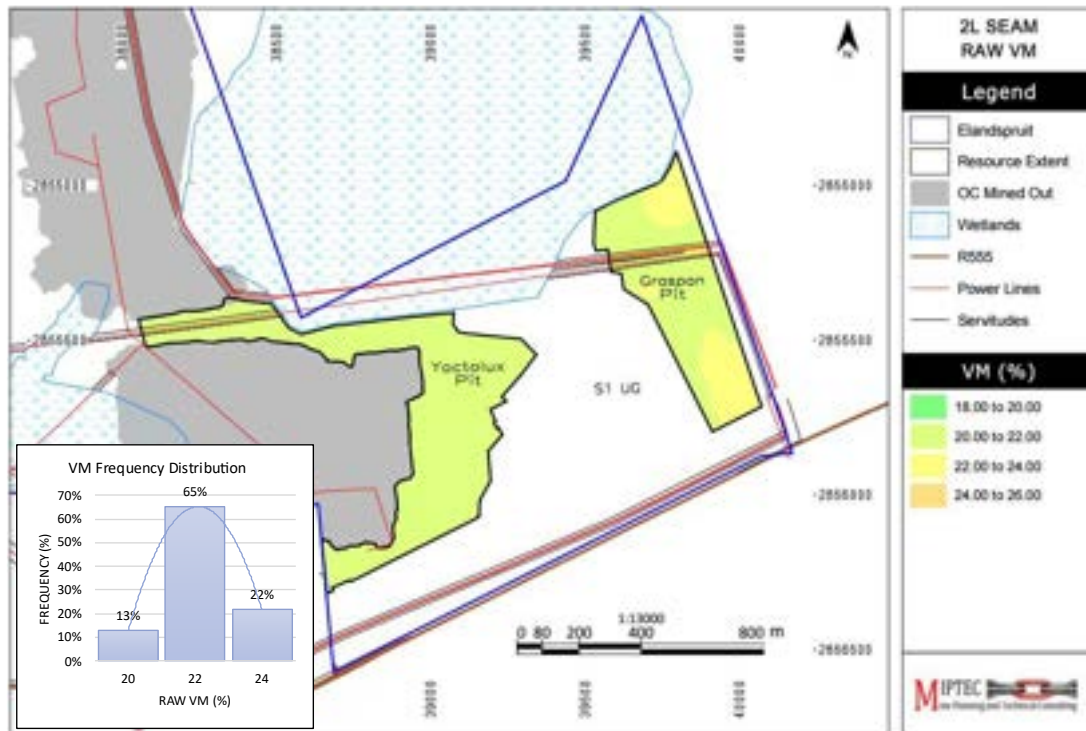


Figure 9-47. No. 2 Lower Seam Raw Volatile Matter Content Distribution

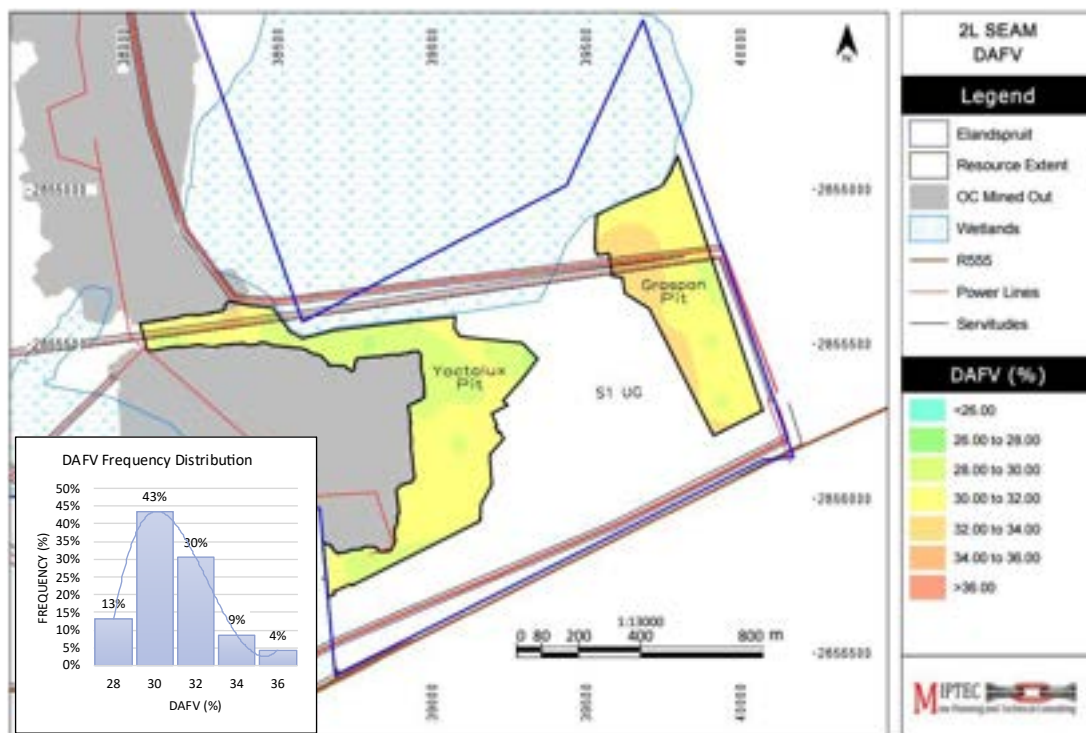


Figure 9-48. No. 2 Lower Seam Raw Dry Ash Free Volatile Matter Distribution

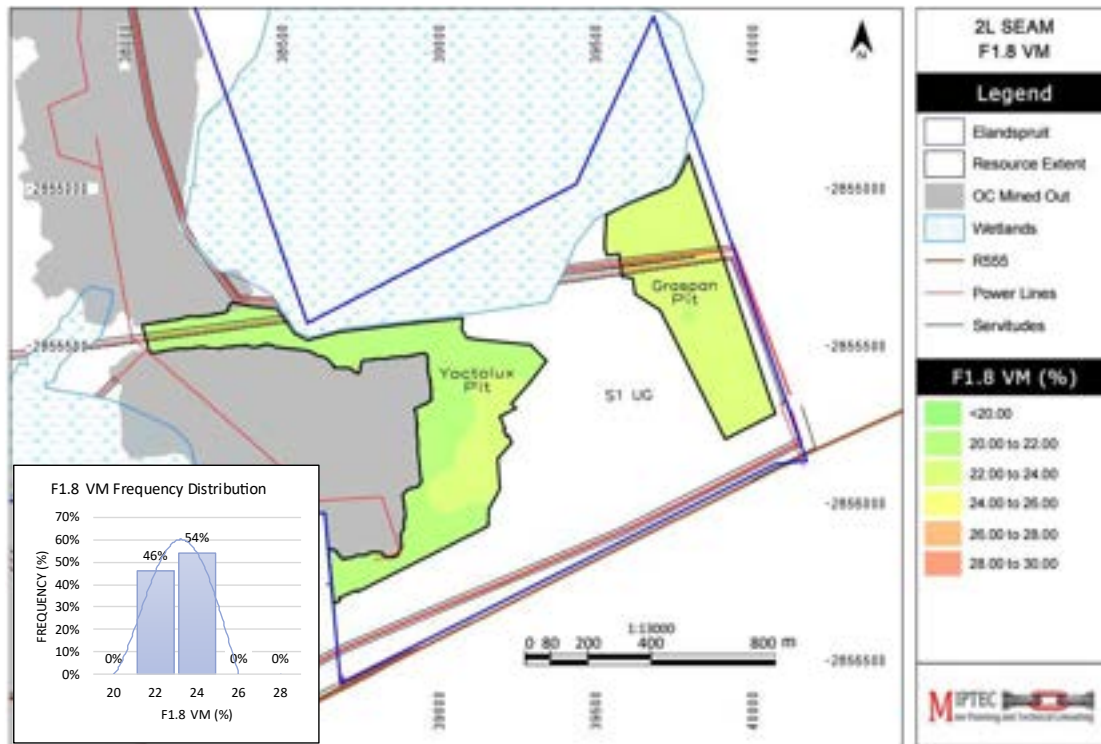


Figure 9-49. No. 2 Lower Seam F1.8 Volatile Matter Content Distribution

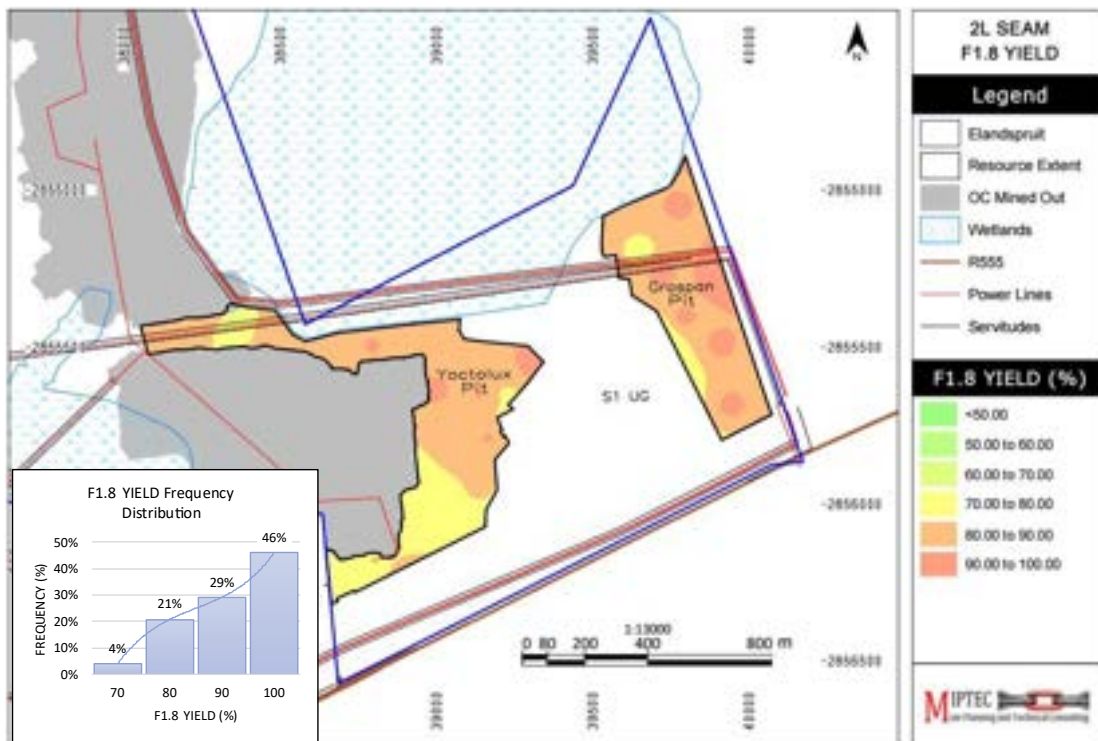


Figure 9-50. No. 2 Lower Seam F1.8 Yield

No. 2 Upper Seam

The raw ash content of the S2U is highest in the west of the Yoctolux Pit (greater than 44%), decreasing towards the south and the east where the ash content averages between 24 – 40% (Figure 9-51). Due to the intra-seam shale partings present within the seam, the raw ash content is highly variable. The F1.8 ash content is also highly variable, ranging from 18 – 32% across the resource area (Figure 9-52). The average F1.8 S2U ash content is 22.5%.

The inverse relationship between ash and CV is evident in Figure 9-53, where the lowest CV correspond with the higher ash contents in Figure 9-51. The CV distribution can be somewhat described as bimodal, with lower CVs noted in the west, and higher CVs in the east, a trend resulting from the depositional environment, which also resulted in the washout of the S2L. The average raw CV of Yoctolux is 18.6 MJ/kg, increasing to 20.4 MJ/kg in the Graspan Pit. At F1.8, the shale parting material is removed, resulting in the majority of the F1.8 CV ranging between 22 – 24 MJ/kg (Figure 9-54). All of the coal wash data analysed, has an F1.8 CV greater than 20 MJ/kg.

As is often noted with higher CV values, the TS contents are also higher. This is evident in that the highest TS contents are located in the east, decreasing towards the west (Figure 9-55). The average raw TS content at Graspan is 1.5%, and in Yoctolux 1.3%. At F1.8, the TS content of both pits is around 0.5% (Figure 9-56); 83% of the data analysed had F1.8 TS content between 0 – 0.8%.

The raw VM content (Figure 9-57) is lowest in the west (9% of the data has a raw CM less than 16%). The 9% with a low raw VM content (two drill holes), had DAFV content greater than 30%, and F1.8 VM content greater than 18%, hence their inclusion in the current resource area. The raw VM content increases towards the west, with values up to almost 28% in places. On a DAF basis, all data analysed have a VM content greater than 30% (Figure 9-58). Figure 9-59 indicates that at F1.8, the VM content of the S2U increases slightly upon washing, with nearly all of the coal in the opencast pits having F1.8 VM content greater than 18%; only one drill hole has a VM content less than that (17.3%).

As is to be expected, the theoretical yield increases from west to east (Figure 9-60), increasing from less than 30% in the west, to over 80% in the east. The average F1.8 theoretical yield within the Yoctolux Pit is 62.5%, increasing to 78% in Graspan.

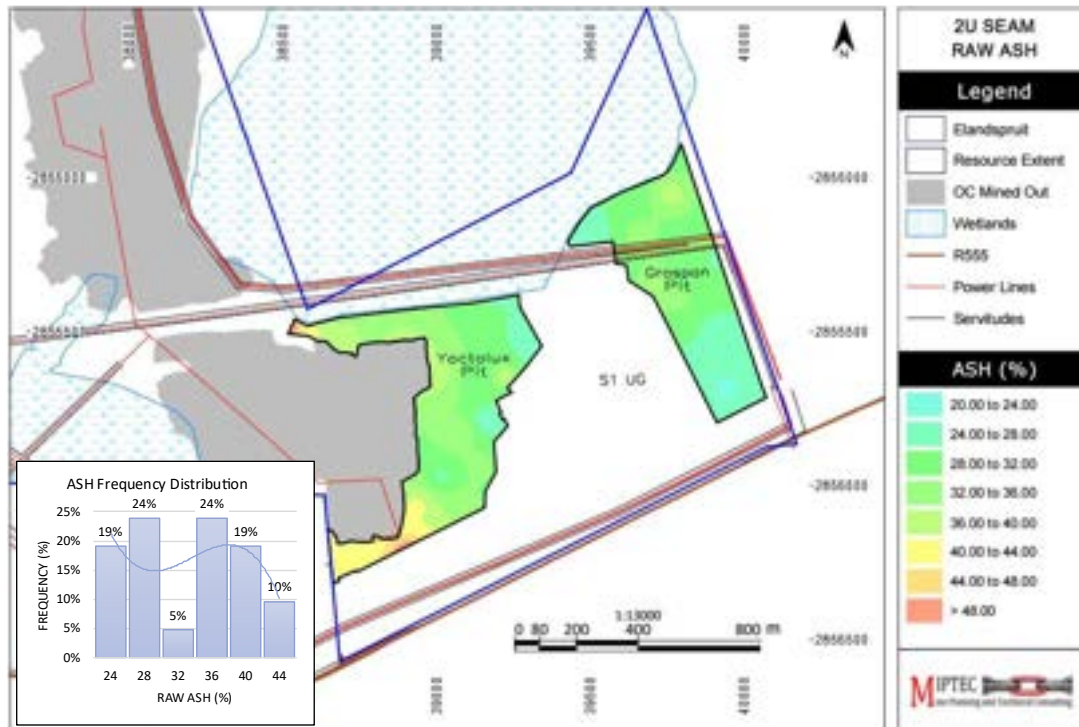


Figure 9-51. No. 2 Upper Seam Raw Ash Content Distribution

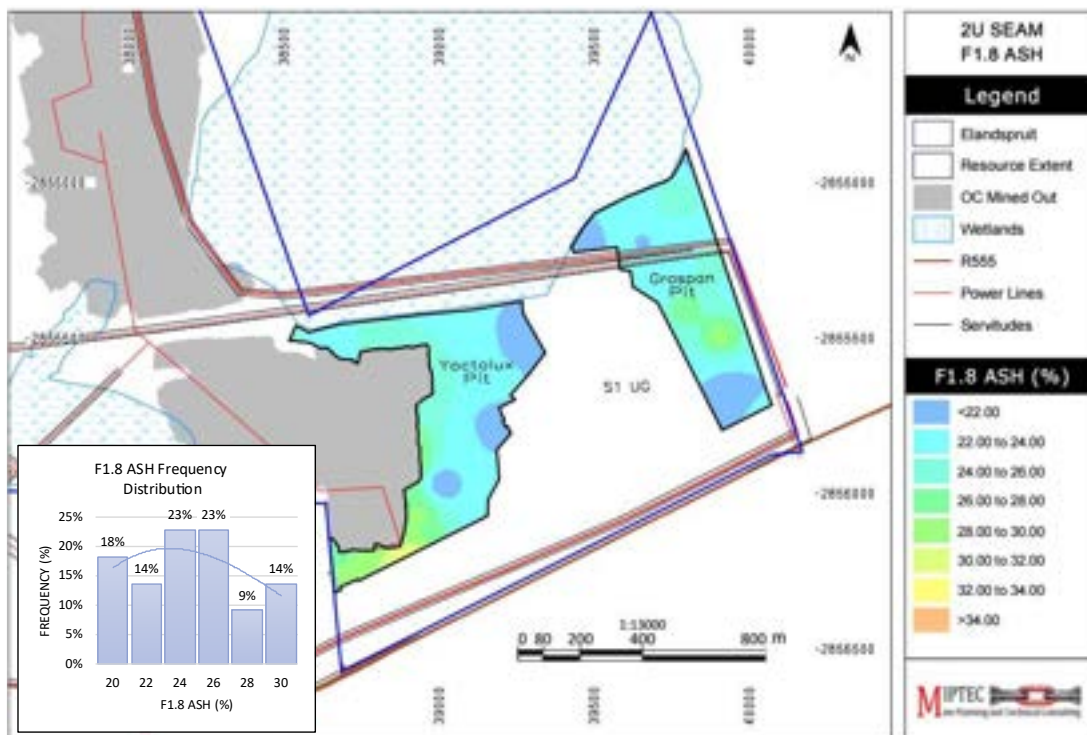


Figure 9-52. No. 2 Upper Seam F1.8 Ash Content Distribution

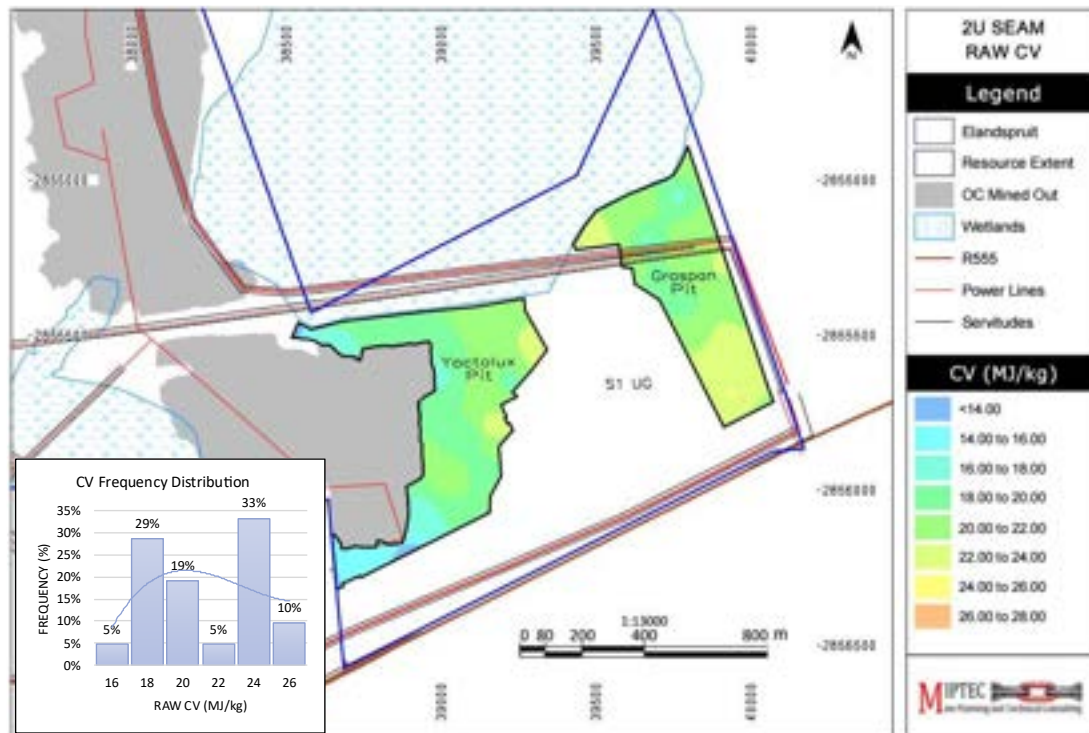


Figure 9-53. No. 2 Upper Seam Raw Calorific Value Content Distribution

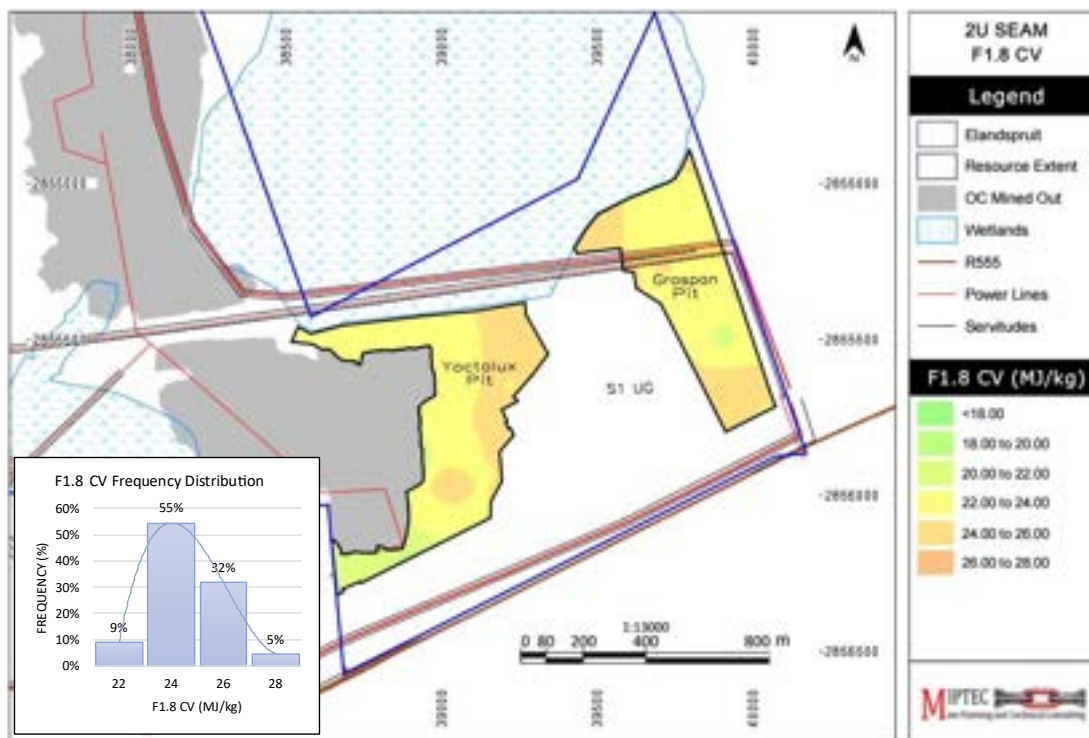


Figure 9-54. No. 2 Upper Seam F1.8 Calorific Value Content Distribution

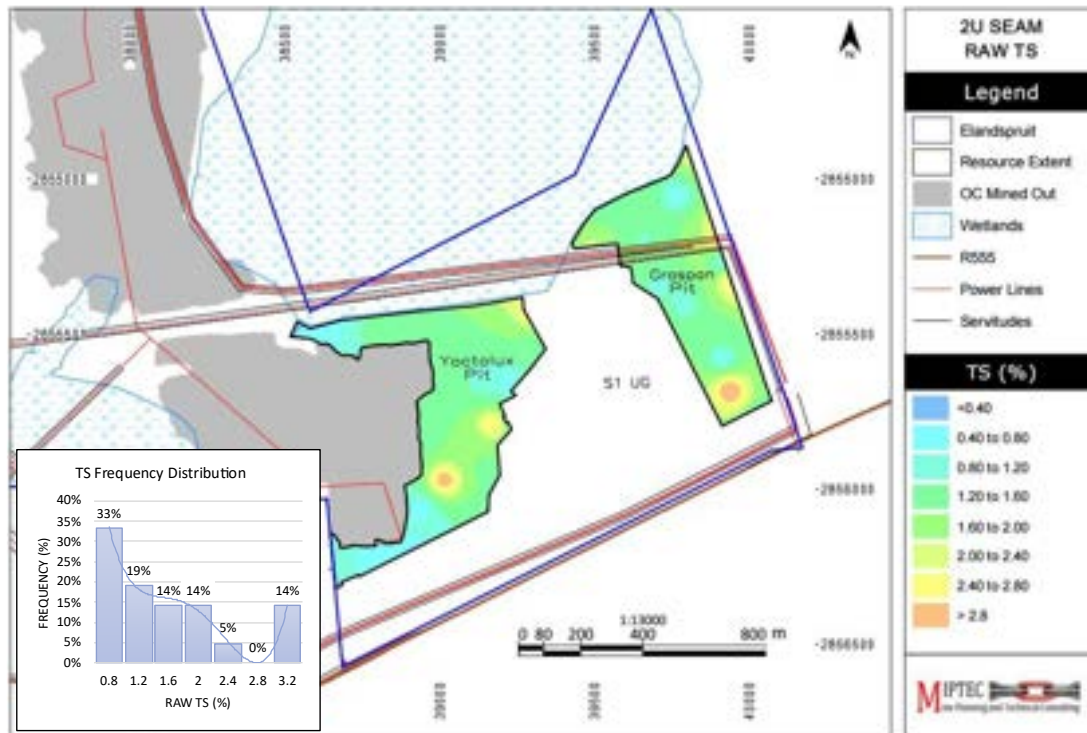


Figure 9-55. No. 2 Upper Seam Raw Total Sulphur Content Distribution

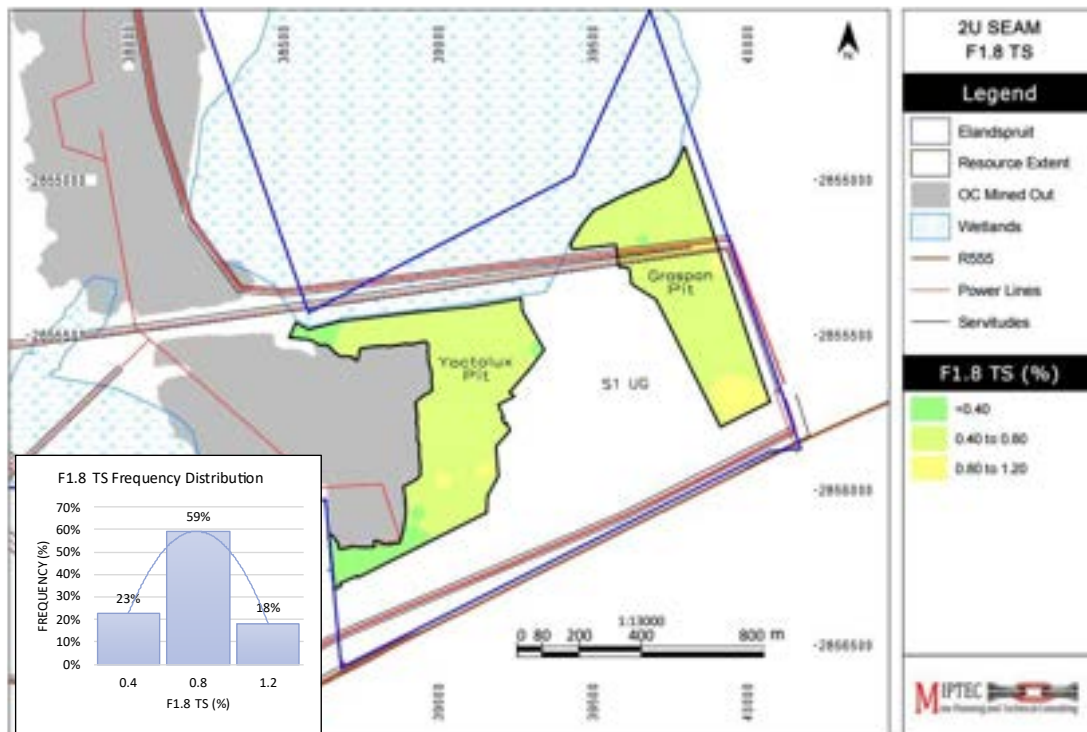


Figure 9-56. No. 2 Upper Seam F1.8 Total Sulphur Content Distribution

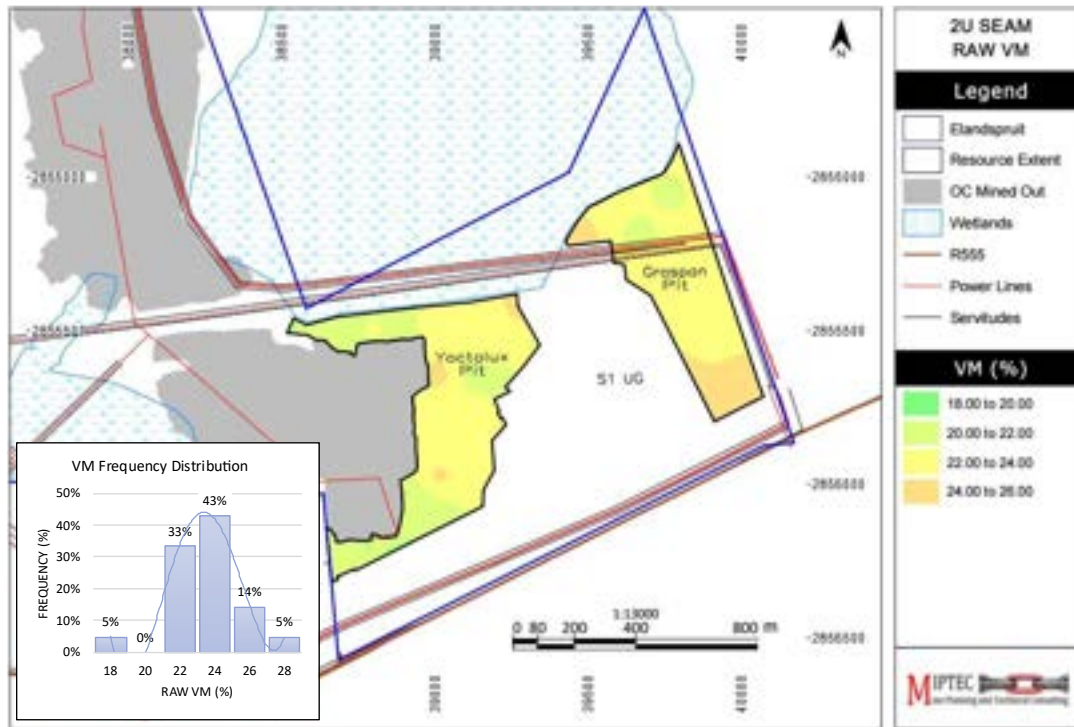


Figure 9-57. No. 2 Upper Seam Raw Volatile Matter Content Distribution

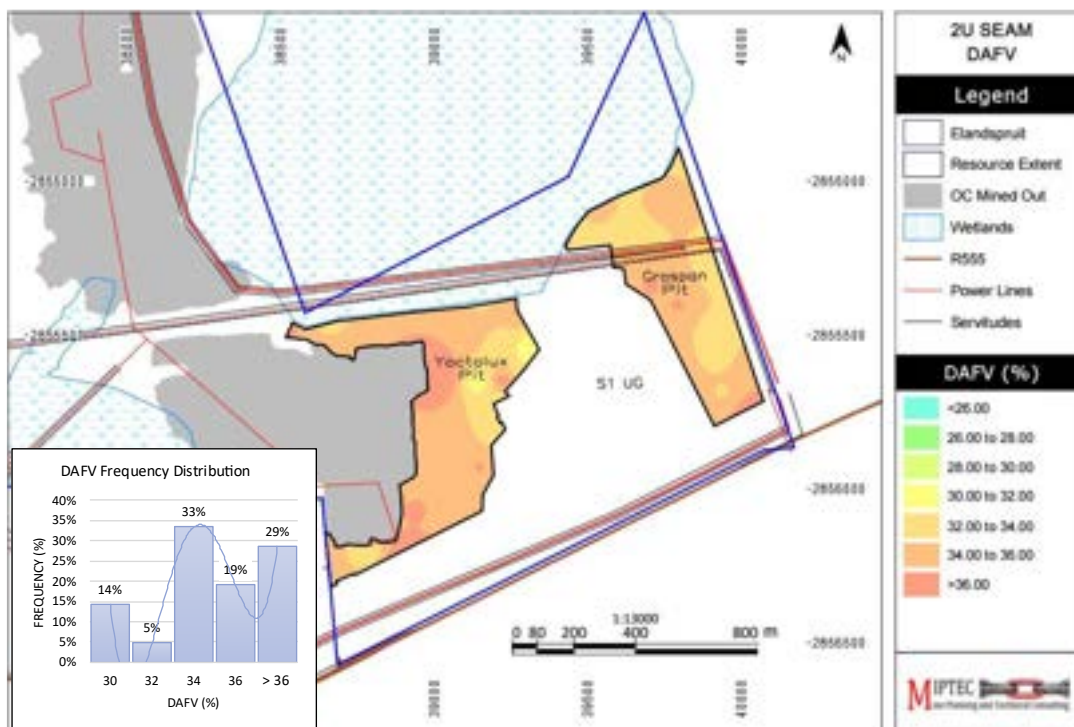


Figure 9-58. No. 2 Upper Seam Raw Dry Ash Free Volatile Matter Distribution

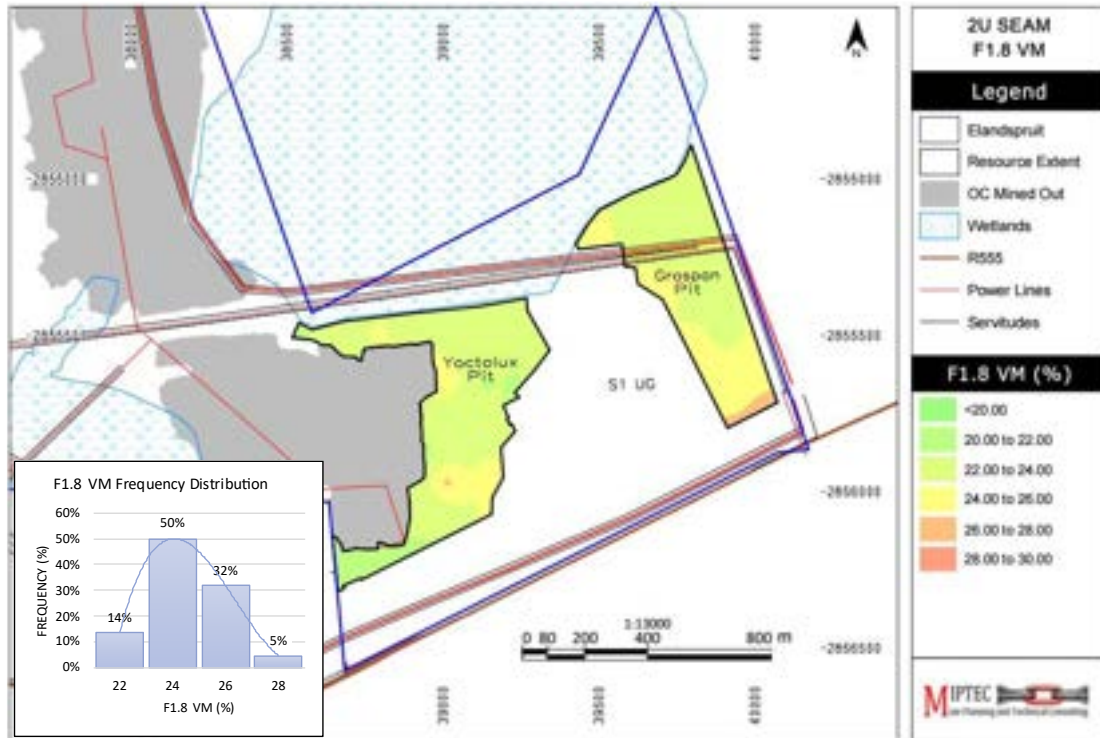


Figure 9-59. No. 2 Upper Seam F1.8 Volatile Matter Content Distribution

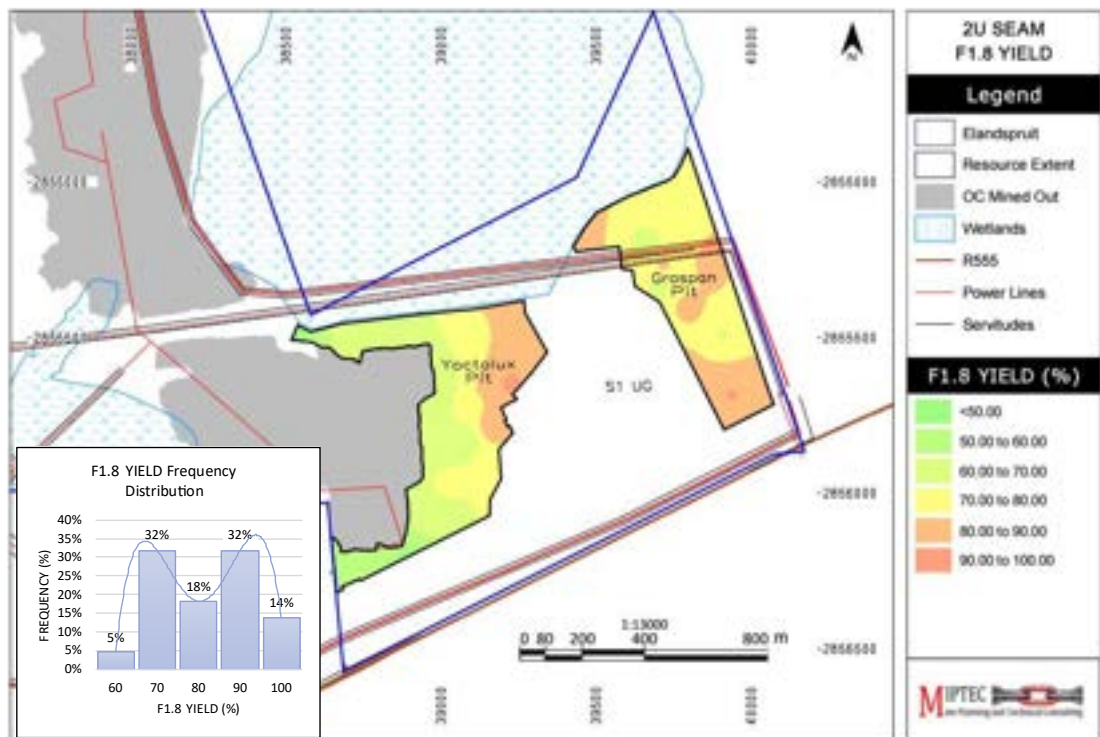


Figure 9-60. No. 2 Upper Seam F1.8 Yield

No. 4 Lower Seam

The S4L is on average a very good quality raw coal that does not require beneficiation. The raw ash content ranges from less than 16% to between 16 - 20% across the majority of the area (Figure 9-61). Of the data analysed, 45% had a raw ash content between 17 – 18%, averaging 17.7%. The raw CV is just over 25 MJ/kg across the resource extent (Figure 9-62) averaging 25.3 MJ/kg. The raw TS content of the S4L is generally between 0.4 – 0.8% (55% of the data), with some higher and lower values throughout (Figure 9-63). The raw VM content averages between 21 – 22% across both opencast areas (55% of the data), with a few isolated patches averaging between 20 – 21% (Figure 9-64). On a raw dry ash-free basis, the VM content of the S4L is greater than 25% throughout, with 91% of the data having a raw DAFV content greater than 26%.

Currently the S4L is not beneficiated and is sold on a raw basis.

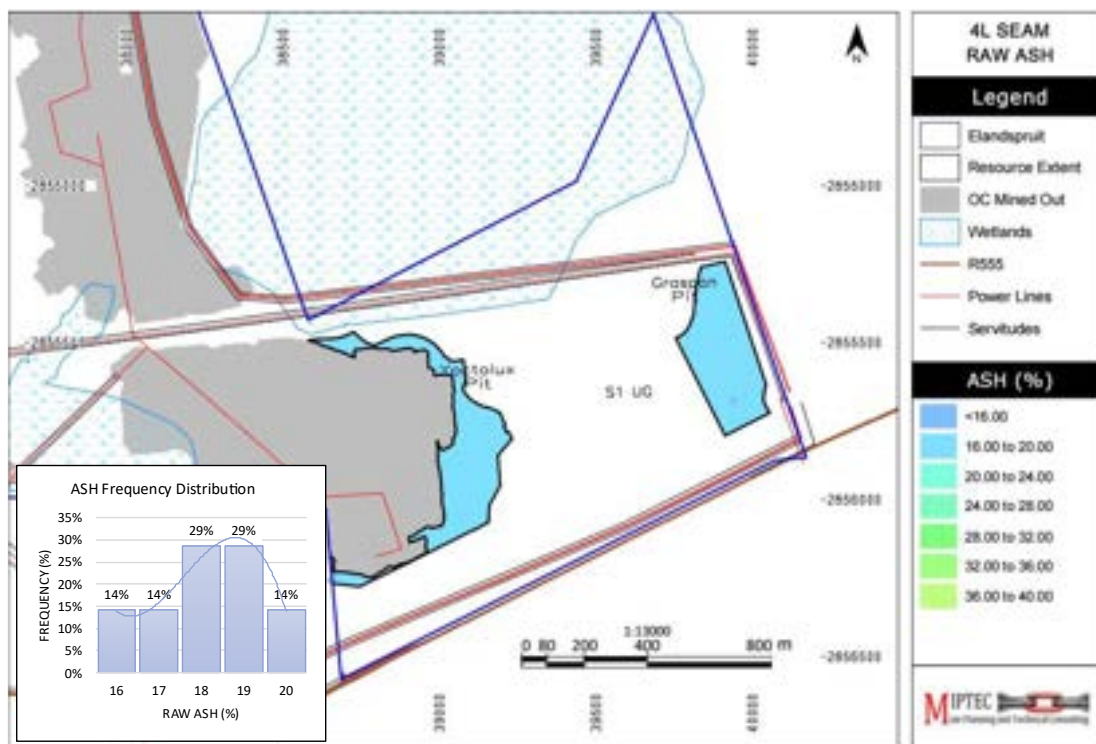


Figure 9-61. No. 4 Lower Coal Seam Raw Ash Content Distribution

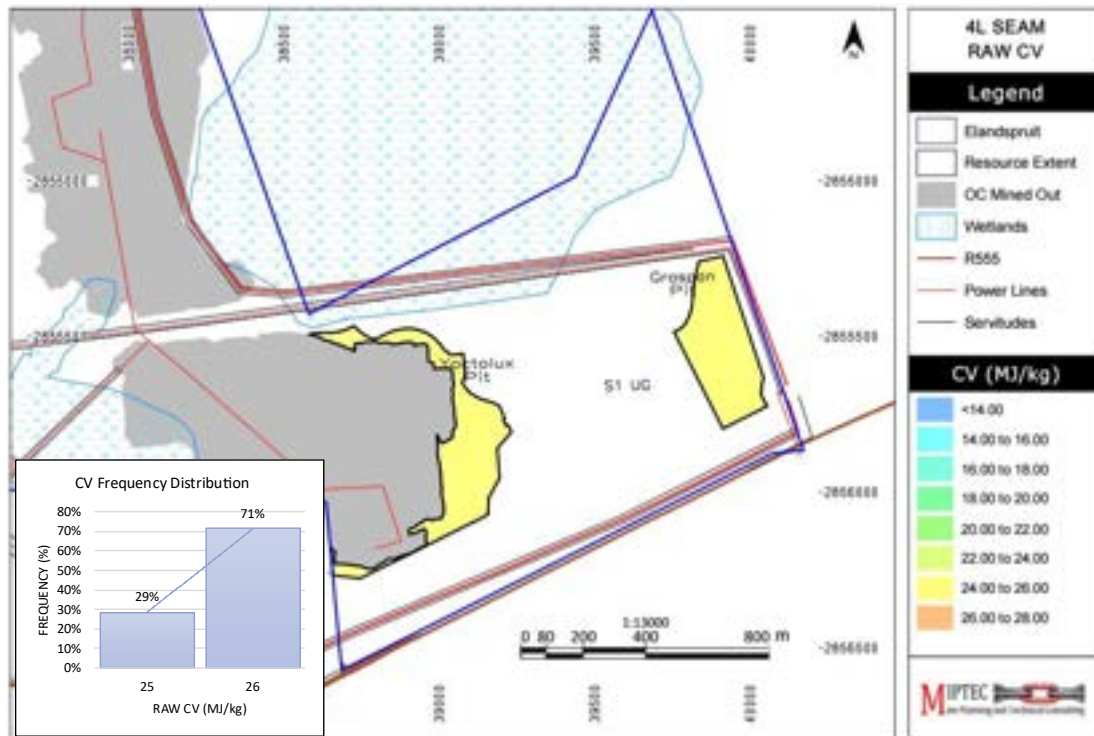


Figure 9-62. No. 4 Lower Coal Seam Raw Calorific Value Content Distribution

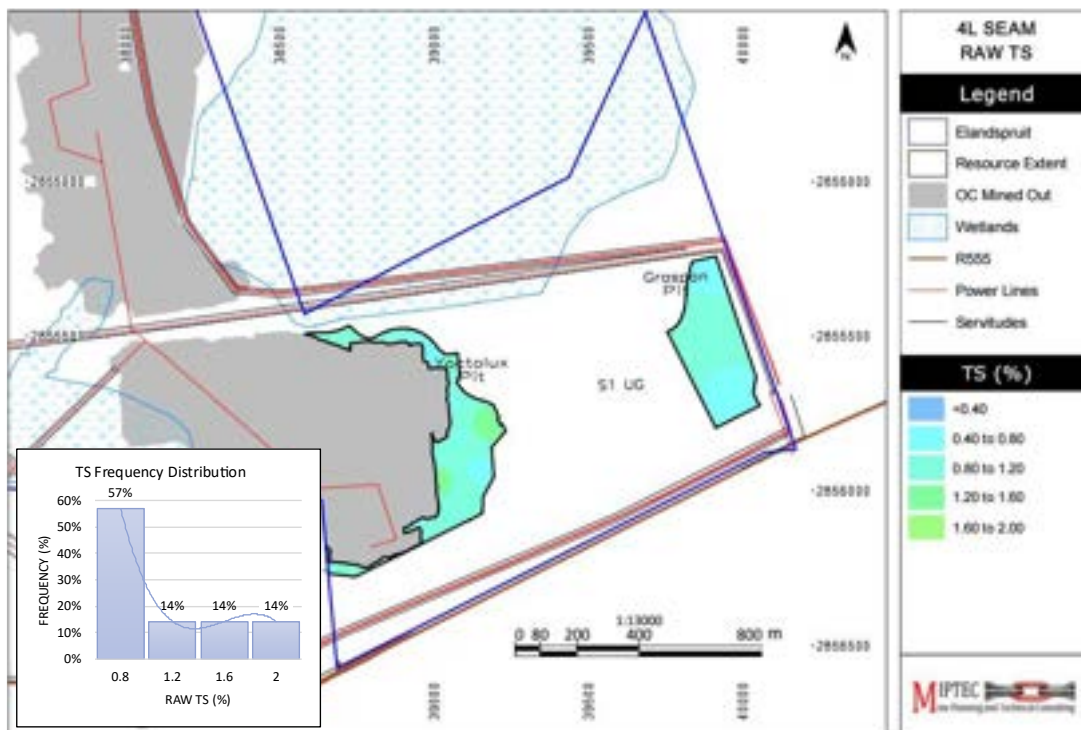


Figure 9-63. No. 4 Lower Coal Seam Raw Total Sulphur Content Distribution

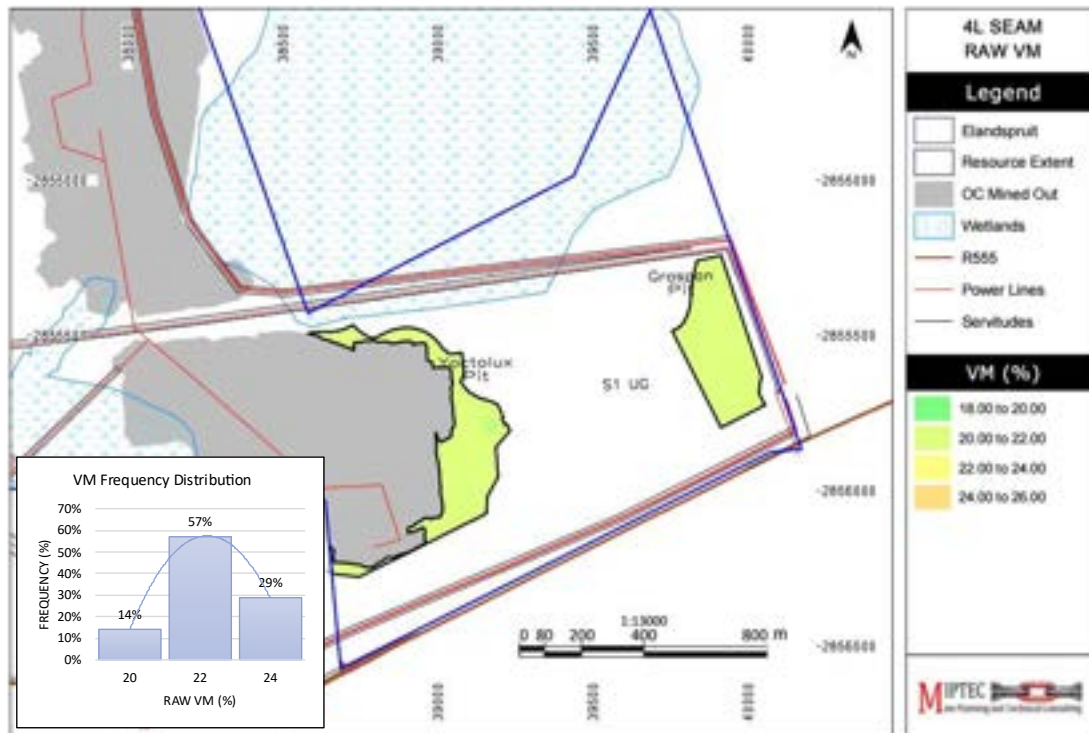


Figure 9-64. No. 4 Lower Coal Seam Raw Volatile Matter Content Distribution

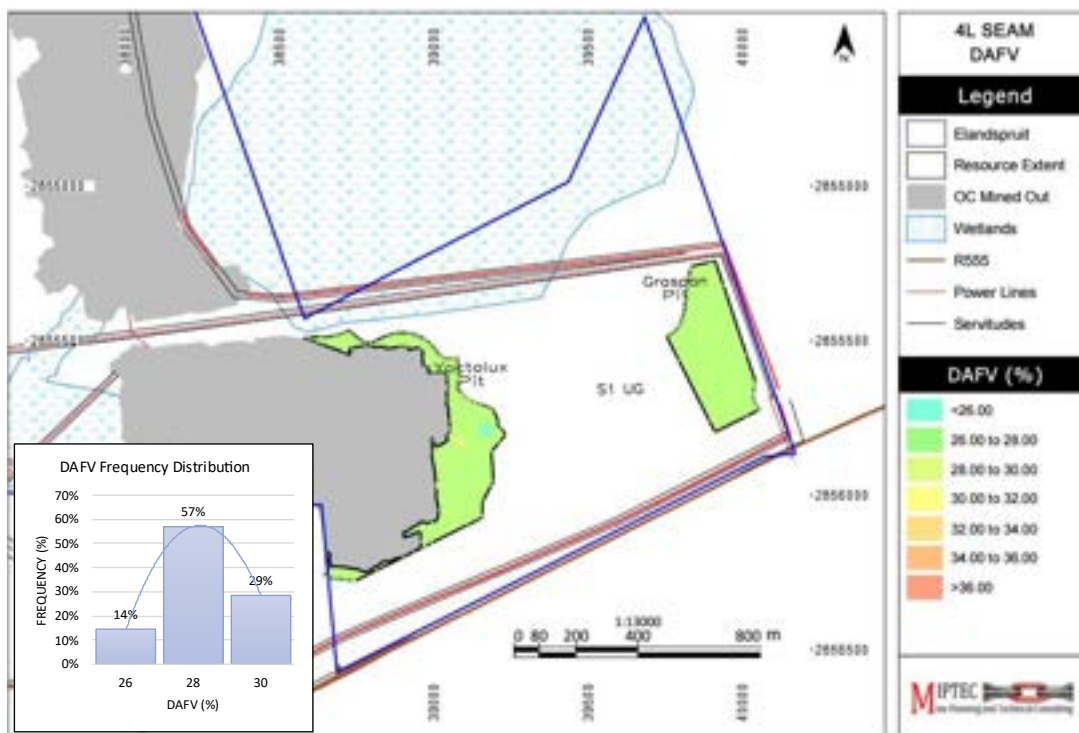


Figure 9-65. No. 4 Lower Coal Seam Raw Dry Ash Free Volatile Matter Distribution

9.18 Reasonable Prospects for Eventual Economic Extraction

[SR4.1(iv), SR4.2(ii) (iii) (iv), SR4.3, SR5.6(iii) (iv)]

Guidelines regarding the determination of Reasonable Prospects for Eventual Economic Extraction (**RPEEE**) are provided by both the SAMREC Code and SANS10320:2020. Table 1 of the SAMREC Code requires disclosure and discussion of the following items “which, in the opinion of the Competent Person, are likely to influence the prospect of economic extraction”. Briefly summarised, the factors/criteria used to determine whether a coal deposit can be economically mined and that a saleable raw or beneficiated product can be produced are discussed in Table 9-12.

Table 9-12: Factors for the Determination of Reasonable Prospects for Eventual Economic Extraction

Factor/Criteria	Issue	CP Comments
Legal	Tenure	All estimated coal resources are contained within the boundary of the Mining Right.
		The Mining Right expires in 2026. An extension will have to be timeously applied for to allow sufficient time to mine the estimated resources as detailed in this report and contained within the LOMP.
	Regulatory	All regulatory approvals are in place.
Environmental and Social Parameters	Regulatory	All regulatory approvals are in place. Wetlands and their buffers have been excluded where necessary and included where permission has been received.
Geological Parameters	Seam Thick	Minimum seam thickness > 0.5 m for OC, and 1.6 m for UG
	Strip Ratio	1:6 BCM:ROM Tonnes
	Coal Quality	Raw ash < 45 % & DAFV > 27.5% (Raw crush and screen)
Mining	Mining Method	Elandspruit is both an OC strip mining and underground operation
Infrastructure	Infrastructure	Infrastructure for Elandspruit is currently in place.
Marketing	Market	Currently there is no CSA with Eskom.
Economic Assumptions	Economic/Commercial	Elandspruit is currently under business rescue proceedings
Material Risks	Risks	The lack of a current CSA

It is important to note that, while the estimate of Coal Resources is based on the CP’s judgment that there are RPEEE, no assurance can be given that any or all the Coal Resources discussed in this document will eventually convert to Coal Reserves.

9.19 Data Spacing and Resource Category Classification

[SR4.4(i)]

Resource classification and reporting has been conducted in accordance with SANS10320:2020, the terms, definitions and guidelines of which have been used by the Company's geological consultants in assessing the status of classifiable Coal Resources.

Principally, the main criterion for classification is based on the number of drill holes intersecting a particular coal seam within a specified area. The confidence in projecting the coal quality across each seam is based on analysis from samples taken from the drill hole cores of the individual intersections. Classification was guided by the following:

- Drill hole density;
- Structural and coal quality continuity;
- Geological structure and its influence on mining; and
- Complexity of the geology.

Only valid Points of Observation (**PoO**) may be used to determine the resource classification categories. This is based on the number of cored drill holes that have appropriate quality data. In the case of Elandspruit, most of the coal is beneficiated prior to being sold to Eskom, and it is therefore necessary to classify these coal resources based on the availability of washed coal qualities. The S4L does not require washing and is sold on a raw crush and screen basis and may therefore be classified on the availability of raw coal qualities.

Coal Resource classification is based on cored drill hole density; for coal that is of the multiple seam coal deposit-type, the classification is as follows: Measured: eight cored drill holes per 100 ha (350 m x 350 m spacing), Indicated: four cored drill holes per 100 ha (500 m x 500 m spacing), Inferred: one cored drill hole per 100 ha (approximately 1 000 m x 1 000 m spacing). Table 9-13 details the drill hole density and resource classification for Elandspruit on a per seam basis.

Table 9-13. Drill Hole Density at Elandspruit

Mining Area	Seam	Area (Ha)	Number of PoO	PoO/100Ha	Classification
YOCTOLUX	S4L	9.68	7	72.31	Measured
	S2U	27.82	12	43.13	
	S2L	30.28	15	49.54	
	S1	34.17	16	46.82	
GRASPAN	S4L	8.61	3	34.84	Measured
	S2U	21.54	9	41.78	
	S2L	20.66	8	38.72	
	S1	17.68	8	45.26	
UNDERGROUND	S1	14.37	8	55.67	Measured

Figure 9-66 to Figure 9-69 below indicate the resource classification and resultants polygons used for the Coal resource estimation, based on the requirements as discussed above. All the Coal Resources at Elandspruit are in the Measured category.

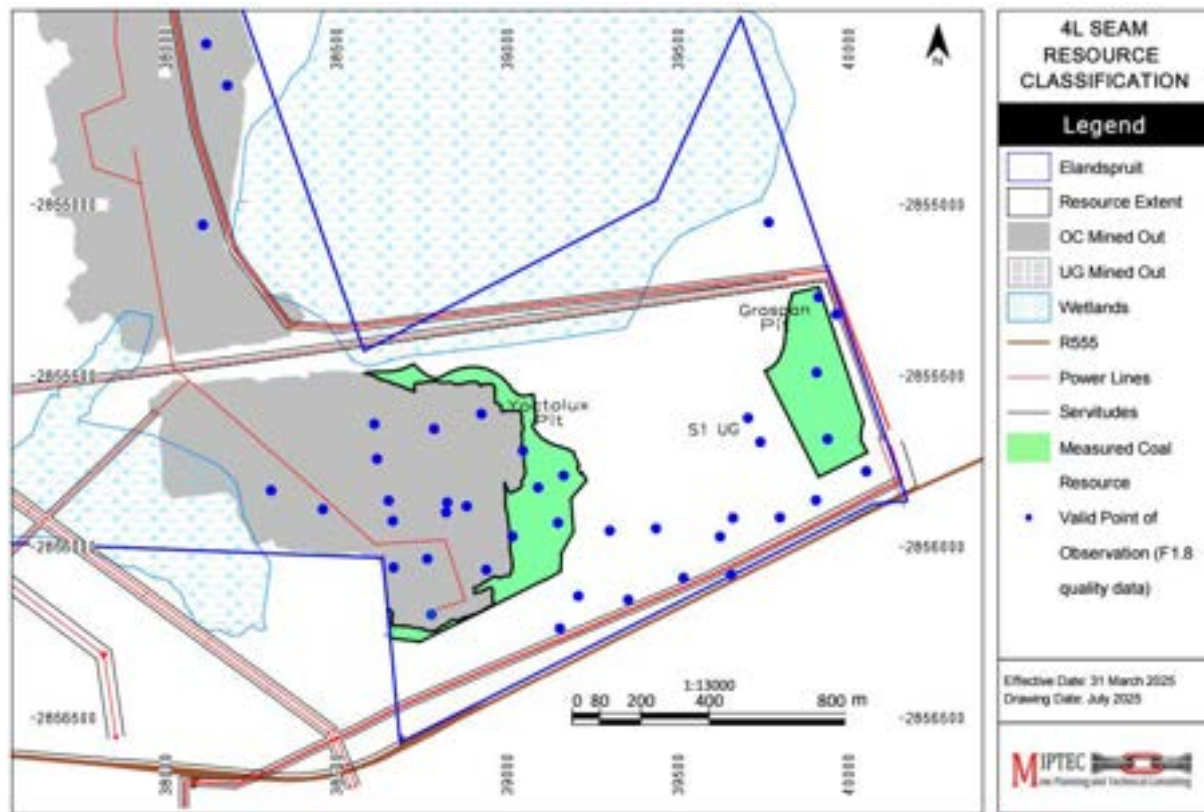


Figure 9-66. No. 4L Seam Resource Classification.

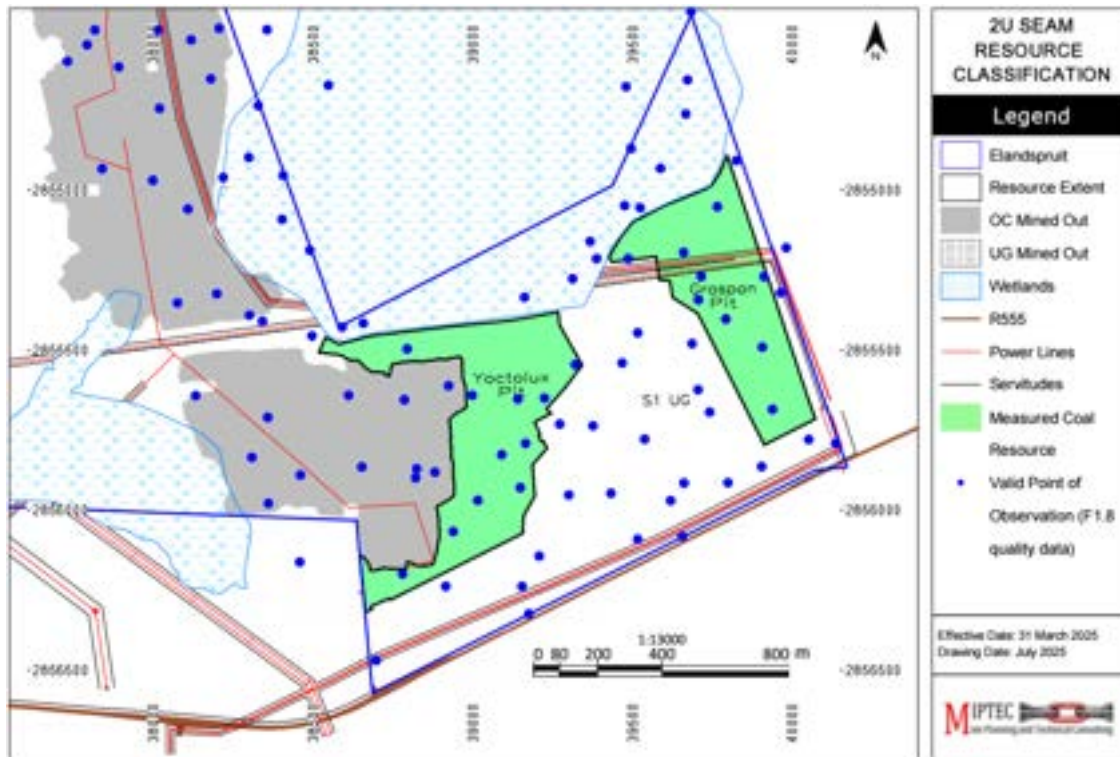


Figure 9-67. No. 2U Seam Resource Classification.

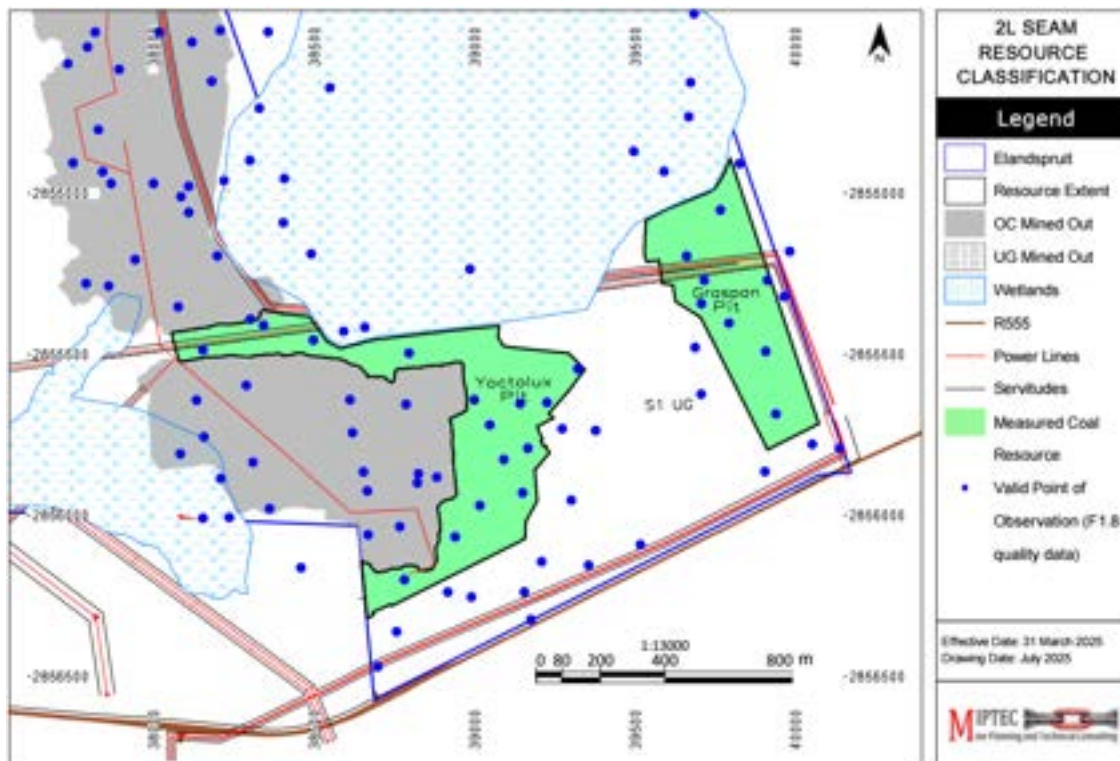


Figure 9-68. No. 2L Seam Resource Classification.

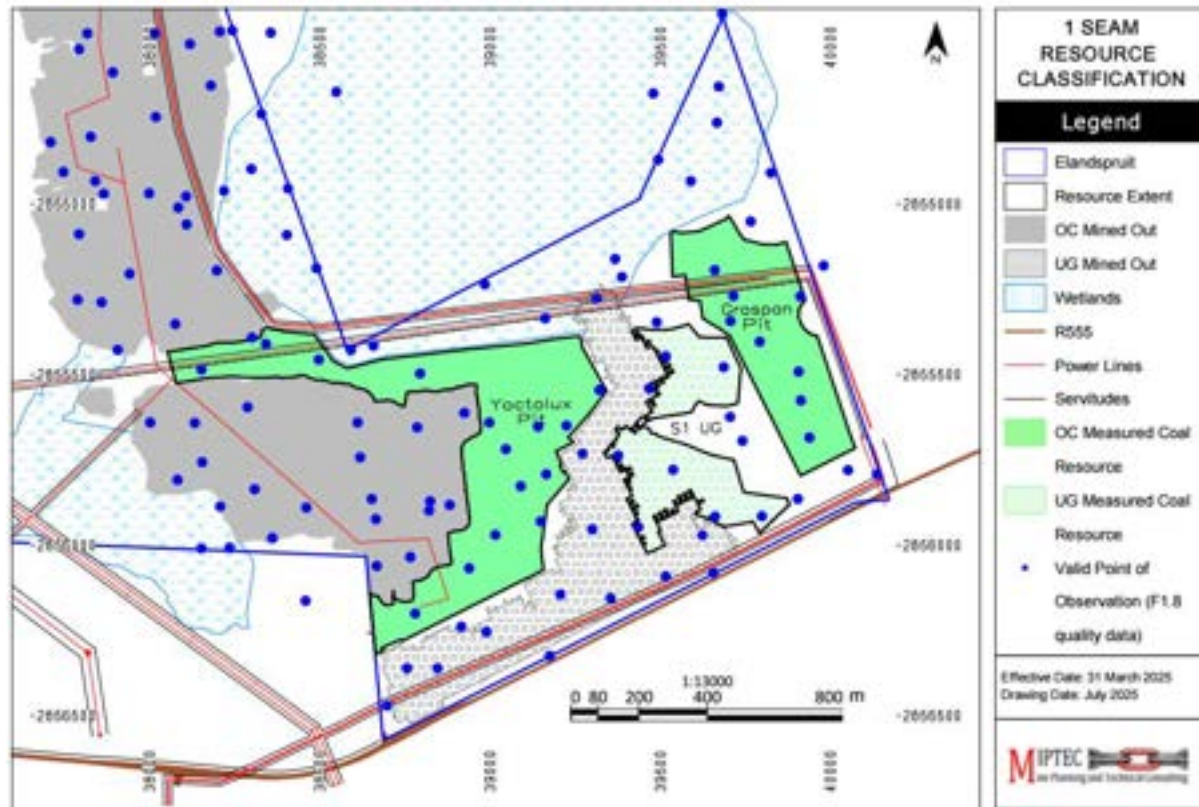


Figure 9-69. No. 1 Seam Resource Classification.

9.20 Reporting Definitions

The SAMREC Code (2016) requires that only the Mineable Tonnes In Situ (**MTIS**) Coal Resource estimate is publicly reported (Clause 55). Reporting definitions as extracted from SANS0320:2020 are summarised in Table 9-14 Table 7-23 and adhered to in this report.

Table 9-14: Summary of Reporting Definitions (SANS10320:2020)

Category	Definition
Mineable Tonnes In Situ (MTIS)	The tonnage and coal quality, at a specified moisture content, contained in the coal seam, or section of the coal seam, which is proposed to be mined, at the theoretical mining height, adjusted by the geological loss factors and de-rating factors for previous mining activities, with respect to a specific mining method and after the relevant minimum and maximum mineable thickness cut-offs, depth cut-off and relevant coal quality cut-off parameters have been applied. <i>NOTE 1 Mineable Tonnes In Situ (MTIS) Coal Resources are subdivided in order of increasing geoscientific knowledge and confidence into Inferred, Indicated or Measured Mineable Tonnes In Situ Coal Resource categories.</i> <i>NOTE 2 The geological loss factor is applied to the Gross Tonnes In Situ tonnage estimates and, therefore the impact of the geological loss is included in the Mineable Tonnes In Situ Coal Resource tonnage estimates.</i>
Measured Coal Resource	That part of a Coal Resource for which quantity, grade or quality, densities, shape, and physical characteristics are estimated with confidence sufficient to allow the application of modifying factors to support detailed mine planning and final evaluation of the economic viability of the deposit. <i>NOTE 1 Geological evidence is derived from detailed and reliable exploration, sampling and testing and is sufficient to confirm geological and grade or quality continuity between points of observation. A Measured Coal Resource has a higher level of confidence than that applying to either an Indicated Coal Resource or an Inferred Coal Resource. It may be converted to a Proved Coal Reserve or to a Probable Coal Reserve.</i> <i>NOTE 2 A Measured Coal Resource is defined by coal meeting the thickness cut-offs, depth cut-offs, and the relevant coal quality cut-offs, as defined by the competent person, which meets the criteria for reasonable prospects for eventual economic extraction.</i> <i>NOTE 3 Although a Measured Coal Resource has sufficient confidence to allow Coal Resource estimation and life of mine planning, it does not imply that further drilling and sampling would not be needed for optimization purposes prior to mining taking place.</i>
Indicated Coal Resource	That part of a Coal Resource for which quantity, grade or quality, densities, shape and physical characteristics are estimated with sufficient confidence to allow the application of modifying factors in sufficient detail to support mine planning and evaluation of the economic viability of the deposit. <i>NOTE 1 Geological evidence is derived from adequately detailed and reliable exploration, sampling and testing and is sufficient to assume geological and grade or quality continuity between points of observation. An Indicated Coal Resource has a lower level of confidence than that applying to a Measured Coal Resource and may only be converted to a Probable Coal Reserve.</i> <i>NOTE 2 An Indicated Coal Resource is defined by coal above the minimum thickness cut-off, depth cut-off, and the relevant coal quality cut-offs, as defined by the competent person, which meets the criteria for reasonable prospects for eventual economic extraction.</i> <i>NOTE 3 The level of confidence in an Indicated Coal Resource is usually sufficient to support a decision on whether a pre-feasibility study or feasibility study is warranted.</i>
Inferred Coal Resource	That part of a Coal Resource for which quantity and coal quality are estimated on the basis of limited geological evidence and sampling and shall not be converted to a Coal Reserve. <i>NOTE 1 Geological evidence is sufficient to imply but not verify geological and grade or quality continuity. An Inferred Coal Resource has a lower level of confidence than that applying to an Indicated Coal Resource. It is reasonably expected that the majority of Inferred Coal Resources could be upgraded to Indicated Coal Resources with continued exploration.</i> <i>NOTE 2 An Inferred Coal Resource is defined by coal above the minimum thickness cut-off, depth cut-off, and the relevant coal quality cut-offs, as defined by the Competent Person, which meets the criteria for reasonable prospects for eventual economic extraction.</i> <i>NOTE 3 The level of confidence in an Inferred Coal Resource is usually insufficient to justify a pre-feasibility study.</i>

9.21 Coal Resource Cut-off Parameters

[SR4.1(vi), SR4.2(i) (ii) (vi)]

The following cut-off parameters were applied when delineating the resource polygons and estimating the Coal Resources:

- Seam extent was constrained by:
 - The limit of weathering;
 - The mining right boundary and a 9 m pillar buffer; and
 - A 100 m wetland buffer.
- Quality cut-offs:
 - A DAFV cut-off of 27.5% was applied to all seams; and
 - A raw ash content <45% was used on the S4L and S2L (this cut-off was not applied to the S5, S2U or S4U or S1, as they will be washed).
- Physical seam parameters:
 - Coal seams less <0.5 m thick were excluded from the opencast Coal Resource Estimates; and
 - Within the underground area, a minimum mining height cut-off of 1.6 m was applied. No maximum mining height was applied, as all the coal within the underground area is less than 4.8 m in thickness.
- Mining parameters:
 - A maximum strip ratio of 1:6 BCM/ROM tonnes was applied.

9.22 Coal Resource Estimation

[JSE12.10(a)] [SR1.4(iii), SR4.1(iv), SR4.5(ii) (iv) (v) (vii), SR6.1(i), SR6.3(vi)] [SV1.9]

The Coal Resource estimates were conducted in accordance with the SAMREC Code, 2016 Edition, as well as SANS10320:2020.

The Coal Resource Estimate has been independently estimated and signed off by Ms. K. Black of KJB GeoServices, on behalf of Miptec, and is declared as at 31 March 2025. The Elandspruit Opencast Coal Resource Estimates comprise 6.46 Mt (MTIS) of Measured Coal Resources (Table 9-15) with raw and washed qualities as shown in Table 9-16 and

Table 9-17, respectively.

All Coal Resources are inclusive of the Coal Reserves.

Provision has been made for a geological loss factor (discount). Losses occur mainly as a result of intersection by dolerite dykes, small-scale faulting and other unforeseen geological losses. The geological discounts applied to the Measured Coal Resources are 10%.

Miptec is confident that the logging, sampling, data density and distribution, as discussed in the sections above, are suitable for the estimation of Coal Resources.

The Elandspruit Opencast Coal Resource estimates comprise 5.99 Mt Measured Coal Resources, and the Underground Resources comprise 0.47 Mt Measured Coal Resources, for a total Measured Coal Resource estimate of 76.46 Mt (MTIS).

Table 9-15. Elandspruit Coal Resource Estimate as at 31 March 2025

Resource Estimates 31 March 2025								
Resource Area	Mining Method	Resource Category	Seam	Block Area (Ha)	Coal Thick (m)	ARD (g/cm3)	Geo Loss (%)	MTIS (Mt)
YOCTOLUX	Opencast	Measured	S4L	9.68	1.65	1.47	10.00	0.21
			S3					
			S2U	27.82	1.94	1.66	10.00	0.81
			S2L	30.28	2.66	1.59	10.00	1.15
			S1	34.17	3.79	1.61	10.00	1.88
				101.95	2.99	1.61	10	4.05
GRASPAN	Opencast	Measured	S4L	8.61	1.77	1.46	10.00	0.20
			S3					
			S2U	21.54	1.82	1.58	10.00	0.56
			S2L	20.66	2.41	1.59	10.00	0.71
			S1	17.68	1.71	1.73	10.00	0.47
SUBTOTAL				68.49	2.00	1.61	10	1.94
OPENCAST TOTAL				170.44	2.67	1.61	10	5.99
UNDERGROUND	Underground	Measured	S1	14.37	2.18	1.66	10.00	0.47
SUBTOTAL				14.37	2.18	1.66	10.00	0.47
UNDERGROUND TOTAL				14.37	2.18	1.66	10.00	0.47
ELANDSPRUIT TOTAL				184.81	2.63	1.61	10	6.46

Note:

1. Minimum seam thickness cut-off of 0.5 m.
2. Ash Content <45% cut-off applied to S4L and S2L.
3. Dry ash-free basis (daf) >27.5% limit applied.
4. ARD – Apparent Relative Density.
5. Weighted average qualities estimated on MTIS. All seam thicknesses used are true thicknesses.
6. Coal Resources quoted on a MTIS adb basis in million tonnes.
7. Fresh coal only, and coal within Mining Right boundary.

Table 9-16. Elandspruit Raw Coal Qualities as at 31 March 2025

Resource Estimates 31 March 2025				Raw Coal Qualities (Air Dried, Uncontaminated)					
Resource Area	Mining Method	Resource Category	Seam	Ash (%)	CV (MJ/kg)	FC (%)	IM (%)	TS (%)	VM (%)
YOCTOLUX	Opencast	Measured	S4L	18.09	25.26	56.90	3.68	0.96	21.33
			S3						
			S2U	33.76	19.28	40.77	2.69	1.38	21.90
			S2L	28.35	21.77	30.14	2.88	0.87	20.66
			S1	30.22	21.37	45.10	2.52	0.95	22.19
				29.76	21.27	40.59	2.72	1.01	21.65
GRASPAN	Opencast	Measured	S4L	17.25	25.28	57.50	4.08	0.86	21.14
			S3						
			S2U	29.69	21.02	44.52	2.78	1.55	23.09
			S2L	26.84	22.24	48.74	2.71	1.02	21.80
			S1	41.12	17.74	34.80	1.92	0.63	22.17
SUBTOTAL				30.13	21.11	45.05	2.68	1.06	22.19
OPENCAST TOTAL				29.88	21.22	42.04	2.70	1.03	21.83
UNDERGROUND	Underground	Measured	S1	34.59	20.15	40.73	2.08	0.92	22.60
SUBTOTAL				34.59	20.15	40.73	2.08	0.92	22.60
UNDERGROUND TOTAL				34.59	20.15	40.73	2.08	0.92	22.60
ELANDSPRUIT TOTAL				30.22	21.14	41.94	2.66	1.02	21.88

Note:

1. Weighted average qualities estimated on MTIS.
2. CV - Calorific Value, VM – Volatile Matter content, FC - Fixed Carbon content, TS - Total Sulphur content, IM - Inherent Moisture content, DAFV – dry, ash-free Volatile Matter content, ARD – Apparent Relative Density.
3. Coal qualities reported on an air-dried basis (adb).

Table 9-17. Elandspruit F1.8 Coal Qualities as at 31 March 2025

Resource Estimates 31 March 2025				F1.8 Theoretical Coal Qualities (Air Dried, Uncontaminated)						
Resource Area	Mining Method	Resource Category	Seam	Yield (%)	Ash (%)	CV (MJ/kg)	FC (%)	IM (%)	TS (%)	VM (%)
YOCTOLUX	Opencast	Measured	S4L	95.97	16.35	26.01	58.30	3.73	0.49	21.66
			S3							
			S2U	65.33	23.72	23.45	50.44	3.00	0.50	22.79
			S2L	81.33	22.72	23.87	52.77	3.03	0.35	21.36
			S1	80.33	24.33	23.60	49.87	2.66	0.32	23.21
				78.44	23.34	23.77	51.25	2.89	0.37	22.52
GRASPAN	Opencast	Measured	S4L	97.37	16.50	25.55	58.48	4.05	0.45	20.99
			S3							
			S2U	78.19	23.44	23.69	49.86	2.70	0.58	24.13
			S2L	87.03	21.82	24.38	52.99	2.60	0.42	22.59
			S1	71.79	29.53	22.27	43.23	2.05	0.46	25.21
SUBTOTAL				81.86	23.61	23.79	50.29	2.65	0.48	23.50
OPENCAST TOTAL				79.55	23.42	23.78	50.94	2.81	0.41	22.84
UNDERGROUND	Underground	Measured	S1	77.18	24.89	24.03	48.02	2.22	0.39	25.11
SUBTOTAL				77.18	24.89	24.03	48.02	2.22	0.39	25.11
UNDERGROUND TOTAL				77.18	24.89	24.03	48.02	2.22	0.39	25.11
ELANDSPRUIT TOTAL				79.38	23.53	23.80	50.73	2.77	0.41	23.00

Note:

1. Weighted average qualities estimated on MTIS.
2. CV - Calorific Value, VM – Volatile Matter Content, FC - Fixed Carbon, TS - Total Sulphur, IM - Inherent Moisture, DAFV – dry, ash-free Volatile Matter Content, ARD – Apparent Relative Density.
3. Coal Qualities reported on an air-dried basis (adb).

9.23 Reconciliation with Previous Coal Resource Estimate

[SR1.4(iii), SR4.5(vi)] [SV1.6]

Table 9-18 compares the FY23 with the FY25 Coal Resource Estimates. The FY23 estimate was used for the reconciliation, as FY24 was a depletion year, whereby the tonnage estimates provided by the surveyors were used to deplete the Coal Resource estimate. Included below, are the calculated mined tonnages for both FY24 and FY25 based on survey face positions and estimated from the geological model. Also included in Table 9-18 is the loss of Coal Resources due to a change in the resource footprint of the underground and Graspan areas.

Table 9-18. Elandspruit comparison of Resource Estimates 2023 and 2025

Reconciliation Mar'23 to Mar'25 Estimates								
Coal Resource Estimate (ADB)	Mar' 23	Mar' 25	Variance	FY24 Mined	FY25 Mined	Change in Resource Area	Total Change in Resources	Unaccounted Loss/Gain (Mt)
	Mt	Mt	Mt					
Elandspruit Colliery Total	7.65	6.46	-1.20	-0.56	-0.34	-0.46	-1.36	0.16
Opencast Total	6.62	5.99	-0.63	-0.33	-0.09	-0.34	-0.76	0.13
4L Seam	0.50	0.41	-0.09	-0.03		-0.11	-0.14	0.05
3 Seam	-	-	-	-	-	-	-	-
2U Seam	1.55	1.36	-0.19	-0.06	-0.03	-0.10	-0.19	0.00
2L Seam	1.93	1.87	-0.07	-0.10	-0.06	-0.02	-0.18	0.11
1 Seam	2.63	2.35	-0.29	-0.14		-0.11	-0.25	-0.04
							0	
Underground Total	1.03	0.47	-0.57	-0.23	-0.25	-0.1	-0.6	0.0
1 Seam	1.03	0.47	-0.57	-0.23	-0.25	-0.12	-0.60	0.03

9.24 Geological Risks

The main geological risks at Elandspruit are associated with the area of S2L washout. There is always a concern of seams thinning and quality declining in the vicinity of a washout.

Table 9-19 Geological Risks Identified at Elandspruit.

TYPE OF RISK	RISK	MITIGATION	LEVEL OF RISK
Geological – S2L washout Area	Potential Impact on sustainable production, coal volumes and qualities.	Targeted drilling	Low/Medium

9.25 Mining

SR4.1(iii); SR4.3(i-ii); SR4.5(iii,v); SR5.1(i); SR5.2(i-ix)

Elandspruit plan to continue opencast operations whilst under Business Rescue. The current plan revolves around Masemanzi mining until January 2026 as per the agreement with Salungano and the Business Rescue Practitioners for Wescoal. Masemanzi plans to ramp up to 120 000 tons per month until December 2026, with the possibility to extend the agreement. This arrangement does not realise the potential economic benefit. The BRP's have indicated that one option is to wait on the Kusile RFP that Eskom indicated will open in the near future. This option is the most suitable for Elandspruit, with most of the ROM being able to be beneficiated through a crush and screen process only. The current valuation option is to continue with the Duvha RFP, commence with supplying Duvha and then request to switch to Kusile.

In terms of the mine plan, the LOM continued at a rate of 150 000 RoM tons per month. The Valuation provides a view on potential economic benefit.

9.25.1 Personnel

Over and above the Business Rescue team, the mine has full-time employees, covering the required legal requirements. These include mine manager, engineer, chief safety officer and safety officers. In addition, the mine has administrative personnel, mainly in health and safety, admin, HR and environmental departments. The staff on mine manage the various contractors responsible for mining, processing, security, cleaning, transport and discard management.

Salungano has shared resources that cover overarching responsibilities to the various operations.

9.25.2 Mining Method

Opencast

Opencast operations are based on typical truck and shovel methodologies with push over assist. This methodology was applied since the completion of the initial boxcut and access ramps in 2015. The pit layout is based on 100 m block lengths and 40 m wide strips to facilitate planning, execution and control. The strip width was reduced back to 40 m, after IPP increased to 50 m during their time of operation (pre- August 2023).

The remaining Elandspruit Coal Reserves at Yoctolux and Graspan have an average strip ratio of 1:3.9 and 1:4.25 BCM/RoM Tonnes respectively. The remaining pit shell for reserves was determined by the MR boundary, geological cut-offs, wetland buffer, mined out areas and economic strip ratios. The pit shell remained mostly the same as was utilised in the FY24 reporting, except for the depletion adjustment.

Elandspruit, in terms of pit configuration, is based on advanced softs and S4 stripping. The offsets status on benches, at the time of stoppage in August 2023, remained much the same as at the effective date. These offsets allow for easy production commencement and ramp up, as sufficient space for mining processes exist.

9.25.3 Rock Engineering

JSE12.10 (h)(vii); SR 3.1(i), SR4.1(ii), SR4.3(ii), SR5.2(ii)

Salungano has also appointed Tsebo as their independent rock engineering consultants for Elandspruit. They provide for a legal appointee responsible for the rock engineering function, inclusive of regular audits and update to the code

of practice that endeavours to combat rockfalls. Miptec has relied on Tsebo and their appointed representative to provide the required input with respect to the sections below.

As part of the site visit a visual review was conducted of the opencast pit at Elandspruit. The in-pit area is opened quite extensively, with several large waste dumps created. The current low-wall area was not fully backfilled; it appears that most of the material was placed on waste dumps, as opposed to being backfilled into the pit. The bench on softs and S4 seam was ahead of the S2 highwall. A portion of the pillar area supporting the Eskom Powerline was mined from both the north and southern side. This area supporting the Powerline seems stable. Contributing factors to the large open low-wall area appear to be due to leaving access to pit areas that remained due to higher strip ratios and protection of the underground access area next to the R555. With the underground stopped, the areas are available to be mined.

Tsebo provides a weekly pit inspection by a strata control officer and a monthly inspection by a qualified rock engineer that is also the legal appointed engineer. Both provide reports to management regarding both good practices observed, and hazards identified. The hazards are accompanied by mitigation indication, for the mine to execute on.

9.25.3.1 Mandatory Codes of Practice

The mandatory Code of Practice “CoP” to combat rockfall and slope stability related incidents was compiled by the Company as controlled documents, for both opencast and underground. It conforms to the DMRE guideline 7/4/118-AB4. This is mandatory in terms of sections 9(2) and 9(3) of the MHSA.

Miptec requested but did not have sight of the actual COP documents. Tsebo Mining representative is noted as the appointed person from a rock engineering perspective, he confirmed that the COP's are in place and that he has signed off on the COP's.

In addition, it was confirmed by Tsebo, that all COP's are in the process of being updated, following a finding by Miptec on the inspection of the Vangatfontein COP

9.25.3.2 Geological structures and Geotechnical Setting

A washout on the S2L seam corresponds to the underground S1 reserve areas that were identified as underground reserves due to the high opencast strip ratios in this area. The S1 underground reserves were largely depleted with most of the areas exceeding 2.2 m in height mined out, as at the effective date. The remaining UG areas are less than 2.2 m thick and decrease rapidly to 1.8 m in thickness. Economical opencast reserves were modeled and estimated on either side of this washout. Apart from the wash out, no other structures were intersected either with historical mining or exploration drilling for the remainder of the reserves.

9.25.3.3 Opencast Geotechnical Designs

Opencast operations are based on truck and shovel methodologies since the commencement of the opencast back in 2017 when the boxcut construction commenced in the north with the IPP pit. The pit widths were changed from 40 m to 50 m wide during the last mining operation, before the mine went into business rescue back in August 2023. In terms of the planning for future mining, the pit width was reduced back to 40 m to optimise the benefits from cast blasting and dozer pushover. The mining layout is further broken into mining blocks of 100 m length to facilitate planning and execution control.

The remaining pit shell for the Elandspruit OC pits, was determined based on economical strip ratio's and feasible coal qualities together with surface limiting factors such as Powerlines, Public roads, wetlands and the mining right boundary. The mined-out areas are defined by actual survey information and incorporated into the remaining pit shell design. The mine keeps the offset benches in place and only plans to reduce to minimum safe offsets for the final highwall. Final highwall and endwall designs will conform to a minimum of 10 m offset on the S4 floor elevation and another of 20 m on the softs floor horizon.

Identified risks relevant to slope stability is blast vibrations, blast engineers conduct blast simulations and effective designs to mitigate the effect of vibration on opencast slopes.

In addition, water is a risk, water management is conducted, clean water is diverted around the operating pit, water accumulations on the high walls are monitored and drained during rainy season.

9.25.3.4 Findings

Apart from the COP's being updated, Miptec during the pit visit, noted that the neighbouring mine has mined right up to the Elandspruit Mining Right boundary, to the north of the pan area. It seemed that no one was aware of this. There was no demarcation, no preventative berms on the high wall. This was an oversight on mine inspections, that was corrected.

9.25.3.5 Specific Risks

As indicated in the sections above, the risk related to the slope assessments and guidelines for stability highly depend on:

- Planning blasts to minimise effect of vibration damage to slopes;
- Water accumulations affecting the slope stability of softs and dumps;
- Managing highwall blast damage and relevant pit controls to mitigate risk;
- Update hazard plan with structure orientations; and

- Managing risk in terms of slope stability is an ongoing process, incidents are reviewed, and mitigation measures implemented. When applicable, the COP and associated procedures and standards were reviewed and updated.

9.25.4 Mine design

9.25.4.1 Resource Model

SR 5.2(iii),

The geological model utilised for the opencast mining model was constructed in Stratmodel™, updated in 2023 and again in 2024 with data from boreholes drilled in the underground sections. The relevant structure and quality grids, covering the full extent of the resource area, were provided to the mining engineer for mine modelling purposes. This geological model was the base for both the mining models and resource estimates.

9.25.4.2 Optimisation

No specific mine optimisation has been conducted. The mine has created sufficient pit space and access to the S1, S2 and S4 horizons, allowing the mine to ramp up, following the end of the current Masemanzi agreement.

9.25.4.3 Opencast footprint

SR 5.1(ii), SR 5.2(ii), SR 5.2(iv),

The opencast footprint is based on the delineation done during the FY23 reporting period. During this update, the offsets as determined by the Rock Engineer, were applied to determine both endwall, and final void configurations. This, with the limiting factors set by other surface structures, powerline (100m) and the defined wetland buffer zones were taken into consideration for the finalisation of the mining footprint. All reserves based on resource areas, within the geological cut-offs on quality and thickness based on economic parameters.

9.25.4.4 Seam cut off parameters

SR 5.1(ii),

The geological model quality and physical cut-offs are replicated in the mining model. Within the mining model the remainder of the modifying factors are applied based on reconciliation results.

In terms of physical and quality cut-offs on all seams, Table 9-20 summarises the parameters applied.

Table 9-20. Elandspruit model cut off parameters

SEAM	SEAM THICKNESS	RAW ASH	RAW DAFV
All Seams	0.5 m	50%	25%

9.25.4.5 Modifying Factors Coal Recovery

SR 5.1(ii),

For the calculation of RoM and coal recovery, Table 9-21 details the modifying factors applied to the model which was cut-off on the previous parameters.

Table 9-21. Elandspruit Modifying Factors Applied

SEAM	TOTAL LOSS	CONTAMINATION	SURFACE MOISTURE
All seams	18%	4%	4%

The following formulae summarise part of the logic in the estimation process:

GTIS = coal area * seam thickness * coal RD (conforming to seam cut off parameters)

TTIS = GTIS * geological loss factor (measured resource 10% geological loss)

MTIS = TTIS * mining loss factor (2%)

ROM (AD) = MTIS * (1+contamination) (Rom on an air-dried basis)

ROM (AR) = RoM (AD) * (1+ surface moisture) (Rom on an As Received basis)

“ROM (arb) = GTIS * (1- total loss%) * (1+ contamination%) * (1+ surface moisture %)”

The coal losses are converted back to waste volumes to allow for a representative strip ratio calculation and estimation.

The LOM mining model was constructed in the Runge software scheduling software. Geological gridded data were provided and the mining layouts constituting the full opencast mining footprint were updated with all relevant structural

and quality data through a reserving process. An extensive handshake between geology and the mining engineer confirmed the accuracy of information transfer. The mining model was updated on a mining process level, with a full quality model representing the intended Scenario 1, Eskom Kusile Power Station and Scenario 2, Eskom Duvha Power Station supply. The model was updated with the stated modifying factors to derive the RoM coal model on an as received basis. This was based on factors that were proven over the years through reconciliation to provide for accurate RoM estimations and mining RoM strip ratios.

The LOM model provides a monthly schedule for the remaining life of Elandspruit, with the detailed coal allocation and final product qualities for the two Eskom supply scenarios

9.25.5 Production History

SR1.4(iii); SR5.2(viii)

Opencast

Where survey information was available, it was used to compile the following opencast ROM historical profiles (Figure 9-70 Figure ES 11). Evident during peak steady state performance was the mines ability to product up to 300 000tpm. The decrease, to eventual nonproduction in 2023 is due to the company entering business rescue proceedings. The mine was on Care and Maintenance until January 2025, when Mazemanzi, under a Royalty model, commenced production

Underground

In terms of the underground data available, the specific start of mining cannot be identified due to a lack of available information, however survey information available indicates a commencement in March 2018 (Figure 9-71). There is a possible data loss or underground stoppage from September 2018 to July 2021, however no one at the mine could confirm this. Evident from August 2023, when the opencast was on Care and Maintenance, is that the underground was producing an average of 20 000tpm. The underground operations ceased in April 2025 as mining became uneconomic, due to thin seams and quality issues. There are currently no underground reserves remaining at Elandspruit.

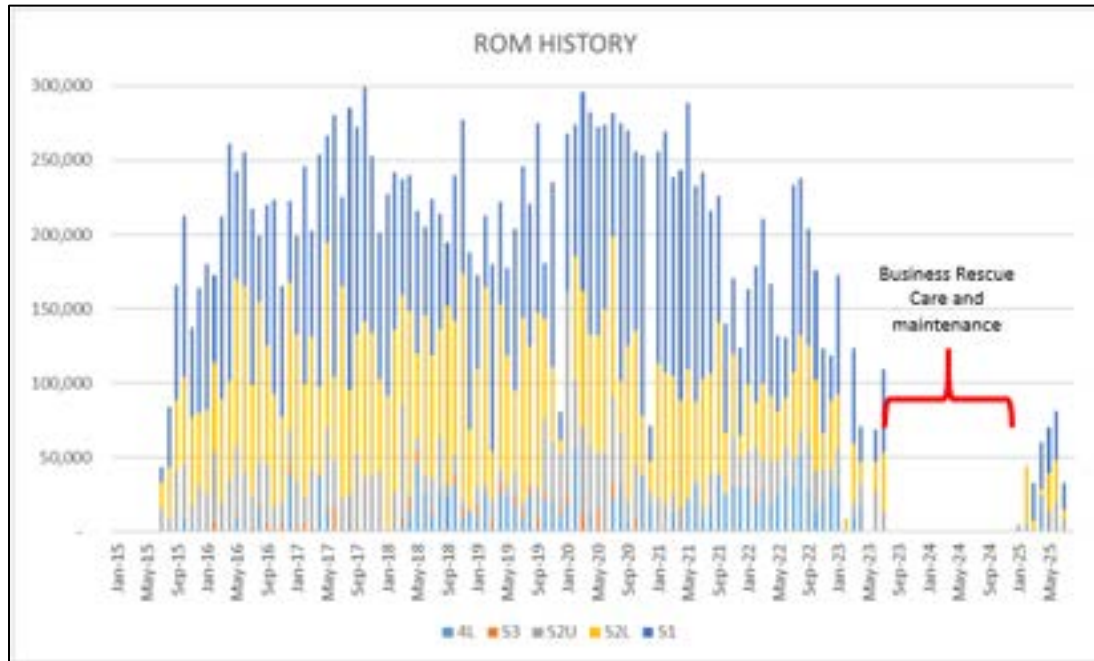


Figure 9-70. Elandspruit Opencast ROM History

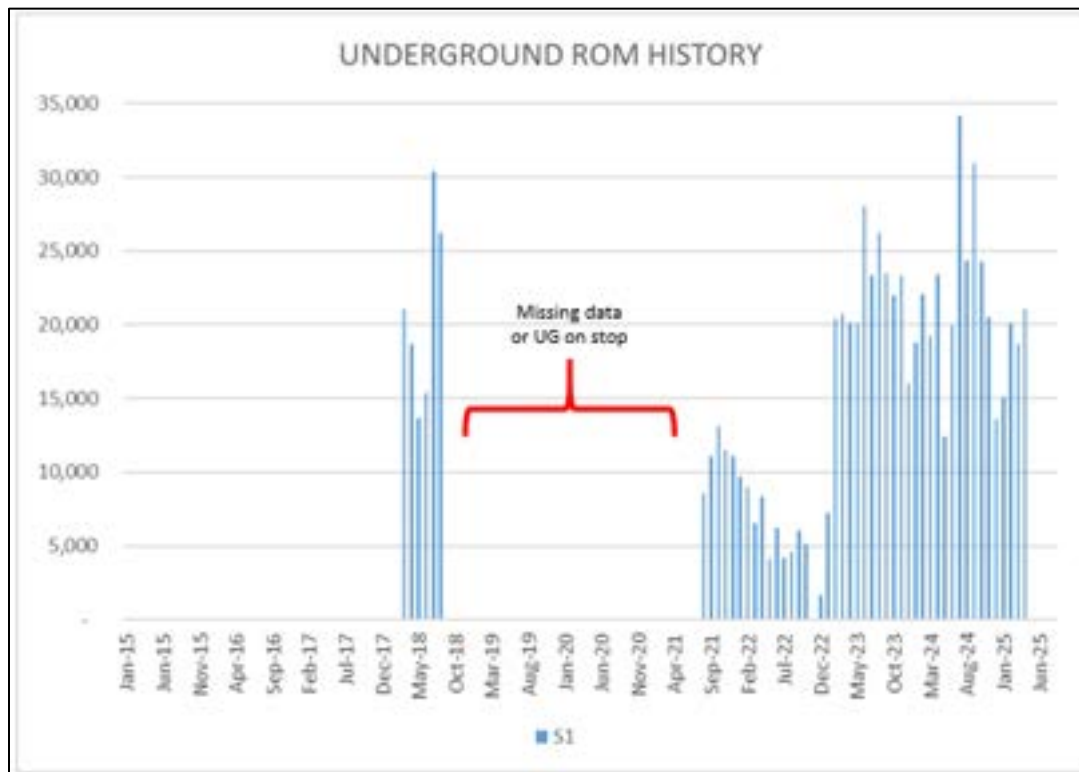


Figure 9-71. Elandspruit Underground ROM History

9.25.6 Future Production

Elandspruit Colliery operates as a contract mining operation for both opencast and underground mining. Underground production has ceased following the depletion of reserves suitable for the current market in terms of coal quality, as well as technical constraints related to seam thickness and the limitations of the existing mining equipment. Consequently, future operations at Elandspruit are focused exclusively on opencast mining.

In consultation with the BRPs for Wescoal, an agreement was reached with Masemanzi to commence opencast operations at Elandspruit for a limited period. Masemanzi began mining activities in late January 2025, with an initial production ramp-up target of 110,000 tpm with the aim to increase this to 130,000 tpm. During January 2025, Masemanzi achieved a production volume of 4,682 t, and the operation's peak monthly output was recorded in June 2025 at 81,439 t.

The current contract between Salungano and Masemanzi is valid until the end of December 2026, with the potential for extension subject to the finalisation of an alternative long-term operational strategy. Discussions with Eskom indicate that a CSA could be concluded by December 2025, provided that all required information is submitted in line with Eskom's RFP requirements. At present, Elandspruit does not have a clearly defined long-term operational plan, and the Masemanzi arrangement does not fully reflect the economic value that could be realised under a dedicated Eskom CSA.

The most economically optimal strategy for Elandspruit would involve securing a Kusile-specification CSA with Eskom. However, Salungano has to date participated in the Duvha RFP process to secure a CSA for the supply of coal to the Duvha Power Station. The proposed valuation scenario assumes initial participation in the Duvha RFP, with the possibility of later transitioning to the Kusile supply agreement when that opportunity becomes available.

An additional boxcut to access the Graspan pit is scheduled, with start-up planned for the 2027 financial year. This development is required to provide access to additional opencast coal reserves, thereby extending the operational life of Elandspruit Colliery.

The BRPs have also indicated that neighbouring operators have reportedly obtained, or are in the process of obtaining, approval to mine the pan and wetland area located to the north-east of the Elandspruit MR area. Should these approvals be granted, Elandspruit may be able to apply for the necessary authorisations to mine its corresponding portion of the wetland and associated buffer zones. This would enable access to additional coal measures within the MR boundary, thereby potentially enhancing the mine's resource base. The coal underlying the wetland area, however, would require further technical studies to confirm its quality, thickness, and continuity before it could be classified as a Coal Resource in accordance with reporting standards.

Life-of-Mine Assumptions:

- The main schedule is based on ramping up opencast production to 150,000 tpm ROM, with underground mining permanently closed.
- To minimise ROM transport, a mobile wash plant at site is preferred. For this, the mine would require:
 - An extension of the current WUL to include wash plant water use.
 - A waste licence to dispose of rising discard material into mining voids.
- Alternative coal processing options include toll washing at neighbouring or other identified plants. For Kusile CSA scenarios, small tonnages can be processed at Wescoal Processing.

Future Operational Plans:

- An additional boxcut to access the Graspan pit is scheduled, with start-up planned for FY27.
- Neighbouring operators, as communicated via BRPs, have reportedly obtained—or are close to obtaining—permission to mine the pan/wetland to the north-east of the Elandspruit MR area. If approved, Elandspruit could mine its side of the wetland and associated buffers, unlocking additional coal measures. The coal under the wetland would require additional studies to confirm whether it is of sufficient quality, thickness and continuity to classify it as a Coal Resource.

9.25.6.1 Colliery Organization

SR5.2(viii); ESG4.1

The mine has shared personnel, responsible for more than one of the Salungano operations. In addition, there are dedicated personnel for the Elandspruit operation. The mine has all the required legal appointments as required by the Mine Health and Safety Act (MHSA).

9.25.6.2 Mining Fleet and Machinery

SR5.2(viii);

Masemanzi has subcontracted C.O.M.S at Elandspruit to conduct opencast mining under contract to Salungano. C.O.M.S. has the following mining equipment on site.

- 5 x Excavators
- 4 x Dozers

- 8 x ADT
- 1 x Grader
- 1 x Diesel bowser
- 1 x Water Bowser
- 8 x LDV

The above equipment is employed for mining, and the agreement with BRP's is until January 2026. Following that, the updated plan for business rescue is to be implemented, which includes ramping up production and thereby increasing the mining equipment fleet.



Figure 9-72. Elandspruit mining contractor organogram

9.25.6.3 Mine scheduling

Figure 9-73 shows the RoM split on a seam basis; monthly RoM varies between 120 000 to 150 000 tpm. The schedule is contractor based, where the equipment capacity is eventually driven by the required sales commitment, as per the CSA with Eskom.

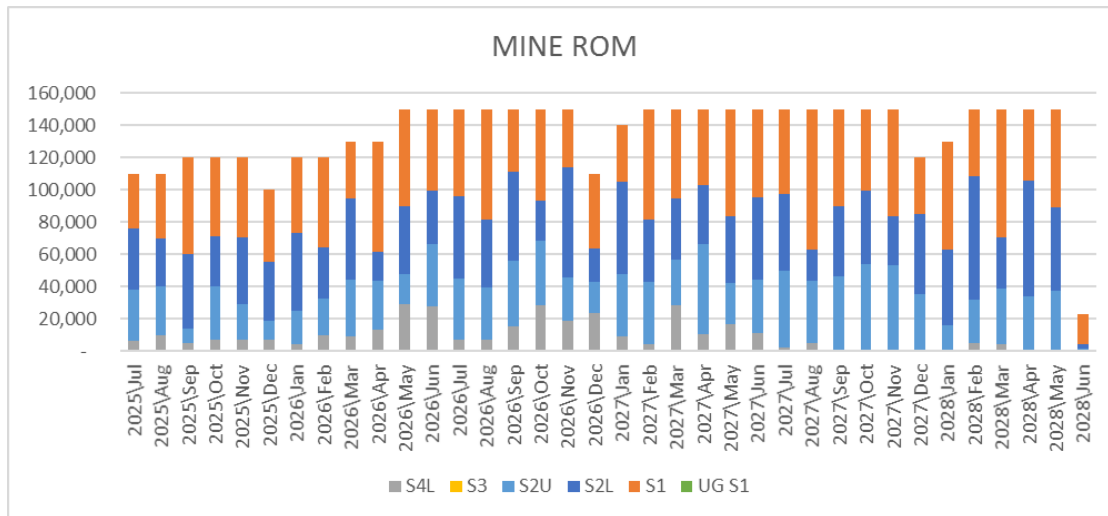


Figure 9-73. Elandspruit LOM RoM Breakdown

The LOM model models the Duvha and Kusile Power Station qualities through the crush and screen plant at Elandspruit and the wash plant. This plant, as indicated, could be the Wescoal processing plant, with a rather large penalty on material transport over the 18 km distance, or a plant option closer to Elandspruit.

The main drivers in the quality model are based on achieving all quality parameters. The modelled quality can still be influenced by diligent RoM stockpile management. The CV, ASH and TS quality indicators were achieved, with some of the parameters quite close to the Power Station indicator values. The wash feed as indicated in Figure 9-74 varies between 50 000 t to 100 000 t plant feed per month to achieve the Duvha Specification. For the Kusile option, only the abrasiveness requires monitoring, as all other quality parameters can be achieved on a crush and screen blend basis.

Two Products were simulated, the first being the current Duvha option which Salungano is pursuing under the Duvha RFP and is in the final stages of being concluded by Eskom, and secondly a Kusile option that the business rescue team feel can leverage more value and confirmed in a high level valuation. This option would require waiting on the Kusile RFP to be opened up by Eskom or commencing with the Duvha supply and the switching over to Kusile.

Figure 9-74 shows the Duvha option, for this option; the plant capacity must cater for 50 000t to 100 000 t plant feed per month. The product is yielded (70% to 88%), with the additional cost of transport, beneficiation and discard handling. In this option, all coal seams are utilised for either raw or wash feed.

Figure 9-75 shows the Kusile option. The Kusile specification is considerably lower than that for Duvha, allowing for the S4 to be reserved for export or similar markets, and the remainder of the coal to be crushed, screened and blended to a final product. In this option, the product is not yielded, 100%, and the cost of processing is related to crushing and screening only. In addition, no discard handling is required.

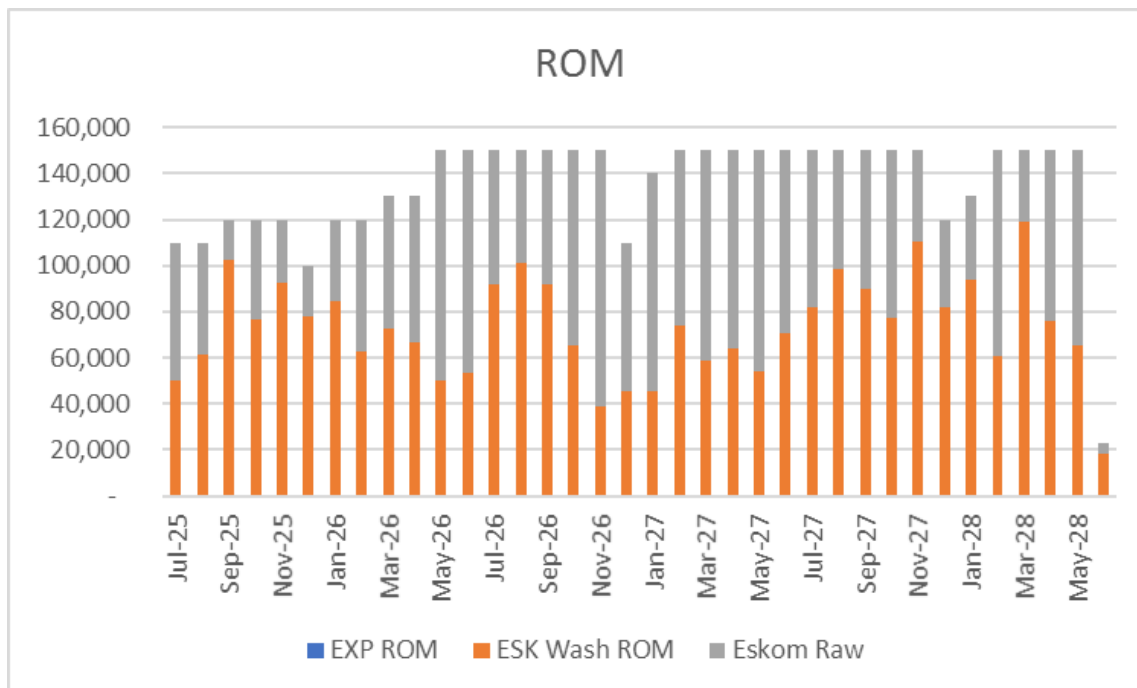


Figure 9-74. Elandspruit ROM split between raw and wash feed – Duvha supply option

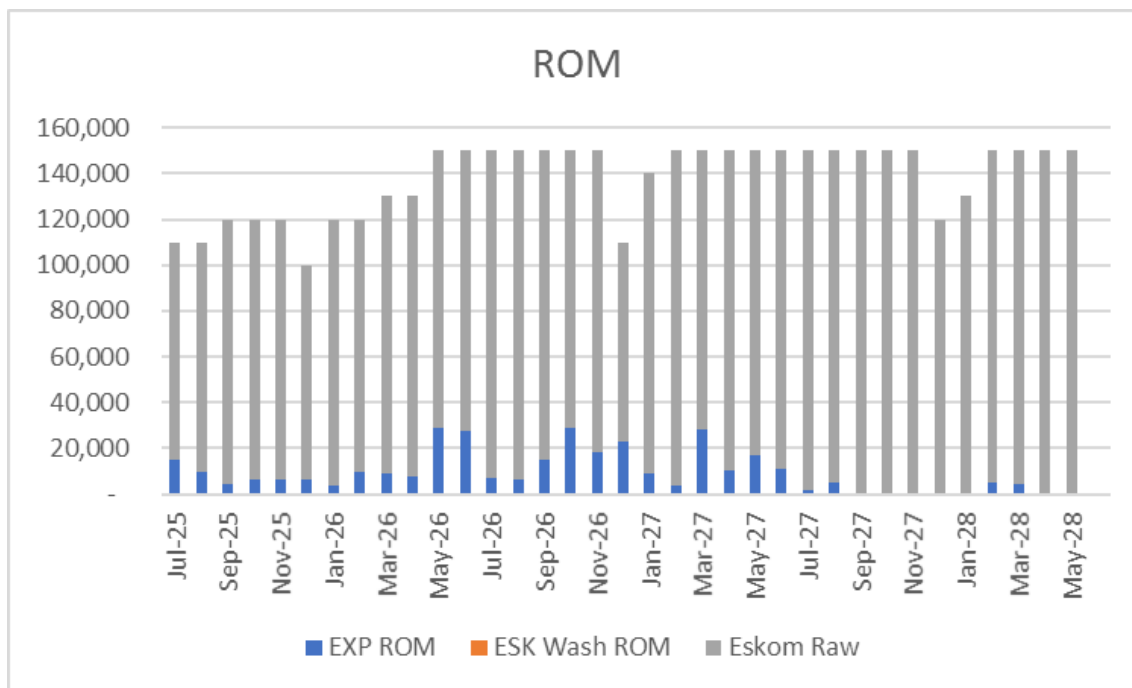


Figure 9-75. Elandspruit ROM split between Raw and Wash feed - Kusile option

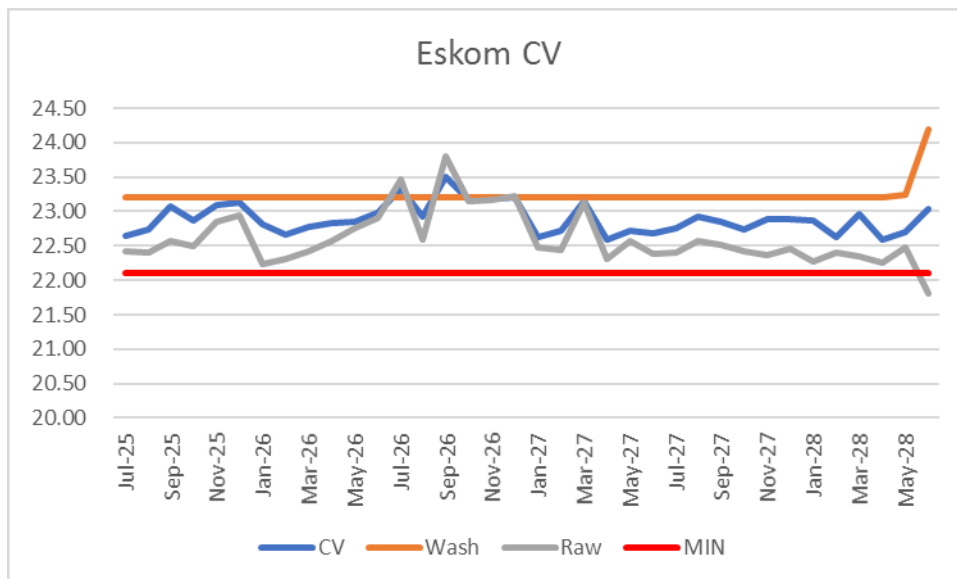


Figure 9-76. Option1 Product CV - Duvha supply

Figure 9-76 above shows the CV of the Duvha Supply, the minimum CV as indicated in red, is 22.2 MJ/kg; the blue line is the average product CV, consistently above the minimum.

Figure 9-77 details the Kusile supply option; the raw product CV is consistently above the minimum stipulated 18.8 MJ/kg.

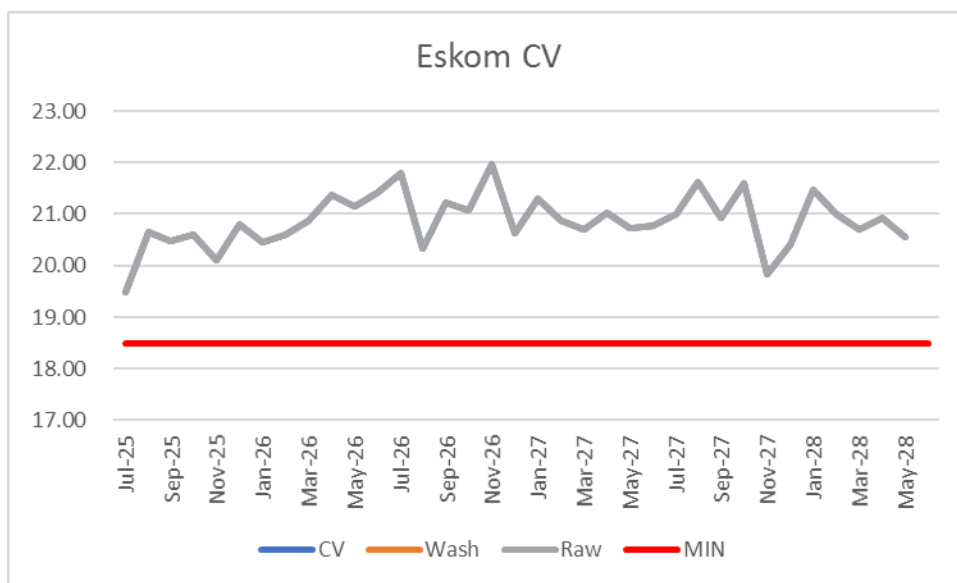


Figure 9-77. Option2 Product CV - Kusile supply

Figure 9-78 illustrates the LOM annual progress in quarterly intervals for each financial year. The schedule from October 2027 focusses on the area affected by the move or decommissioning of the Eskom powerline that traverses the area in an east-west orientation.



Figure 9-78. Elandspruit LOM 1 Seam Progress Plan

9.25.7 Risks to Mining and Future Production

Opencast

The risks identified for the opencast at Elandspruit are summarised in Table 9-22.

Table 9-22 Elandspruit Opencast Risks

TYPE OF RISK	RISK	MITIGATION	LEVEL OF RISK
Mining	Mining close to the S2L washout. Potential thin seams and poor quality.	Drill in the area of the washout in order to more accurately define its extent.	Low
No current CSA	Operation continues at a very suboptimal return potential	Pursue an off-taking agreement and conditions with Eskom to conclude a contract	High
Concurrent rehabilitation	Availability of plans and funds	Implement effective concurrent rehabilitation practices. Draft an optimised closure plan for dumps and voids. Identify closure items that can be optimised, including possibility to complete as part of concurrent mining operation	High

9.25.8 Costs

SR4.3(vii); SR5.6(iii,iv,vi,ix); SR5.8(i-iv)

Opencast

9.25.8.1 Operating Cost

The mine currently operates where the mining contractor under agreement pays the Fixed operating cost of the mine. This amounts to R3 million a monthly basis.

9.25.8.2 Capital Cost

No capital cost was provided for, under business rescue, there are no funds to allocate to capital items of the plan.

9.26 Coal Processing

SR1.1 (ii); SR4.3(vii); SR5.6(iii,iv,vi,ix); SR5.8(i-iv)

Wescoal own a CHPP some 18 km from the current Elandspruit operation. It is a dense medium plant, capable of processing on average 280 000 ROM per month. Wescoal purchased this plant from Muhanga, which is situated on the old Muhanga owned OpGoedenhoop operation. The CHPP has an existing approved discard dump, with a design capacity, which has since been exceeded; resulting in a contravention of the waste disposal licence conditions. As such, Muhanga, who still own the original liability, intervened, resulting in discard placement being stopped at the processing plant area. This has resulted in a requirement that all resulting discards be removed by the mine, thereby attracting additional logistic costs. This increase logistical cost renders the Wescoal CHPP uneconomical for use by Elandspruit, and therefore an alternative processing facility will have to be sourced closer to the mine site. Wescoal endeavoured to obtain the required licences to construct a processing facility at site, however, they have not been successful to date.

Currently the Wescoal CHPP has commenced operation, on a toll washing basis for various clients.

9.26.1 Costs

SR4.3(vii); SR5.6(iii,iv,vi,ix); SR5.8(i-iv)

9.26.2 Operating Cost

The current overheads for the plant is covered under the R3 million overhead fee charged to Masemanzi.

9.26.3 Capital Cost

SR4.1(iii); SR4.3(vi); SR5.6(i-iv)

The mine currently functions with opportunistic markets, mainly covering costs, and in addition, Salungano has made available rectification opportunities to the Neosho, Moabsvelden Kusile CSA; this is a limited opportunity. Salungano has made a submission on the Eskom Duvha Power Station RFP to supply coal, on behalf of Elandspruit Colliery. This process has progressed to final submissions and decisions stages. Eskom representatives have indicated that Eskom will take the risk to contract with Elandspruit under business rescue, in addition Eskom provided a timing estimate of December 2025 in terms of contract awarding, on the basis that all required information be provided to the fuel sourcing team.

The business rescue team are aware that a Duvha supply agreement does not realise the full economic potential of Elandspruit. Eskom has indicated that the Kusile RFP will be released soon. This seems to be the option that the business practitioners will follow.

Elandspruit has a total of approximately 5 Mt of Coal Reserves, this will be depleted by Masemanzi as part of the current agreement with the BRP's and Salungano. Current schedules, including Masemanzi could produce 3.8 Mt of saleable coal to Duvha. In terms of a Kusile agreement, the mine can produce 4.8 Mt of saleable product.

9.27 Historical Coal Reserve estimates

SR1.4(iii);

Table 9-23 shows the historical Coal Reserve Estimates for Elandspruit from FY20 to current FY25. In general, the mine showed gains year on year. Through the years slight adjustments were done to the mining footprint, with some minor adjustment resulting from geological model updates. The underground had a significant update where thin seams were removed from reserves.

Table 9-23. Elandspruit Historical Reserve Estimates

ELANDSPRUIT RESERVE HISTORY								
DATE	MTIS (AD) Mt	ROM (AR) Mt	SALEABLE (AR) Mt	YIELD (%)	CV (Mt/kg) AD	ASH (%) AD	VOL (%) AD	TS (%) AD
OPENCAST								
FY2020	11.90	12.87	10.08	78%	23.03	25.15	22.59	0.86
FY2021	9.56	10.34	8.02	78%	23.05	25.15	22.72	0.88
FY2022	7.22	7.81	5.95	76%	22.96	25.47	22.83	0.84
FY2023	5.55	6.00	4.50	75%	23.09	25.59	23.05	0.70
FY2024	5.31	5.75	4.31	75%	23.09	25.59	23.05	0.70
FY2025	4.75	5.13	3.69	72%	23.39	25.59	23.05	0.70
UNDERGROUND								
FY2020	1.10	1.19	0.87	73%	23.38	25.87	24.13	0.57
FY2021	1.10	1.19	0.87	73%	23.38	25.87	24.13	0.57
FY2022	1.03	1.11	0.81	73%	23.38	25.87	24.13	0.57
FY2023	0.48	0.52	0.39	76%	22.95	26.60	23.12	0.53
FY2024	0.23	0.25	0.19	76%	22.95	26.60	23.12	0.53
FY2025								

9.28 Previous Coal Reserve Estimate (31 March 2024)

SR1.4(i-ii); SR5.6(V); 6.1(iii); SR6.2(i); SR6.3(i-iii); JSE12.10(h)(ix)

Table 9-24 summarises the previous Coal Reserve Estimate for Elandspruit, with an effective date of 31 March 2024.

This update was based on a depletion approach, a geological model that had not changed from the previous FY23 and a mining model with the same mining footprint and modifying factors as was applied for the previous FY23 estimate, only adjusted for depletion.

Table 9-24. Elandspruit Previous Coal Reserve Estimate - 31 March 2024

ELANDSPRUIT RESERVE ESTIMATE 31 Mar 2024 (100% Wescoal attributable)								20 MJ/kg and 20 % vol, Seam 1 and 2L max 26% Ash)			
PROJECT	RESERVE CATEGORY	SEAM	RESERVE BLOCK	MTIS (AD) Mt	ROM (AR) Mt	SALEABLE (AR) Mt	YIELD (%)	CV (MJ/kg) (AD)	ASH (%) (AD)	VOL (%) (AD)	TS (%) (AD)
ELANDSPRUIT OPENCAST	PROVEN	S4L	Pit2	-	-	-	98%	-	-	-	-
			Powerline	-	-	-	98%	-	-	-	-
			Yoc. E	0.14	0.16	0.15	98%	25.52	17.20	22.93	1.18
			GrasP	0.20	0.22	0.22	98%	27.31	15.11	30.34	1.93
		TOTAL 4L Seam		0.35	0.38	0.37	98%	26.52	16.03	27.07	1.60
		S2U	Pit2	0.03	0.03	0.02	55%	22.70	25.29	20.81	0.24
			Powerline	-	-	-	0%	-	-	-	-
			Yoc. E	0.71	0.77	0.50	65%	22.70	26.25	22.58	0.65
			GrasP	0.42	0.45	0.37	82%	22.70	26.82	22.38	0.90
		TOTAL 2U Seam		1.16	1.25	0.89	71%	22.70	26.46	22.47	0.74
		S2L	Pit2	0.04	0.05	0.04	73%	22.55	26.32	20.78	0.56
			Powerline	0.19	0.20	0.16	80%	22.55	26.34	20.94	0.58
			Yoc. E	0.90	0.98	0.77	78%	22.55	26.18	21.42	0.65
			GrasP	0.47	0.51	0.29	57%	22.55	29.04	26.08	0.53
		TOTAL 2L Seam		1.61	1.74	1.25	72%	22.55	26.84	22.38	0.61
		S1	Pit2	0.04	0.05	0.04	75%	22.95	25.51	23.51	0.87
			Powerline	0.29	0.31	0.25	79%	22.95	25.46	22.17	0.69
Yoc. E	1.45		1.57	1.18	75%	22.95	26.15	22.59	0.52		
GrasP	0.41		0.45	0.33	75%	22.95	27.35	25.01	0.57		
TOTAL 1 Seam		2.20	2.38	1.80	76%	22.95	26.26	22.98	0.56		
TOTAL PROVED		5.31	5.75	4.31	75%	23.09	25.59	23.05	0.70		
TOTAL / AVG ELANDSPRUIT OPENCAST				5.31	5.75	4.31	75%	23.09	25.59	23.05	0.70
	PROBABLE	1 Seam	Primary Mining	0.23	0.25	0.19	76%	22.95	26.60	23.12	0.53
			TOTAL / AVG ELANDSPRUIT UNDERGROUND		0.23	0.25	0.19	76%	22.95	26.60	23.12
TOTAL /AVG ELANDSPRUIT COLLIERY RESERVES				5.55	6.00	4.50	75%	23.08	25.67	23.06	0.69

9.29 Current Coal Reserve Estimate (31 March 2025)

SR5.1(i); SR5.2(ii-iv); SR5.6(V); SR6.1(i-ii); SR6.2(i); SR6.3(i,iii,v,vi); SR10.6(i-ii); SV1.9; JSE12.10(h)(ix)

9.29.1 Coal Reserve Classification

For the classification of the Coal Reserves, the measured Coal Resource was used as a guide, together with the historical statistics in mining of the opencast. All seams and full remaining reserve were classified in the Proven Category.

9.29.2 Coal Reserve Estimate

SR5.1(i);SR5.2(ii-iv); SR5.6(V); SR6.1(i-ii); SR6.2(i); SR6.3(i,iii,v,vi); SR10.6(i-ii); SV1.9; JSE12.10(h)(ix)

The Coal Reserve Estimate has been independently Estimated and signed-off by Mr L. Raaths of Miptec. The Coal Reserve Estimate is declared as at 31 March 2025.

The Coal Reserves for Elandspruit as at 31 March 2025 are summarised in Table 9-25 below.

This Coal Reserve Estimate update is based on a geological model updated during FY24, where additional holes were drilled in the UG area to understand changes in the S1 seam thickness and quality. Similar coal cut-offs were applied in the mining model as was applied in the geological model to simulate/replicate the resource estimation.

The ROM estimated below is mined to the ROM stockpiles, from where it is trucked to market destinations. The saleable estimation is based on providing to the Duvha Power Station market.

Table 9-25. Elandspruit Current Coal Reserve Estimate - 31 March 2025

ELANDSPRUIT RESERVE ESTIMATE 31 Mar 2025 (100% Wescoal attributable)								Saleable Qualities (4L and 3 seam raw, 2U seam 20 Mj/kg and 20 % vol. Seam 1 and 2L max 26% Ash)				
PROJECT	RESERVE CATEGORY	SEAM	RESERVE BLOCK	MTIS (AD) Mt	ROM (AR) Mt	SALEABLE (AR) Mt	YIELD (%)	CV (MJ/kg) (AD)	ASH (%) (AD)	VOL (%) (AD)	TS (%) (AD)	
ELANDSPRUIT OPENCAST	Proven	S4L	Yoctolux	0.15	0.16	0.16	100%	25.26	17.93	21.62	0.99	
	Probable		Yoctolux PL	-	-	-	0%	-	-	-	-	
	Proven		Graspan	0.16	0.17	0.17	100%	25.24	17.43	20.98	0.92	
	Probable		Graspan PL	0.01	0.02	0.02	100%	25.14	17.81	20.98	1.05	
	TOTAL 4L Seam			0.32	0.35	0.35	100%	25.24	17.68	21.27	0.96	
	Proven	S3	Yoctolux									
	Probable		Yoctolux PL									
	Proven		Graspan									
	Probable		Graspan PL									
	TOTAL 3 Seam											
	Proven	S2U	Yoctolux	0.63	0.68	0.42	62%	23.20	24.21	23.40	0.74	
	Probable		Yoctolux PL	0.03	0.04	0.01	29%	23.20	22.96	21.04	0.28	
	Proven		Graspan	0.26	0.28	0.20	70%	23.20	24.78	24.37	1.29	
	Probable		Graspan PL	0.18	0.20	0.13	64%	23.20	24.08	23.35	0.66	
	TOTAL 2U Seam			1.10	1.19	0.75	63%	23.20	24.32	23.61	0.87	
	Proven	S2L	Yoctolux	0.73	0.79	0.60	75%	23.20	24.48	21.11	0.59	
	Probable		Yoctolux PL	0.15	0.16	0.12	74%	23.20	24.30	20.81	0.47	
	Proven		Graspan	0.33	0.36	0.28	79%	23.20	24.80	21.93	0.80	
	Probable		Graspan PL	0.19	0.21	0.16	78%	23.20	24.51	22.32	0.82	
	TOTAL 2L Seam			1.40	1.52	1.16	77%	23.20	24.55	21.45	0.66	
	Proven	S1	Yoctolux	1.30	1.41	1.02	73%	23.20	25.76	23.08	0.47	
	Probable		Yoctolux PL	0.24	0.26	0.19	74%	23.20	24.86	22.38	0.61	
	Proven		Graspan	0.26	0.28	0.16	56%	23.20	27.11	26.51	0.43	
	Probable		Graspan PL	0.12	0.13	0.06	46%	23.20	25.56	27.16	0.45	
	TOTAL 1 Seam			1.92	2.07	1.43	69%	23.20	25.78	23.52	0.48	
	PROVEN	S4L	Yoctolux Graspan	0.31	0.33	0.33	100%	25.25	17.67	21.28	0.95	
		S2U		0.89	0.96	0.62	64%	23.20	24.39	23.71	0.92	
		S2L		1.06	1.15	0.88	77%	23.20	24.58	21.37	0.66	
		S1		1.56	1.69	1.18	70%	23.20	25.94	23.53	0.46	
	TOTAL PROVEN				3.82	4.13	3.01	73%	23.43	24.31	22.68	0.67
	PROBABLE	S4L	Yoctolux PL Graspan PL	0.01	0.02	0.02	100%	25.14	17.81	20.98	1.05	
		S2U		0.22	0.23	0.14	59%	23.20	24.00	23.18	0.64	
		S2L		0.34	0.37	0.28	76%	23.20	24.43	21.69	0.67	
		S1		0.36	0.39	0.25	65%	23.20	25.02	23.49	0.57	
	TOTAL PROBABLE				0.93	1.00	0.68	68%	23.24	24.41	22.63	0.64
TOTAL / AVG ELANDSPRUIT OPENCAST				4.75	5.13	3.69	72%	23.39	25.59	23.05	0.70	
TOTAL /AVG ELANDSPRUIT COLLIERY RESERVES				4.75	5.13	3.69	72%	23.39	25.59	23.05	0.70	

This FY25 update was based on the survey polygons as at the effective date, and a geological model updated with drilling on the underground model during FY24 and FY23 for the opencast model. The mining model has the same mining footprint (adjusted for depletion) and modifying factors as was applied for the previous FY24 estimate.

9.30 Reconciliation of Coal Reserve Estimates

Table 9-26. Elandspruit Reserve Estimation Reconciliation FY24 to FY25

ELANDSPRUIT RESERVE RECONCILIATION OPENCAST							
DATE / PERIOD	AREA	Seam 4	Seam 3	Seam 2U	Seam 2L	Seam 1	TOTAL
31 March 2024		0.38	-	1.25	1.74	2.38	5.75
31 March 2025		0.35	-	1.19	1.52	2.07	5.13
Net Change	Pit2, Yoc E,	(0.03)	-	(0.06)	(0.23)	(0.30)	(0.61)
Mining Depletion	GrasP & Powerline	-	-	0.01	0.05	0.03	0.08
							-
Net loss / gain		-0.03	-	-0.05	-0.18	-0.28	-0.53

ELANDSPRUIT RESERVE RECONCILIATION UNDERGROUND							
DATE / PERIOD	AREA	Seam 4	Seam 3	Seam 2U	Seam 2L	Seam 1	TOTAL
31 March 2024						0.25	0.25
31 March 2025						-	-
Net Change	UG					(0.25)	(0.25)
Mining Depletion						0.26	0.26
Net loss / gain						0.00	0.00

Table 9-26 shows the reconciliation from the reported FY24 reserves to the current reporting period.

Regarding the opencast areas, a nett loss of 0.53 Mt is shown, this is primarily due to an adjustment in the opencast area due to the impact from the changed underground footprint, as well as some exclusions based on slightly high strip ratios. The opencast ROM mined for FY25 equates to 81 960 t, all of which were mined by Masemanzi since their startup in January 2025. The underground area extracted 257 581 t for the financial year to the effective date. Total reserves changed from 6.0 Mt. as of 31 March 2024 to 5.13 Mt. at the effective date of this report.

9.31 Coal Reserve Estimation Risks

The risks to reserve estimation are listed in Table 9-27, it is mainly based on mining practices, unforeseen geological changes and poor-quality coal seams.

Table 9-27. Reserve Estimation Risks

TYPE OF RISK	LEVEL OF RISK
Coal recovery less than the reconciled average	Low
Geological conditions worse than anticipated	Low

9.32 Environmental, Social and Governance (ESG)

9.32.1 Sensitive receptors

SR5.5(iii);

Elandspruit specialist studies identified three major sensitive receptors, all reflected in Figure 9-7 on the topography section above. The mine has a large pan with sensitive zones situated in the north-east, mostly outside the Mining Right area, with seepage zones and related 100m regulated zones within the MR area. There is an indication that the company now owning the neighbouring resources has applied to mine this pan. If they get approval, Elandspruit can follow suit and apply to mine their portion of the current sterilized resources. The most sensitive part of this pan will then be affected by the neighbour.

To the south is an indicated stream and wetland area. Water originated from a spring just outside the MR area to the south, within the Yoctolux MR area. Yoctolux mined most of this area, thereby cutting off the previous constant source of water feeding this system. This wetland was adhered to on the Elandspruit side. The wetland to the North-west was not affected by mining. All these wetland areas are affected by runoff water from the operations. Systems were designed to separate clean from dirty water, to minimise any contamination from surface water runoff.

9.32.1.1 Surface water resources

The mine does not utilise any of the water from the clean water systems. Water for mining purposes is extracted from voids filled with water from rain and seepage.

9.32.1.2 Wetland systems

Figure 9-7 in the topography section shows the main three wetlands. Historic mined areas and dumps adhered to the 100m regulated protection zones. Current remaining reserves are affected by the large pan to the north-east.



Figure 9-79. Elandspruit Wetland systems (Courtesy of ECI)

With reference to Figure 9-79, the area contains channelled and unchannelled valley bottom wetlands, hillslope seeps, and a depression wetland (Graspan). Wetland systems ranged from low to moderate ecological importance and sensitivity. Graspan has a high score due to its natural state, faunal diversity, and function. The wetlands are located within a disturbed area due to agriculture, mining, and road infrastructure, leading to reduced faunal species occurrence and degradation of habitat.

Key recommendations from the wetland delineation report is to implement a comprehensive plan to minimize discharge with clean and dirty water separation. The report emphasises the importance of developing a species-specific buffer around Graspan and supplementary geo-hydrological and hydropedological studies as critical for informing final buffers. Also, all mine infrastructures have to be in the right place. A wetlands programme needs to be implemented, with managing of any alien impacts. To provide various specific mitigation measures relating to discharges, pollution and AMD.

Mining within the wetlands' catchments will significantly impact the wetlands. Effective mitigation is essential, and a key mitigation strategy is to make sure the mining operations are properly situated for all the area's water systems

The importance of a long-term monitoring program and that management have to remain vigilant on wetland concerns. It also identifies several areas that can improve the overall management of these wetlands for maximum results of their environmental benefits.

9.32.2 Legal aspects

No legal aspects were identified or shared with Miptec.

9.32.3 Costs

SR5.6(ix);

Currently under Business rescue, the fixed fee as part of the royalty payment covers the minimum requirements, with regard to Environmental monitoring and mitigation measures.

9.32.4 Environmental parameters

SR4.1(iii); SR4.3(v); JSE12.10h(viii)

Below is a summary of the main parameters for Elandspruit in terms of their approved WUL

- 1 Administrative duties/obligations/responsibilities of the Licensee:
 - The licensee must avail an original copy of the water use license and the supporting reports upon request by the Department.
 - The conditions of the authorization must be brought to the attention of all persons (employees, sub-consultants, contractors etc.) associated with the undertaking of these activities
 - The licensee must continually investigate new and emerging technologies and put into practice water efficient devices and /or apply technique for the efficient use of water, in an endeavour to conserve water at all times.
 - The licensee must conduct annual internal audits on compliance to the conditions of this licence
 - The Licensee shall appoint an independent external auditor to conduct an annual audit on compliance with the conditions of this license
- 2 Section 21 (a): Taking Water from the water resource.
 - Abstraction of water from a borehole for potable use
 - The daily quantity of water taken must be metred or gauged.

- Proof of submission for copy of records must be submitted to the DWS Provincial Head on each year with the annual water balance
- No water taken may be pumped, stored, diverted, or alienated for purposes other than intended in this license, without written approval by the department.
- The license shall install and monitor appropriate water measuring devices to measure the amount of water abstracted
- The license shall ensure that all measuring devices are properly maintained and in good working order and must be easily accessible
- The Licensee shall establish and implement a continual process of raising awareness amongst itself, its workers and stakeholders with respect to Water Conservation/Water Demand management initiatives

3 Section 21 (c) and (i): Impeding or diverting the flow of water in a watercourse. Altering the bed, banks, course, or characteristic of a watercourse

- Haul road crossing over wetland and unnamed tributary of Spookspruit
- Coal mining opencast pit located within 500m of wetlands
- Stockpiles located within 500m of wetlands
- Pollution control dam located on wetland and within 500m of wetland
- No activity must take place within 1:100-year flood line or the delineated riparian habitat, whichever is the greatest or within 500m radius from the boundary of any wetland unless authorised by this wetland.
- All personnel on site must be notified of the condition of this authorisation
- Surface water monitoring (Upstream and downstream)
- During construction water shall be sampled weekly and monthly during operation.
- Monitoring must continue for three (3) years after the cessation of the activities

4 Section 21 (g): Disposing of waste in a manner which may detrimentally impact on a water resource.

- Continuous temporary storage of carbonaceous material/coal product
- Disposing of water containing waste coming from open pit, seepage and runoff from stockpiles as well as dirty stormwater runoff. (Pollution control dam)
- Dust suppression of haul roads with water containing waste coming from the pollution control dams
- Disposal of overburden material (possibly containing carbonaceous material) located above the coal seam.
- The Licensee shall submit the nature and the quality of the waste or water containing waste disposed off into the RoM and Overburden Stockpile as well as the Pollution Control Dam
- Groundwater monitoring must be conducted on a quarterly basis.
- A safety factor pillar of at least 30m should be left between the underground and opencast areas

- Update the water balance annually and calculate the loads of waste emanating from the activities.

5 Section 21 (j): Removing, discharging or disposing of water found underground if it is necessary for the efficient continuation of an activity or safety of people.

- Dewatering of western pit
- Dewatering of underground pit
- The quantity of water removed from underground must be metered and recorded on a daily basis
- Groundwater levels shall be monitored every six months (once in the beginning of the dry season and once in the beginning of the wet season)
- The flow metering devices shall be maintained in a sound state or repair and calibrated by a competent person at intervals of not more than two (2) years. Calibration certificates shall be available for inspection by the Provincial Head upon request.
- Calibration certificates in respect of the pumps must be submitted to the Provincial Head after installation thereof and thereafter at intervals of two (2) years

6 Further Studies and Information Requirements

- Work method statements, site plan and detailed design drawing for the construction of all infrastructures triggering Section c&l must be submitted to the Provincial Head approval.
- No fundamental alterations of the work method statement, site plan and drawings are allowed, unless a modification is requested and granted by the Provincial Head in writing.
- No site activities must occur beyond the proposed site location of the erosion and sedimentation controls and marked limits of disturbance
- Revised master layout plan incorporating the following: the 1:100year floodline, riparian zones, buffer zones, all affected water courses, wetlands, borrow-pits, bridges and stormwater infrastructures must be submitted to the Provincial Head before commencement of activity on site.
- An Environmental Management Plan and a Rehabilitation plan for the decommissioning of any of the water use activities listed in table 3 of the water use license must be submitted five (5) years before commencing with closure to the Provincial Head for a written approval
- The Licensee must update an integrated Water and Waste Management Plan (IWWMP), Rehabilitation Strategy and Implementation Programme (RSIP) and should be submitted to the Provincial Head within one (1) year from the date of issuance of the License
- The Licensee must, at least 180 days prior to the intended closure of any facility or any portion notify the Provincial Head for approval

- The Licensee shall update the Water Conservation and Water Demand Management (WC/WDW) plan on an annually basis and submit to the Provincial Head for approval

7 Rehabilitation and Management

- A height restriction on stockpiles of not more than 2.0m must be followed
- All disturbed areas must be re-vegetated with an indigenous seed mix in consultation with an indigenous plant expert
- Rehabilitation must be concurrent with construction

8 Pollution Prevention, Incidents and Malfunctions

- The Licensee shall keep all records relating to the compliance or non-compliance with the conditions of this license. Such records shall be made available to the Provincial Head within fourteen (14) days of receipt of a written request by the Department for such records
- The Licensee shall keep an incident report and complaints register on site
- The final backfilled opencast topography should be engineered such that runoff is directed away from the opencast areas
- Quarterly groundwater sampling must be done
- Pollution control dam must be designed in such a manner that any spillage can be contained and reclaimed without any impact on the surrounding environment. A plan must be in place to stop overflowing in a dam in case of rainy seasons.

9.32.5 Conformance and compliance audits

SR7.1(i-ii);

WSP Consultants conducted a corrective action plan and Compliance Monitoring audit during August 2024 on the Assets of Salungano, of which Elandspruit Colliery formed part of.

The compliance status at Elandspruit Colliery is documented in the Corrective Action Plan (CAP) Compliance Monitoring Report 2024, covering the period from October 2022 to July 2024.

Elandspruit Colliery has been placed on hold since August 2023 due to the operation entering voluntary business rescue. This status has significantly hindered the mine's ability to execute corrective measures identified in the 2022 CAP Monitoring Report and to implement environmental management measures contained in approved environmental authorizations (EAs) and licenses. Salungano indicated that they have an agreement with relevant regulatory

authorities regarding the inability to fully implement these approved plans, although documentary evidence to this effect was not provided to WSP.

The overall risk summary for Elandspruit Colliery highlights several major risks (Red) and potentially significant issues (Amber) remaining open or newly identified during the August 2024 assessment.

Key Compliance Areas and Findings (August 2024-WSP)

Water Management

Water management compliance presents significant risks, primarily driven by financial limitations related to the business rescue.

- **Water Monitoring Gaps (Red/Amber Risk):** No water quality monitoring was undertaken from October 2023 to April 2024. The mine continues to have an inadequate monitoring regime. Only two of the seven surface water monitoring points could be sampled (three were inaccessible, one dry), and only three of the nine groundwater monitoring points were sampled, with the remaining boreholes demolished by mining activities. No additional boreholes have been added to replace those lost.
- **Acid Mine Drainage (AMD) Indicators (Red Risk):** Based on surface water quality reports from May and June 2024, sampling point ES-SW03 indicated potential for AMD with:
 - **pH of 3.94** (levels below 5 often indicate AMD).
 - **Sulphates (SO₄) at 2131.00** (a strong indicator of AMD byproduct).
 - **Total Dissolved Solids (TDS) at 2889.26 and Conductivity at 292.00**, both elevated and often accompanying AMD-related contaminants.
- **Water Balance (Red Risk):** The **2024 annual water balance update has not been undertaken** due to financial limitations. This failure is noted as potentially leading to regulatory penalties, permit issues, legal actions, and operational challenges when mining resumes.
- **Pollution Control Dams (PCDs) (Red Risk):** The desilting project for PCD 1 has not commenced, and the current condition of the siltation remains unknown, as WSP was unable to access the area due to safety hazards posed by deteriorated haul roads. No risk assessment or mitigation plan for potential overtopping was provided.

Mine Closure and Rehabilitation

The mine's status under business rescue raises concerns about its ability to meet rehabilitation and closure obligations.

- **Non-Implementation of Conditions (Red Risk):** Salungano's inability to fully implement the conditions of its existing environmental authorizations due to financial constraints remains a business risk. Salungano informed the DWS via letter about these non-compliances.
- **Rezoning (Amber Risk):** Approval for rezoning the mining area from agriculture to mining is still awaited from the Steve Tshwete Local Municipality. There was no evidence of follow-up engagement provided since the 2022 review.

Several high-priority historical actions have been successfully closed out and require ongoing maintenance or monitoring, including:

- Water Use License requirements for stream crossings
- Transfer of the Mining Right (MR) and Environmental Management Programme (EMPr) to Salungano
- Cessation of unauthorized water use for dust suppression
- Cessation of unauthorized discharge of effluent from the septic tank
- Implementation of security training and adequate warning signage
- Accounting for capital and operational costs for water treatment in the closure liability assessment

9.32.6 Liability

SR1.7(i); SR5.6(ix);

Elandspruit has an updated closure assessment by Zyntha Consulting for the mine status as at the effective date. Zyntha Consulting calculated the liability based on the DMRE guidelines amounting to R127.1 Million. In addition, the volume-based assessment shows a rehabilitation liability of R700.8 Million, the basis of which is the survey rehabilitation plan (Figure 9-80), compiled by African Soil technical Services. The dump and void volumes for the mine status, referenced to the original ground level, show a total volume of waste amounting to 11.45 Million Cubic meters on dumps and a total of 18.4 Million Cubes of voids that are below the original ground level, resulting in a deficit of 7 Million cubes of backfill material. The total estimate relating to moving dumps, filling voids and rehabilitating the relevant dump and void areas, including top soiling and seeding, amounts to R467.5 Million. Water management accounts for R15.1 Million, Vat, P&G, contingency and related plans / studies & after care with monitoring, relates to R211.3 Million. The remaining R7 Million relates to the demolition of structures and the rehabilitation of roads.

The mine is in the process of evaluating optimisation opportunities with respect to closure rehabilitation. Current indications are that not all dumps will be moved, the free draining model will be the focus, resulting in remaining dump material being shaped and rehabilitated.



Figure 9-80. Elandspruit rehabilitation plan (African Soil)

9.32.6.1 Sufficiency of funding

In terms of immediate closure provision, the quantum was calculated by Zyntha consulting, amounting to R127 124 194 as at the effective date. A rehab guarantee to the amount of R109 949 305.04 is in place as per emails provided by Salungano responsible employees. No certificate was produced for verification purposes. The guarantee needs to be increased by approximately R18 Million.

With respect to final mine closure, Salungano provided a summary email indicating that an old Mutual fund to the value of R64 763 091.80 exists as of July 2025. This provision is for the whole of the Wescoal operations and includes Coal Processing as well as the Khanyisa Colliery.

The closure quantum calculated by Zyntha amounts to R700.8 Million. The current provision falls extremely short of the calculated liability. Closure funding provision is completely insufficient to close the mine.

9.32.7 Risk analysis

SR4.1(iii); SR5.7(i);

With Elandspruit being under business rescue, the current income potential is limited. The current provision for closure is inadequate. Without optimizing the income generating potential of the mine and working on an optimised closure plan, the risk of effective closure is very high.

The mining area has a topography that originally slopes from east to west, with runoff water being caught in the valley bottom where it drains into the Olifants river system. If the rehabilitation is not effective, the water quality will be affected downstream from the mine.

9.33 Asset Valuation

SR5.8(i-iv); SV1.12; SV1.13; JSE12.10(f); JSE12.10(h)(xii)

9.33.1 Previous valuations

No previous relevant valuations.

9.33.2 Current valuation income approach

SV1.14; JSE12.10(h)(xii)

No valuation for Elandspruit was conducted by Salungano, due to Wescoal being under business rescue proceedings. As such, based on the interim plan provided by the BRP's, as well as alternative options currently under review, Miptec, in conjunction with the BRPs, completed the relevant sections under the various valuation options, the results of which three are included in this report.

In terms of the basis for valuation, Elandspruit has an estimated 5 million tonnes of ROM reserves, of which approximately 1 million tonnes are currently sterilised by an existing powerline crossing the mine below the Pan area in an east-west orientation. Business Rescue representatives have indicated that this line has been discontinued and is expected to be reclaimed in the near future. The relocation or removal of this powerline has a material capital impact, as such work is costly and time-consuming; however, its reclamation would unlock approximately 1 million tonnes of additional reserves.

Ownership and Financial Commitments

Salungano holds the surface rights and leases them to Elandspruit at approximately R0.51 million per annum. In addition, the mine remains obligated to pay a R5/tonne royalty on all ROM extracted to a previous shareholder.

The current (unoptimised) rehabilitation liability is estimated at R700.8 million.

Creditor liabilities were a key factor leading to Elandspruit/Wescoal Mining entering business rescue proceedings. The published Business Rescue Plan proposed continuing underground operations and commencing opencast mining. At the time of this report, the underground section remains closed, while opencast operations have resumed under the Masemanzi agreement.

Masemanzi Agreement

The existing contract with Masemanzi Mining Holdings covers only monthly operational and financial commitments. Masemanzi pays a R15/ROM tonne royalty, contributing toward historical rehabilitation obligations. The original intention was for this royalty arrangement to support business rescue operations temporarily, pending the development of a long-term economic strategy.

However, several constraints hinder this plan:

- Market uncertainty for the remaining reserves, with Eskom seen as the primary potential offtaker.
- Licensing limitations, particularly around water use (required for on-site coal washing) and waste disposal in-pit.

The strategic options identified can be tabled as follows:

1. Continue with the Current Royalty Model

- This option provides short-term operational continuity but cannot generate sufficient value to fund final closure or rehabilitation obligations.

2. Transition to Supplying the Eskom Market – Duvha Power Station

- The CSA would be held by Salungano, meaning Elandspruit would not directly realise the full sale price benefit.
- The Duvha specification requires that at least 60% of coal be processed to achieve compliance.

- The nearest processing option, Wescoal Plant (18 km away), poses logistical and cost challenges due to:
 - High transport costs for ROM and discard material.
 - Limited discard storage capacity at Wescoal without constructing an additional facility.
 - The absence of an in-pit discard licence, which prevents cost-effective return of waste to the mine.
- A mobile wash plant on-site could resolve these issues, but it would require amendments to the WUL and a Waste Licence for discard management.

3. Transition to Supplying Kusile Power Station

- The Kusile coal specification can be met through crush-and-screen raw coal, eliminating the need for additional processing or licensing.
- Eskom has indicated that while the Kusile RFP will open in the near future, the mine can proceed under the Duvha CSA, with Eskom's support to transition the agreement to Kusile once available.
- This represents the most viable long-term strategy for Elandspruit, balancing operational practicality with improved economic potential.

9.33.2.1 Coal prices

Elandspruit is expected to achieve approximately R550/saleable ton for a Kusile product (19 MJ/kg) and R635/saleable ton for a Duvha product (22.2 MJ/kg), assuming the contract is in the name of Elandspruit Colliery / Wescoal Mining. If held by Salungano, a portion of the revenue will be retained at group level.

9.33.2.2 Discount rate

A WACC of 15.75% (nominal basis), as determined by Salungano, has been applied consistent with the valuations of Vanggatfontein and Moabsvelden.

9.33.2.3 Taxation and royalties

Taxation is calculated at the company rate on a positive cash flow. Government royalties are calculated based on the formula discussed in the sections above.

9.33.2.4 Operating Expenditures, Capital Expenditure And Technical Assumptions

At this stage the mine does not have access to capital; contracts with potential mining contractors will have to include the initial financing of establishment and other mine cost items. Similarly, any processing plant contractors, whether crushing and screening or full wash, will have to recover such cost in their rate per unit.

The current fixed cost charged by the BRPs to cover monthly expenses, amounts to approximately R3.2 Million, and can be used as a guide of current minimum Mine fixed operating expenditure required.

The Business Rescue team did go out on tender for mining contractors; the indication of mining costs can be reduced to a R/Rom/SR indicator. The tender price for the opencast mining contractors varied on a wet basis from R85 to R105 on a R/ROM / SR basis.

The costs associated with processing at the Wescoal processing facility is known, these can be summarised as R40/ton for transport to processing and R80/ton for processing. Discard cost will be depending on the discard solution/assumption.

Crushing and Screening are between R27.80 to R32.5 per feed ton, utilising contractor equipment.

The assumption on rehab provision varies, if not provided for an optimised scenario with regard to a closure plan within the model, then for value purposes, it reflects at NPV level. An assumption was made in terms of an optimised closure scenario, where the current R700.8 Mil. volume based liability can be reduced to a quantum of R330.1 Mil. In all scenarios, the Rehabilitation closure accounted for will amount to this assumption.

9.33.2.5 Income approach valuation results

The first option as a current Royalty model over the life of the mine, is shown in the high-level Cash flow in Table 9-28, This option amounts to a negative value of R227,4 Mil.

The next option, supplying Duvha Power Station, is shown in Table 9-29, with an indicative negative value of R168 Mil.

The third and preferable option is to supply coal to Kusile PowerStation, this is shown in Table 9-30, resulting in a positive value of R60.1 Mil.

These valuations are indicative only, as there is no definitive plan under business rescue at the effective date, as well as at the time of this report.

Table 9-28. BRP royalty high level valuation model

VALUATION BASIS (NOMINAL)		TOTAL	FY26	FY27	FY28	FY29	FY30
ROM	ton	4,852,974	1,050,000	1,730,000	1,750,000	322,974	-
SR	Ratio	-	3.32	3.78	4.18	3.10	-
SALES	Ton	-	-	-	-	-	-
TOTAL COST	ZAR	-	40,750,000	64,737,750	67,978,556	14,657,834	-
OPERATIONS	ZAR	-	-	-	-	-	-
Mining Cost	ZAR	-	-	-	-	-	-
Diesel	ZAR	-	-	-	-	-	-
PROCESSING	ZAR	-	-	-	-	-	-
PRODUCT DISTRIBUTION	ZAR	-	-	-	-	-	-
OTHER COST OF SALES	ZAR	-	-	-	-	-	-
Rehab Provision	ZAR	-	15,750,000	27,117,750	28,665,656	5,528,505	-
FIXED OVERHEADS	ZAR	-	25,000,000	37,620,000	39,312,900	9,129,329	-
REVENUE	ZAR	-	46,000,000	73,777,000	77,533,775	16,500,668	-
Sales Revenue	ZAR	-	46,000,000	73,777,000	77,533,775	16,500,668	-
Transport revenue	ZAR	-	-	-	-	-	-
EBIT	ZAR	-	5,250,000	9,039,250	9,555,219	1,842,835	-
Changes in Working capital	ZAR	-	-	-	-	-	-
Royalty Tax	ZAR	-	230,000	368,883	387,669	82,503	-
Tax	ZAR	-	1,405,600	2,427,702	2,566,914	492,893	-
Capital Expenditure	ZAR	-	-	-	-	-	-
Free Cash Flow	ZAR	-	3,614,400	6,242,663	6,600,636	1,267,439	-
WACC		15.75%					
PV Factor			1.16	1.34	1.55	1.80	2.08
PV of Free Cash Flow			3,122,488	4,659,067	4,255,782	705,968	-

Valuation Date : 1 Apr 2025

NPV 12,743,305

NPV Of Rehab Provision 240,113,000

NPV Post Rehab Provision (227,369,695)

Table 9-29. Elandspruit High Level Valuation option to provide Duvha PowerStation

VALUATION BASIS (NOMINAL)		TOTAL	FY26	FY27	FY28	FY29	FY30
ROM	ton	4,852,974	1,050,000	1,730,000	1,750,000	322,974	-
SR	Ratio	3.78	3.32	3.78	4.18	3.10	-
SALES	Ton	3,848,026	784,493	1,435,315	1,383,686	244,532	-
TOTAL COST	ZAR	-	644,103,768	1,180,661,939	1,321,521,427	215,920,350	-
OPERATIONS	ZAR	-	313,852,590	615,094,116	719,021,427	102,973,502	-
Mining Cost	ZAR	-	244,107,570	478,406,535	559,238,888	80,090,501	-
Diesel	ZAR	-	69,745,020	136,687,581	159,782,539	22,883,000	-
PROCESSING	ZAR	-	114,342,178	175,726,697	199,443,279	36,712,683	-
PRODUCT DISTRIBUTION	ZAR	-	95,159,001	181,938,376	183,286,690	33,848,963	-
OTHER COST OF SALES	ZAR	-	-	-	-	-	-
FIXED OVERHEADS	ZAR	-	36,750,000	63,274,750	66,886,531	12,899,844	-
REHAB CONTRIBUTION	ZAR	-	84,000,000	144,628,000	152,883,500	29,485,357	-
REVENUE	ZAR	-	608,444,958	1,163,310,469	1,171,931,684	216,429,509	-
Sales Revenue	ZAR	-	502,075,547	959,938,498	967,052,537	178,592,924	-
Transport revenue	ZAR	-	106,369,412	203,371,970	204,879,146	37,836,585	-
EBIT	ZAR	-	(35,658,810)	(17,351,471)	(149,589,744)	509,159	-
Changes in Working capital	ZAR	-	-	-	-	-	-
Royalty Tax	ZAR	-	2,510,378	4,799,692	4,835,263	892,965	-
Tax	ZAR	-	-	-	-	142,565	-
Capital Expenditure	ZAR	-	-	25,000,000	-	-	-
Free Cash Flow	ZAR	-	(38,169,188)	(47,151,163)	(154,425,007)	(526,370)	-
WACC		15.75%					
PV Factor			1.16	1.34	1.55	1.80	2.08
PV of Free Cash Flow			(32,974,442)	(35,190,180)	(99,566,041)	(293,190)	-

Valuation Date : 1 Apr 2025

NPV (168,023,852)

NPV Of Rehab Provision

NPV Post Rehab Provision (168,023,852)

Table 9-30. Elandspruit high Level valuation option to supply Kusile PowerStation

VALUATION BASIS (NOMINAL)		TOTAL	FY26	FY27	FY28	FY29	FY30
ROM	ton	4,852,974	1,050,000	1,730,000	1,750,000	322,974	-
SR	Ratio	3.78	3.32	3.78	4.18	3.10	-
SALES	Ton	4,852,974	1,024,720	1,658,481	1,731,143	314,933	-
TOTAL COST	ZAR	-	767,084,120	1,397,847,056	1,540,003,693	261,589,957	-
OPERATIONS	ZAR		313,852,590	615,094,116	719,021,427	102,973,502	-
Mining Cost	ZAR		244,107,570	478,406,535	559,238,888	80,090,501	-
Diesel	ZAR		69,745,020	136,687,581	159,782,539	22,883,000	-
PROCESSING	ZAR		42,700,802	83,303,949	67,783,102	14,585,087	-
PRODUCT DISTRIBUTION	ZAR		242,530,728	410,192,991	447,432,163	85,060,654	-
OTHER COST OF SALES	ZAR		-	-	-	-	-
Rehab Provision	ZAR		84,000,000	144,628,000	152,883,500	29,485,357	-
FIXED OVERHEADS	ZAR		84,000,000	144,628,000	152,883,500	29,485,357	-
REVENUE	ZAR		844,162,392	1,429,365,508	1,556,022,456	296,081,394	-
Sales Revenue	ZAR		587,458,286	1,010,794,475	1,069,743,247	206,200,874	-
Transport revenue	ZAR		256,704,106	418,571,033	486,279,210	89,880,520	-
EBIT	ZAR		77,078,271	31,518,453	16,018,763	34,491,437	-
Changes in Working capital	ZAR						
Royalty Tax	ZAR		2,937,291	5,053,972	5,348,716	1,031,004	-
Tax	ZAR		20,759,474	7,410,054	2,987,613	9,368,921	-
Capital Expenditure	ZAR		-	25,000,000	-	-	-
Free Cash Flow	ZAR		53,381,506	(5,945,574)	7,682,434	24,091,512	-
WACC		15.75%					
PV Factor			1.16	1.34	1.55	1.80	2.08
PV of Free Cash Flow			46,116,395	(4,437,342)	4,953,275	13,419,063	-
Valuation Date : 1 Apr 2025							
NPV		60,051,392					
NPV Of Rehab Provision							
NPV Post Rehab Provision		60,051,392					

9.33.2.6 Sensitivity analysis

No sensitivity done, the valuation shows potential options on and indicative basis.

9.34 Audits and reviews

SR7.1(i-11)

No audit or review are available

9.35 Project Risk Summary

SR4.3(viii); SR5.7(i); JSE12.10(h)(x)

Table 9-31 summaries the risks identified throughout the review.

Table 9-31 Elandspruit Consolidated Risk Summary

TYPE OF RISK	RISK	MITIGATION	LEVEL OF RISK
Geological – S2L washout Area	Potential Impact on sustainable production, coal volumes and qualities.	Targeted drilling	Low/Medium
No current CSA	Operation continues at a very suboptimal return potential, minimising the remaining value of the asset as a whole.	Pursue and conclude the best optimal CSA with Eskom.	High
Coal Processing	No access to a CHPP, therefore limited to Raw Products only	Source a nearby CHPP	Low/Medium
		Construct own CHPP (timing does not align with the LOMP and the time remaining on the MR).	High
Capital	Insufficient access to Capital to Construct the boxcut.	Find a contractor willing to take on the risk of supplying the capital to mine the Graspan Pit.	Medium
Power Line	If the power line is unable to be moved, this will sterilise ~1Mt of reported coal reserves.	Communication with the BRP's have indicated that the power line is redundant, however this required confirmation in writing from Eskom,	Medium
Tenure	MR expires in October 2026	Timeously apply to an extension	Low

TYPE OF RISK	RISK	MITIGATION	LEVEL OF RISK
Compliance	Non-conformance poses a risk to both the current tenure as well as future extensions.	Comply to all stipulations as per the SLP and EA.	High
Current Business Rescue Plan is suboptimal	The potential value of the asset is currently not realised.	Evaluate the operation as a whole and come up with a long term strategy, and optimised LOMP	High
Concurrent rehabilitation	Availability of plans and funds	Implement effective concurrent rehabilitation practices. Draft an optimised closure plan for dumps and voids. Identify closure items that can be optimised, including possibility to complete as part of concurrent mining operation	High

9.36 Conclusions

The Elandspruit Colliery is a historically significant coal mining operation located in Mpumalanga, South Africa, with both open-cast and underground activities. Currently, operations are in a state of business rescue due to financial distress, with underground mining halted after depletion of economical reserves. The open-cast section commenced again, under contracted mining, the final strategy still has to be crafted, with prospects of extending and optimizing operations through strategic RFP processes for power station contracts.

The mine has substantial coal reserves, primarily comprising multiple seams, with detailed geological models supporting resource and reserve estimates. These resources are of high confidence, classified as measured, and are being managed with rigorous quality control and modelling procedures. The resource and reserve estimations indicate total measured coal resources of approximately 6.46 Mt, with the potential for further extraction contingent on obtaining water use licenses, environmental authorizations, and market agreements.

Environmental and social governance compliance remains complex amidst ongoing water management, wetlands protection, and rehabilitation liabilities, exacerbated by the mine's current financial constraints and business rescue

status. Critical risks include inadequate water quality monitoring, potential AMD issues, insufficient closure funding, and regulatory compliance challenges.

Operationally, the mine relies on contractor-based open-cast methods, with plans for future ramp-up aligned with Eskom contract negotiations. The capacity for coal processing is supported by an existing plant some 18 km away, with options being explored for on-site beneficiation and improvement of waste management practices.

Financially, the valuation indicates that the current operating model is not economically sustainable without strategic market access, notably Eskom's power station contracts. The mine's potential is highly dependent on securing long-term coal supply agreements at favourable prices, possibly through the Kusile RFP, which offers a more advantageous product profile.

Closure and rehabilitation funding presents a critical risk. Zyntha Consulting's immediate closure assessment calculates a liability of R127.1 Million, with an existing rehabilitation guarantee of R109.95 Million, leaving an R18 Million shortfall. For final closure, the total rehabilitation liability is R700.8 Million, whereas current provisions—including an Old Mutual fund of R64.76 Million for all Wescoal operations—are vastly insufficient. This leaves Elandspruit exposed to significant closure and compliance risks. Given the mine's business rescue status, current income is limited, and the funding gap for closure is substantial. Without strategic steps to optimize operations, secure additional income, and implement a robust, optimized closure plan, the risk of ineffective closure remains very high. Immediate action to address funding shortfalls, environmental compliance, and rehabilitation strategy is essential to mitigate these risks.

In conclusion, Elandspruit holds significant coal resource potential with high confidence estimates and prospects for future recovery. However, its viability hinges on successfully navigating complex regulatory, environmental, water management, and market risks amidst its business rescue process. Strategic partnerships, environmental compliance, and securing long-term power contracts will be vital for unlocking the full value of its resources and ensuring sustainable closure and rehabilitation in the future.

10 KHANYISA COLLIERY

10.1 Property Description

SR1.1(i); SR5.1(i); JSE12.10(h)(ii)

The Khanyisa Colliery refers to the consolidation of the original (mined out) Khanyisa Colliery, Catwalk (Roof and Pillar Coal reclamation area), as well as the predominantly mined out Triangle area. The colliery has been on Care and Maintenance since 2022, and in 2023, it was placed under business rescue. The mine at the time of the report was still under business rescue. The Khanyisa MR expired in May 2024, an extension was timeously applied for, however no communication from the DMRE has been received.

All opencast S4 and S2 coal reserves at Triangle are considered depleted, however the potential exists for the coal located within 50 m of the Transnet pipeline to be mined, should the necessary permissions be obtained. As such, the coal resources remaining within the boundary pillar and 50 m pipeline buffer have been included a Coal Resources, but not as coal Reserves. In addition, there is small area remaining from the previous pillar extraction mining in the Catwalk area. These areas are very limited, and in addition quite high risk in terms of possible pillar robbing and very high effective strip ratios. These coal measures are not considered economic at this point and are not included in the Coal Resource Estimates.

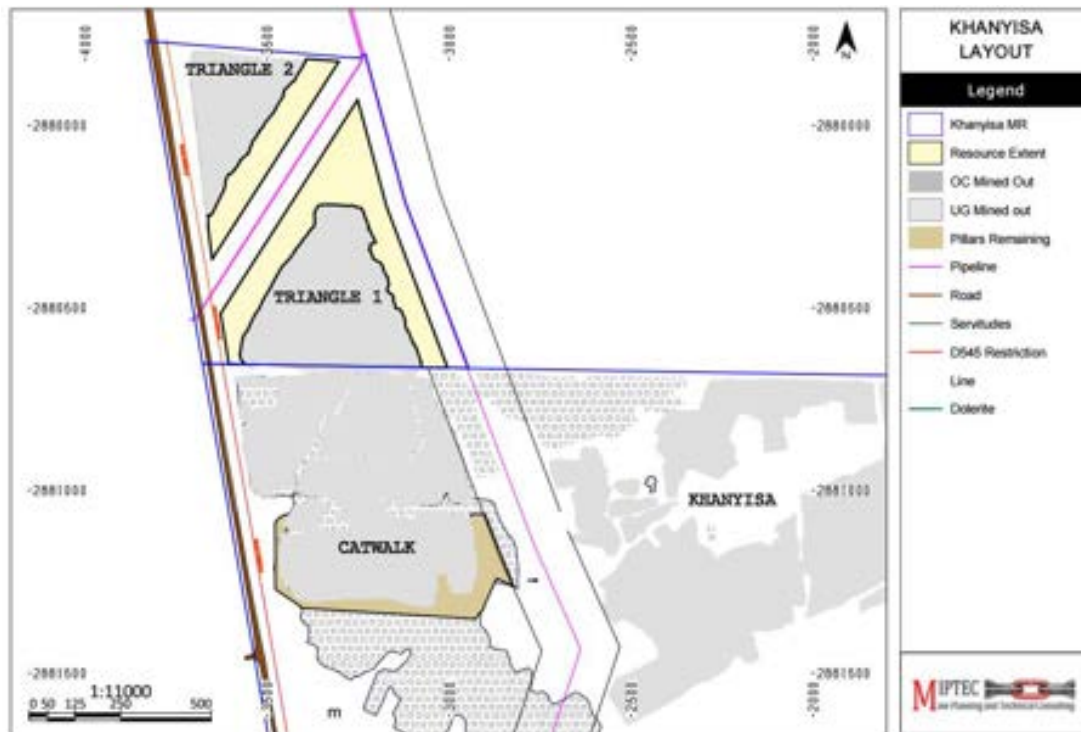


Figure 10-1. Project Description

The remaining resources at Triangle are contained within 50 m of the pipeline servitude and comprise the S4 and S2 coal seams. All discussions regarding the coal resources at Khanyisa refer to those remaining within the Triangle area only. During the mining of the Triangle area, the portion to the south of the pipeline was referred to as Triangle 1 (T1), and to the north of the pipeline as Triangle 2 (T2).

10.2 Location

SR1.1(ii); SR1.2(i,iii); SV1.5

Khanyisa is located some 10km west of the town of Ogies in Mpumalanga and comprises portions of the Heuvelfontein 215 IR farm. The location of the complex is 26.042950°S latitude and 28.973325°E longitude. Khanyisa can be accessed from the N12. The license area is dissected by a Transnet pipeline, roughly through the centre. Eskom's Kendal Power station is located 5km to the south, and Kusile Power Station 10km to the north.

The project has good access to services and infrastructure due to its proximity to the towns, as well as access to a large labour pool of experienced mining individuals, as well as numerous companies specialising in the supply and support of mining equipment.

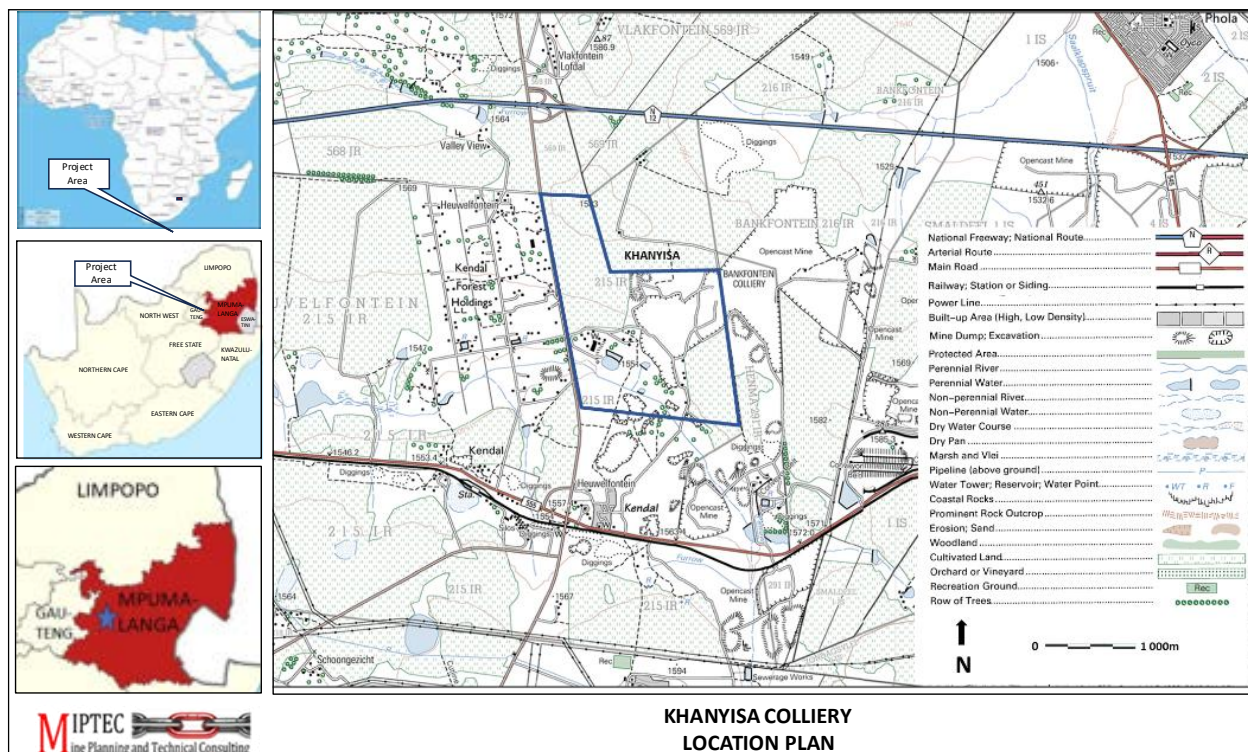


Figure 10-2. Khanyisa Locality Plan

10.3 Co-ordinate System

SR 1.2(i)

The Khanyisa coordinate system is the World Geodetic System 1984 (WGS84) datum which uses the Hartebeesthoek94 geographic 2D Coordinate Reference System (CRS) as its base and the South African Survey Grid zone 29 (Transverse Mercator (South Orientated)) as its projection. This OGL is currently in use for planning, control and design work.

10.4 Title and Rights

10.4.1 Mining and Prospecting Rights

JSE12.10(h) (iv0; SR1.5(i); SV1.5; ESG4.1

The Khanyisa anchor Mining Right (MP/30/5/1/1/2/107 MR) was granted 27 October 2006 to BSM Mining (Pty) Ltd. Tenure granted was for a period of 15 years, expiring on the 26 October 2021. The mine indicated that they complied with the prescribed time frames for an extension application, and that no reply from the DMRE was received in respect to this application.

Miptec viewed the reply from the regional manager dated 10 August 2021, acknowledging receipt of the application and requesting documentation for submission within 14 days from signature.

Information requested was as follows:

1. Detailed report reflecting the mining results, the interpretation thereof and the mining expenditure incurred;
2. Extend of compliance with the requirements of the approved environmental authorisation, the rehabilitation to be completed and the estimated cost thereof;
3. Detailed mining work programme for the renewal period;
4. A detailed progress report in terms of the implementation of the Social and Labour Plan;
5. A certificate issued by the council for Geoscience that all mining information as prescribed has been submitted;
6. A detailed report in relation to the bulk sampling currently being carried out on site; and
7. A copy of the registered right.

Miptec received the above documents and is satisfied that the mine did timeously provide the relevant documentation as required.

In terms of the Mineral and Petroleum Resources Development Act (**MPRDA**), a MR for which an application for renewal has been lodged **remains in force** despite its original expiry date, until such time as the application has been officially granted or refused by the Minister. This prevents operations from automatically becoming illegal due to administrative delays.

10.4.2 Surface rights

SR1.1(ii); SR1.5(i-ii)

The MR area extend is 212.2644 Ha. And comprises Portions 96, 97 and 99 of the farm Heuvelfontein 215 IR.

The mine rents the surface areas under agreement from the farmers. Portion 96 is owned by Caludio Res Boerdery and the other portions are owned by Truter Boerdery Trust.

10.4.3 Sufficiency of Rights

JSE12.9(e); JSE12.10(h)(iv); SR1.1(ii);

Miptec had sight of the expired MR, in addition a license summary from the mine was provided.

There is no LOM plan for Khanyisa, only essential closure activities that are remaining.

10.5 Legal Aspects and Permitting

10.5.1 Environmental Authorizations and Licenses

SR1.5(ii)(v); SR5.5(i-ii); ESG4.3

Table 10-1 summarises the Environmental Authorisations as provided by the environmental superintendent. Miptec did not have sight of the actual licences

Table 10-1 Summary of the Company's Environmental Authorisations.

Authorisation Type	Reference No.	Scope of Authorisation / Description of Activities	Date Issued	Valid Until	Issued To
Water Use Licence	03/8204/WS/14627	Section 21 (k), (g), (i) for Portions 97, 103, 106 and 107 of the farm Heuvelfontein 215 IR	6/13/2018	2038	Wescoal Mining (Pty) Ltd
Water Use Licence	04/8207/WS/411927	Section 21 (k), (l), (g) and (i) for Portions 103 and 106 of the farm Heuvelfontein 215 IR	3/2/2012	2/2/2014	Wescoal Mining (Pty) Ltd
Section 102 Amendment	MP/30/5/1/3/1/2/1300PS and MP 30/5/1/3/1/2/1307MS	Consent in terms of Section 102 of the Mineral and Petroleum Resources Act for the inclusion of the prospecting right MP/30/5/1/1/1/2/1500PS into the existing Mining Right MP 30/5/1/3/1/2/1307MS	1/27/2017	Currently applicable	Wescoal Mining (Pty) Ltd
Environmental Management Plan	MP 30/5/1/2/2/107 MS	Environmental Management Plan for the proposed New Heuvelfontein Open-pit Quarry on the Farm Heuvelfontein 215 IR, Mpumalanga - 2004/2005	no data	Replaced by October 2011 Revised EMP	Wescoal Mining (Pty) Ltd
Environmental Management Plan	MP 30/5/1/2/2/107 MS	Environmental Impact Assessment and Environmental Management Plan for the Coal Mining Operation on Portions of the Farm Heuvelfontein 215 IR, Enslinshoek (Witbank), Mpumalanga - October 2011	no data	Replaced by December 2011 Revised EMP	Wescoal Mining (Pty) Ltd
Environmental Management Plan	MP 30/5/1/2/2/107 MS	Environmental Impact Assessment and Environmental Management Plan for the Coal Mining Operation on Portions of the Farm Heuvelfontein 215 IR, Enslinshoek (Witbank), Mpumalanga - December 2011	no data	Replaced by January 2013 Amendment EMP	Wescoal Mining (Pty) Ltd
Amendment Environmental Management Plan	MP 30/5/1/2/2/107 MS	Environmental Impact Assessment and Environmental Management Plan for the Coal Mining Operation on Portions of the Farm Heuvelfontein 215 IR, Enslinshoek (Witbank), Mpumalanga - January 2013	no data	Replaced by October 2013 Amendment EMP	Wescoal Mining (Pty) Ltd
Amendment Environmental Management Plan	MP 30/5/1/2/2/107 MS	Environmental Impact Assessment and Environmental Management Plan for the Open Cast and Proposed Underground Mining Operation on Portions of the Farm Heuvelfontein 215 IR, Enslinshoek (Witbank), Mpumalanga - October 2013	11/5/2013	Replaced by June 2018 Amendment EMP	Wescoal Mining (Pty) Ltd
Section 102 Amendment	MP 30/5/1/2/2/107 MS	Environmental Impact Assessment and Environmental Management Plan for the Open Cast and Proposed Underground Mining Operation on Portions of the Farm Heuvelfontein 215 IR, Enslinshoek (Witbank), Mpumalanga - Section 102: Extension to Sections 11 and 109 (June 2018)	1/27/2017	Currently applicable	Wescoal Mining (Pty) Ltd

Social and Labour Plan (SLP)

Internal Stakeholder Engagement and Communication

Across the Group, several internal forums and structures facilitate stakeholder engagement and communication:

- **Employment Equity and Skills Development Forum:** Meets quarterly to discuss employment equity progress and employee development initiatives.
- **Union/Management Forum:** Convened monthly to address labour relations matters. Current concerns include a decline in dominant union membership below the required recognition threshold.
- **Future Forum:** Meets quarterly to discuss the long-term outlook of operations and measures to minimise retrenchments.
- **BBBEE Tracking Meetings:** Held monthly to monitor and evaluate BBBEE-related initiatives.
- **Women in Mining (WIM) Forum:** Planned quarterly. Following corporate restructuring, the Neosho Women in Mining Forum has been reconstituted; other WIM forums are to be re-established.

Khanyisa SLP Status

The Khanyisa SLP (2018–2023) has expired, with several projects still incomplete. The new SLP (2023–2028) has made no progress, primarily due to financial constraints and the mine’s business rescue status (commenced on 25 August 2023). This non-performance poses a regulatory risk, as the DMRE may revoke the Mining Right for failure to meet SLP obligations.

Completed LED projects under the expired SLP:

- Phola Hall Repair Project
- Farming Project
- Arbor Housing

Partially completed project:

- Housing Project – 12 of the planned 24 houses have been constructed; 12 remain outstanding.

The total LED budget commitment for the expired SLP was R22 million, with R9 million spent and approximately R10.45 million still required to complete outstanding commitments.

The submitted SLP for 2024–2028 has not advanced, with proposed LED projects including:

- Expansion of bulk water supply
- Provision of a water reticulation network
- Construction of roads and stormwater infrastructure

It is noted that the Mining Right expired on 26 October 2021 and, while renewed, remains unconfirmed by the DMRE, further contributing to SLP inactivity.

External Stakeholder Engagement

The Khanyisa Community Forum, which previously met monthly to address community issues, has been suspended due to the mine's care-and-maintenance status.

Statutory and Regulatory Compliance

Khanyisa has maintained compliance submissions as follows:

- Employment Equity Return – submitted 15 January 2025
- Mining Charter Annual Report – submitted 31 May 2025
- Annual SLP Progress Report – submitted 31 March 2025

- Letter of Good Standing (Wescoal) – issued 31 December 2025
- Level 2 BBBEE Certificate (Wescoal Mining) – issued 14 March 2025
- WSP & ATR for Wescoal Mining – submitted 31 May 2025

In summary, Khanyisa's Social and Labour Plan performance has been severely constrained by its financial distress and business rescue status. While certain commitments under the expired SLP have been partially met, significant outstanding projects and an inactive new SLP highlight serious compliance risks. The pending renewal confirmation of the Mining Right further compounds these challenges. Urgent attention is required to address the incomplete SLP commitments, restore stakeholder engagement structures, and develop a realistic implementation plan aligned with available financial resources to ensure regulatory compliance and community trust.

10.5.2 Material contracts

SR1.5(ii)

Khanyisa is in care and maintenance and under the Business Rescue management. Apart from an agreement for Siko Mining to clear the remnant coal stockpiles and extracting a small amount of coal pillars currently under water, no other activities are being conducted.

10.6 Topography, Climate and Land Usage

The elevation of the Triangle areas (Figure 10-3) ranges between 1580 – 1585 mamsl in the north, to less than 1565 mamsl in the south; with a gentle (0° - 3°) slope towards the south. Khanyisa Complex falls within the drainage region B20F. The main drainage is from east to west contributing to the north-west flowing Wilge River.

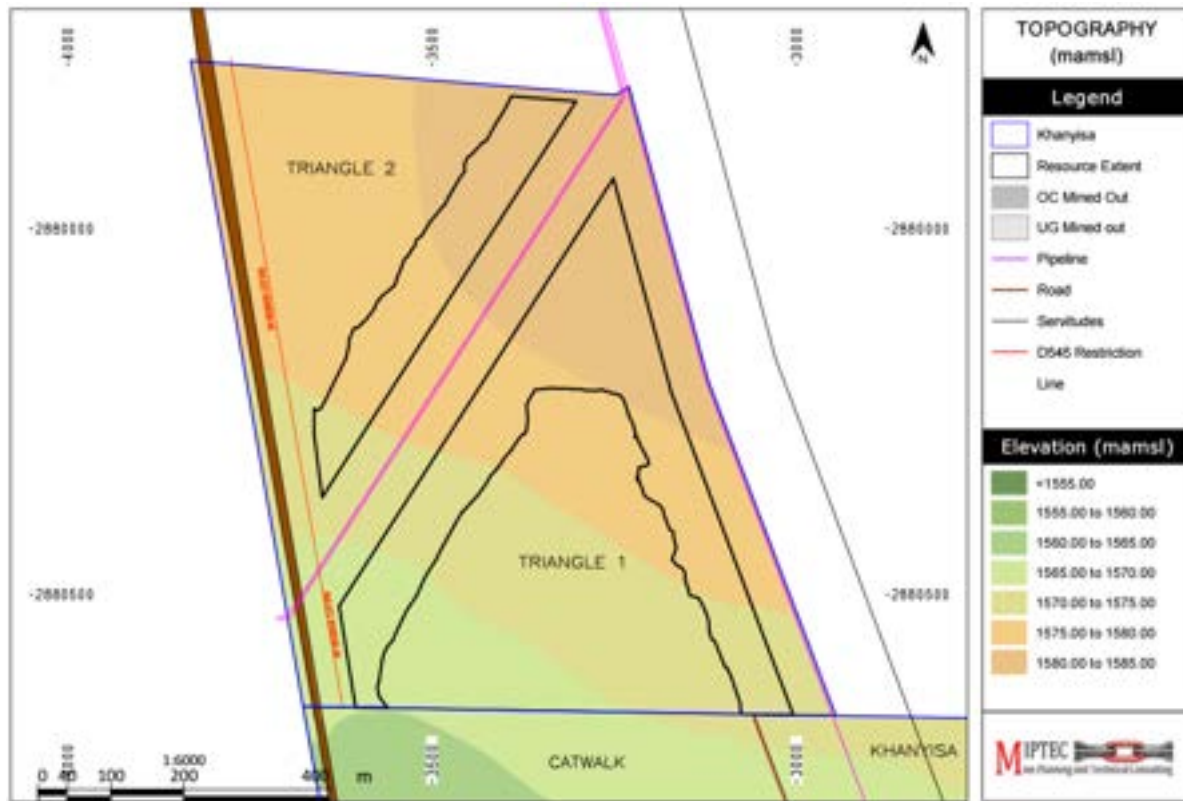


Figure 10-3. Triangle Topography (original pre-mining surface).

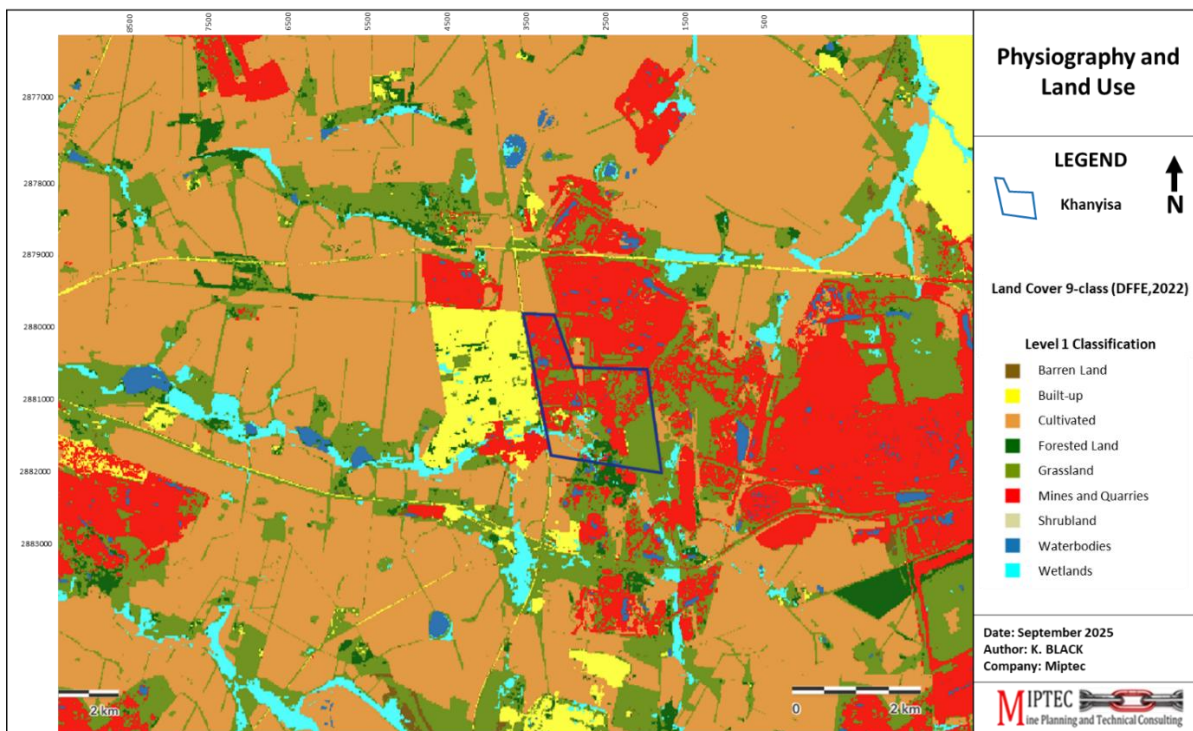


Figure 10-4. Physiography and Land Use

The Witbank region is characterized by moderate summers (3.6 – 34°C) during which times fog frequently occurs. The winters are usually dry and cold with sub-zero temperatures often recorded. The annual rainfall varies between 593 – 676 mm and falls mainly during the summer months from November to March.

Regionally, Khanyisa Complex falls within the grassland biome. Much of the grassland has, however, been cleared to be utilized for mixed farming activities.

The main soil types are clayey and sandy. The topsoil in the region ranges approximately from 0.5 – 2.0 m.

10.7 Local Resources

SR1.1(ii)

The mine is located central to various towns and cities. Labour can be sourced from immediate surrounding townships, if skills are unavailable, labour can be sourced from the greater area, including Witbank, Middelburg, Bronkhorstspuit.

In terms of materials, equipment and maintenance parts, various suppliers are situated from Johannesburg to the town of Middelburg, where most of the sourcing is done.

10.8 Infrastructure

SR1.1(ii); SR4.1(iii); SR4.3(iii); SR4.5(iii); SR5.4(i-iii)

Khanyisa has been in care and maintenance for quite a period. The mine has a security access point, with a weigh bridge. Offices are in a state of decay. Eskom pole transformers were situated along an east-west area.

10.9 Adjacent properties

SR1.3(i)

Apart from all the historical mining at and around Khanyisa, Mwelase Mining is operating the Mzimkhulu opencast colliery to the north of the Triangle Area. Ferret Coal is mining to the south and Klipspruit Colliery to the east of Khanyisa. Klipspruit Colliery is an opencast Colliery owned by South32. It produces a predominantly export grade product, however it does produce some thermal grade for Eskom as well.

Figure 10-5 illustrates the properties adjacent to Khanyisa.



Figure 10-5. Other coal operations in the vicinity of Khanyisa Colliery

10.10 Historical ownership

SR1.4(i-ii); SR3.1(iii)

Wescoal acquired the initial Khanyisa Mining Right, excluding the Triangle Area, from BSM Mining (Pty) Ltd. In 2009. No further information regarding the historical ownership is available.

10.11 Local Geological Setting

SR 2.1(ii) (iii) (vi); SR 3.1(vii); SR 10.2(i)

10.11.1 Surface Geology

The surface geology over Khanyisa is illustrated in Figure 10-6, however the section below refers only to the Triangle Resource Area. The surface geology over Triangle is limited to subcrops of sedimentary rocks of the Ecca Group (Vryheid Formation).

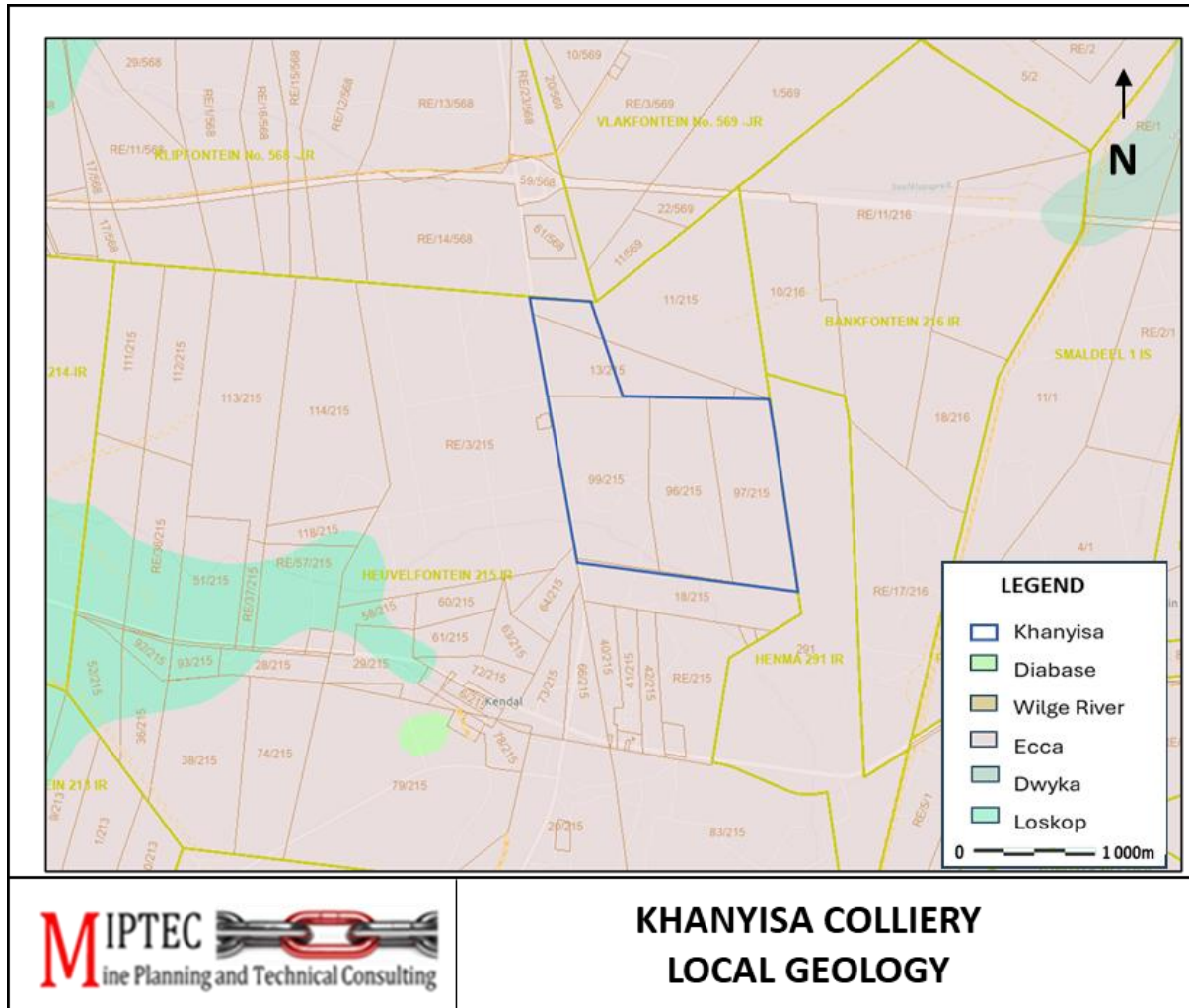


Figure 10-6. Khanyisa Colliery Local Geology

10.11.2 Weathering

The LOW ranges from 12.0 to 18.5 m, averaging 15.9 m across the Triangle area. The geological model is set to exclude all coal measures above the LOW surface.

10.11.3 Sub-surface Geology

Pre-Karoo Basement

The glacially-sculpted pre-Karoo basement comprises rocks of the Transvaal Supergroup. Only one borehole was drilled through the Dwyka Group into the underlying basement below, where a pink Felsite of the Rooiberg Group was intersected.

Dwyka Group

The rocks of the Transvaal Supergroup are discordantly overlain by sedimentary rocks of the Dwyka Group; the Dwyka Group rocks in the Triangle area have predominantly been described as reworked diamictites of glacial origin (tillite), and glacio-lacustrine varves.

Ecca Group

Within the Ecca Group, the Vryheid Formation comprises zones of alternating conglomerates, sandstone and mudstones within which the coal seams are located. The stratigraphy of the Vryheid Formation may be divided into three main sequences at Khanyisa: a basal No. 2 Seam Sequence, overlain by the No. 4 Seam Sequence, which in turn is overlain by the No. 5 Seam Sequence. Although the No. 5 Seam Sequence is present, only the basal siltstones, sandstones and mudstones are present; the No. 5 Seam coal has been eroded away by present day erosion.

No. 2 Seam Sequence

The No. 2 Seam sequence includes the succession from the top of the pre-Karoo basement or Dwyka Formation to the top of the S2 roof (Cairncross and Cadle, 1987), and includes coarse-grained arkosic sandstones, granulestones and conglomerates, with some minor amounts of siltstones and mudstones.

The S1 occurs directly on top of the Dwyka Group sediments in Triangle 1 only. Undulations in the palaeo-topography at the time of peat accumulation resulted in zones where the seam did not develop. Within Triangle 1, the S1 is highly variable in nature, ranging from Shaley to dull-lustrous; due to the fact that the seam is thin with relatively poor qualities, it is not considered economic.

The S2 is well developed over the whole of the Triangle Area. The seam comprises zones of alternating bright and dull coal, with occasional shaley coal bands in places. On average the seam is 5.5 m thick, with a raw CV of 21 MJ/kg, and an ash content of 29 %. In Triangle 2, the top of the S2 (< 1m), becomes more obviously shaly in nature than in Triangle 1, and at the request of the mine geologist at the time, the S2U was modelled separately from the main S2 Seam. The S2U averages 0.77 m in thickness and has a raw CV of 16 MJ/kg.

The average depth to the S2 is 40 m.

The parting between the S2 and S4 above ranges between 8.5 and 11.m, slightly increasing in thickness from south to north. The parting material comprises a basal, highly carbonaceous siltstone, interbedded siltstone, and fine-grained sandstone, containing the uneconomic S3, just below the S4.

No. 4 Seam Sequence

The No. 4 Seam Sequence comprises a predominantly sandstone succession from the roof of the S2 to the top of the S4. The S4 contains zones of dull coal with bands of shaley coal increasing towards the top. Based on the presence and degree of the shaly parting material, the S4 is divided into an S4U and an S4L ply. The S4U contains most of the

dull coal and shaly bands, whereas the S4L is the better-quality lower portion of the seam. The S4U is on average 4.0 m thick with a raw CV averaging 17 MJ/kg. The S4L is 3.8 m thick with an average CV of 23 MJ/kg, and a raw ash content of 23.5 %.

The S4 is not present in the south-western corner of the Triangle Area as it has been eroded.

The average depth to the S4U roof is 22.5 m, and to the S4L roof is 26.3 m.

The sequence between the S4 and the base of the S5 (eroded) is formed by a thick succession of interbedded sandstones and carbonaceous siltstones.

Figure 10-7 illustrates the typical stratigraphical sequence encountered at both Triangle 1 and Triangle 2.

Within the Triangle Project area, only 2 boreholes in the south-western corner of the licence area intersected dolerite, and this had no effect on the coal qualities in that area. The S4U in the south-east of the Triangle area is devolatilised and has been removed from resources.

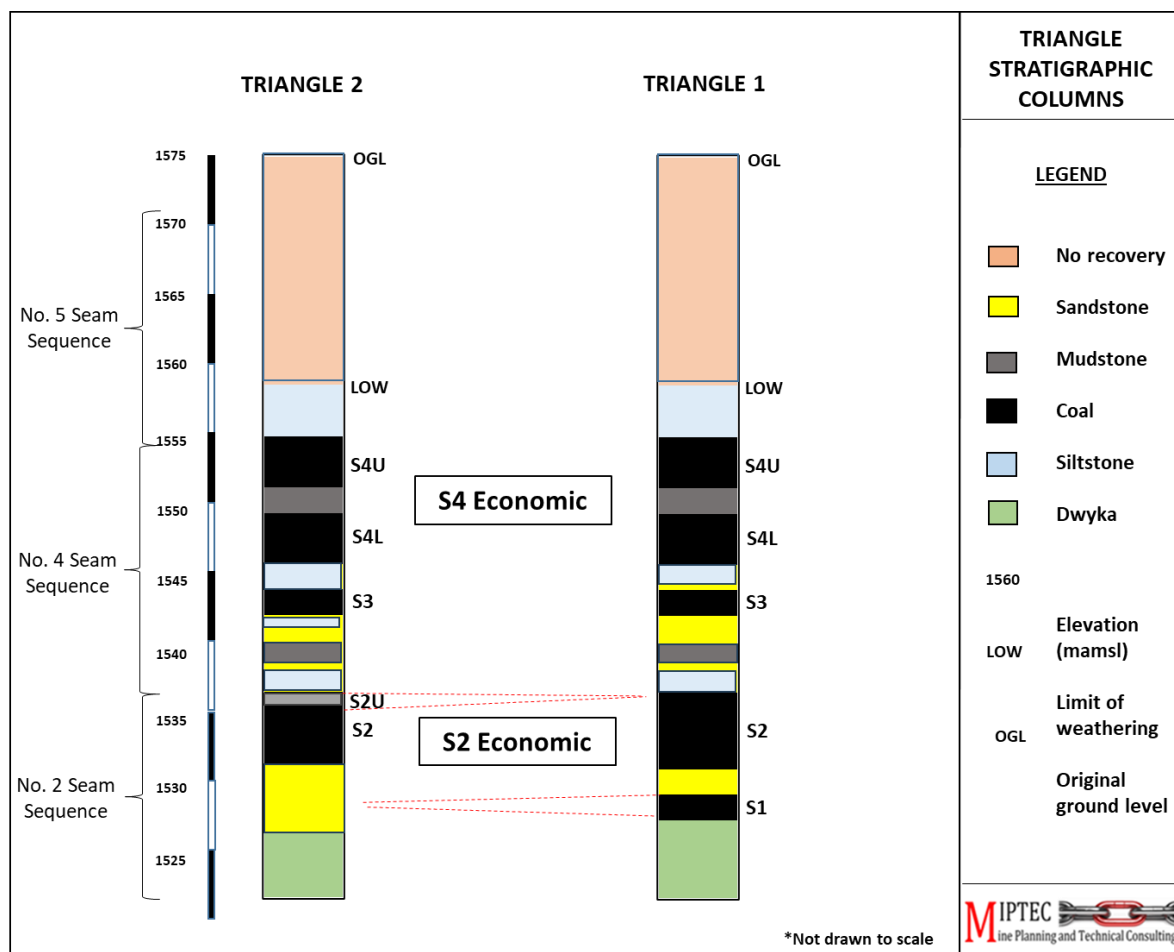


Figure 10-7 Generalised Stratigraphic Column

10.12 Exploration and Drilling, Sampling Techniques and Data

SR 3.1(i); SR 3.1(ii); SR 3.1(iii); SR 3.1(iv); SR 3.1(vii)

10.12.1 Historical Exploration and Mining

Three holes drilled by Anglo Coal in 2008 have been included in the model. The original data pertaining to these holes was made available and verified against the recent information at the time. Six boreholes drilled by Wescoal in 2011 to the south of Triangle were also included in the Triangle geological model. This drilling program was designed and managed by GM Geotech; all original data is available.

No information prior to the three holes drilled by Anglo is available.

10.12.2 Recent Exploration and Mining

SR 3.2(v)

Recent exploration refers to all work carried out subsequent to Wescoal's acquisition of the licence areas.

All recent geological work has been conducted by GM Geotech under contract to Wescoal. GM Geotech has been responsible for the design, supervision, logging and sampling of the recent drilling campaigns, all of which were carried out following GM Geotech's standard operating procedures. The final drilling campaign at Khanyisa included the drilling of six fully cored diamond drill holes in Triangle 2. This drill campaign was managed by the colliery, however Miptec managed the logging and sampling of these holes.

Wireline logging was not undertaken on any of the 2014 holes. The justification for this, was because there was a large number of historical holes that were drilled to basement allowing for good seam correlations, as well as the fact that the project is located in a well understood coalfield. The 2019 drill holes were however wireline logged.

10.12.3 Drilling and Logging

SR 3.2(iv); SR 3.3(i); SR 3.3(ii); SR 3.3(iii); SR 3.3(v); SR 3.3(vi); SR 3.3(vii); SR 3.5(ii); SR 3.6(i); SR 10.3(i); JSE 12.11(iv)1

Drilling Campaign 1: September 2014; 8 TNW size diamond cored holes were drilled by PP Minnie across the licence area in order to gather both physical and quality data. The drilling, logging, sampling and database management was managed by Gerhard Mulder of GM Geotech.

Drilling Campaign 2: October 2014; 5 TNW size diamond holes drilled by Earth Resources, in order to further prove up the coal resource. The drilling, logging, sampling and database management was managed by Gerhard Mulder of GM Geotech.

Drilling Campaign 3: August/September 2019; six TNW sized diamond drill holes drilled in Triangle 2 in order to increase the geological confidence across the area prior to mining. The drilling was managed in-house by Wescoal with the logging and sampling undertaken by representatives of Miptec.

Figure 10-8 illustrates the current drilling status at Khanyisa (March 2025). As can be noted, the area is largely mined out, with only the coal in the peripherals remaining.

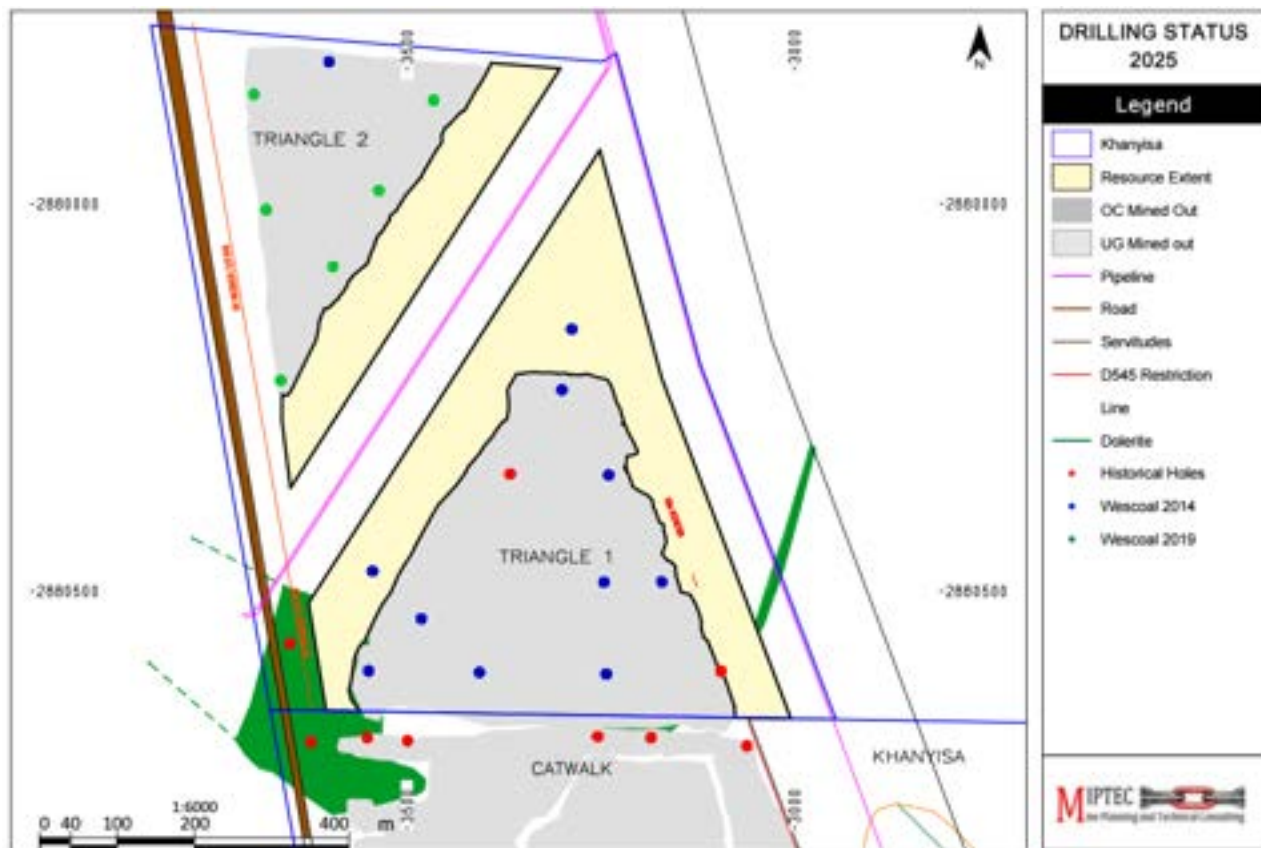


Figure 10-8. Khanyisa Complex Drilling Status

10.12.4 Future Planned Exploration

[JSE12.10(e)(iii)]

No future exploration has been planned.

10.12.5 Surface Drilling Techniques

[SR3.2(i), SR5.3(i)]

10.12.5.1 Cored Diamond Drilling

All drilling was undertaken using a TNW (60.0 mm) sized diamond drill bit. Standard practice is to ensure a minimum 95% core recovery in the coal seams; where this not be achieved a re-drill is requested. Due to the relatively flat nature of the coal seams, as well as the shallow nature of the drilling, all the holes are considered vertical, and the apparent thickness of the coal seams is considered representative of the true thickness.

No non-cored/percussion holes have been drilled.

10.12.5.2 Drill Hole Survey

[SR3.1(v)]

All recent drill hole collars have been surveyed by independent registered land surveyors. Survey & Resource Management Services (**SRM**) were responsible for surveying the collar coordinates for the 2014 drill holes, and Them bani Technical Services were responsible for surveying the 2019 drill holes.

The accuracy of the drill hole collar surveys is considered to be of sufficient standard. All available drill hole collars were checked against the DTM supplied by Dan Ferreira Technical Services (DFTS) in 2017, and all fall within a few centimetres of this surface. No drill holes were omitted from the geological model based on collar coordinate discrepancies.

10.12.5.3 Geological Logging

[SR3.2(iii)(iv)]

Gerhard Mulder of GM Geotechnical Consultants was responsible for the geological logging in 2014. Mr Mulder is a project geologist with over 40 years' experience in the mining industry. Ms. Khuthala, a geologist with over 15 years' experience in coal the coal industry, under contract to Miptec, was responsible for logging the 2019 boreholes.

The 2014 and 2019 Drilling Campaigns followed the same Logging Standards as detailed below.

Digital photographs of the boreholes were taken prior to logging. All drill cores were logged onto handwritten logging sheets, following the company's standard logging procedures, which are aligned with industry best practice. The handwritten logs are then captured into excel spreadsheets and interrogated for errors.

The logging sheet typically included information on the following:

- date of drilling;
- geologist;
- borehole number;
- collar coordinates;

- depths from and to;
- lithology
- colour;
- grain size;
- contact and
- comments.

Record of the core recoveries as well as the RQD were determined for every hole.

None of the boreholes were geotechnically logged.

The nature and detail of the geological drill hole logging undertaken at Khanyisa was sufficient to support the classification of Resources.

As part of Miptec's inhouse QAQC procedures, there is continuous checking between the correlations of the newly drilled drill holes and the older drill holes. This process is used to flag any irregularities between the new and old data. Additionally, the drill hole data and geological model data are compared to the actual survey information; there is always a good correlation.

10.12.5.4 Core Recovery

[SR3.2(i)(v)]

The logging geologist is responsible for calculating the core recoveries for all of the cored drill holes.

After each drill run, the driller calculates the depth of the hole by adding together the lengths of each of the drill strings, from the base of the drilling bit to the top of the quill rod and then subtracting the portion of the drill string protruding above surface. The measurement from ground level to the top of the quill rod is known as the "stick-up". The driller records the calculated depths onto wooden or plastic blocks and places it at the base of the last piece of core extracted from the core barrel. As well as recording the depths on blocks within the sequence of core, the driller also captures the depth calculations on the driller's daily report sheet.

The responsible geologist performs depth checks on each hole. The standard procedure was to rely on the drillers stick-ups, as no geophysical logging was conducted due to the consistent nature of the seams, and no structural disturbances. Additionally, the area is very well understood by the geologists.

10.12.6 Coal Sampling and Analysis

SR 3.3(i); SR 3.3(ii); SR 3.3(iii); SR 3.2(iv); SR 3.3(v); SR 3.3(vi); SR 3.3(vii); SR 3.5(ii); SR 3.6(i)

10.12.6.1 Coal Sampling Methodology

Detailed sampling of the coal seams was undertaken once the cores had been accurately logged and photographed. The samples are typically determined based on the intra-seam lithological boundaries. The minimum length of the sample was 30 cm. Partings greater than 30 cm were sampled separately, but where partings were less than 30 cm these were included with the poorer quality coal sample. Where thin intra-seam clastic partings were noted, these were duly sampled together with the coal seam to ensure over representability. All intersected coal seams were sampled.

All samples were bagged, labelled (one inside and one outside the bag) and sealed. Sample handling throughout the sampling, bagging and transport process was done in such a way as to ensure minimal change to the original sample. Once the samples were bagged, and the sample data recorded, the samples were transported to the laboratory as soon as possible.

Due to the fact that the core recovery was good, and there was not a lot of fines lost during the drilling process, the samples and subsequent quality results are considered representative of the actual coal intersection.

10.12.6.2 Coal Sampling Preparation and Laboratory Analysis

SR 3.4(i); SR 3.4(ii); SR 3.4(iii); SR 3.5(i); SR 3.5(iv);

The 2014 borehole samples were analysed at Midlab (company since dissolved), and the 2019 samples analysed at Siza Labs, both according to ISO standards. At the time, Midlab and Siza were both independent company's specializing in coal sampling and analysis. At the time both labs were ISO 17205 accredited with Midlab SANAS (South African National Accreditation Service) accredited (Accreditation number: T0461). Siza Lab Middelburg is utilized by other major South African coal mining companies including Eskom and Sasol and is subjected to regular laboratory audits.

All of the coal samples were analysed for proximate analyses: AS, IM and VM, as well as for CV and TS. This was done on a raw air-dried basis for all samples. ARDs were determined for each sample (raw RD). Washability tests were conducted for following float densities 1.5, 1.6, 1.7, 1.8 and 1.9 g/cm³ and for the sinks at a 1.9 g/cm³ density, for the 2019 samples only.

Upon completion of the analysis, an official signed laboratory certificate with the reported raw, fractional and cumulative results was emailed to the client.

No bulk sampling work was done.

South African laboratories use a standard preparation method for coal samples. The method is summarised below.

The ISO and South African National Standard (SANS) have a standard set of tests and methods that are used for coal analysis by South African laboratories. The standard method of coal sample preparation is summarised as follows:

-
- Receipt of the sample into the laboratory's electronic information management and sample tracking system;
 - Drying of sample. All drying oven temperatures do not exceed 40°C;
 - Measuring mass of sample;
 - Determining the relative density of the sample;
 - Crushing the sample to -25mm;
 - Screening out of the -0.5mm fraction for proximate, calorific value (CV) and total sulphur analysis;
 - Pulverising the -25mm+0.5mm sample;
 - Pulverised material split using a rotary splitter;
 - Carrying out the raw proximate, CV and total sulphur analysis;
 - Washing the -25mm+0.5mm fraction at client specified relative densities;
 - Drying and weighing each fraction;
 - Crushing and pulverising each fraction;
 - Conditioning each sample for one hour;
 - Carrying out the raw proximate, CV and total sulphur analysis for each fraction;
 - Automatically generating an electronic laboratory report which is emailed to the client; and
 - An officially signed laboratory certificate reporting on the fractional and cumulative results is delivered to the client.

The South African laboratories use standard methods for the analysis of coal samples as presented in Table 10-2.

Table 10-2. Standard tests for coal samples

PARAMETER	STANDARDS / TEST METHOD
Sample Preparation	ISO 13909-4 / ISO 18283
Calorific Value (Sulphur Corrected)	ISO 1928
Total Sulphur	ASTM D4239
Apparent Relative Density	Water Displacement / ISO 1014 / AS 1038.26 - 2005
Float and Sink (Washability)	ISO 7936
Proximate Analysis	ISO 17246:2010

10.12.6.3 Laboratory QA/QC

Laboratories are required to calibrate their coal analytical equipment daily as well as participate in round robin proficiency tests to ensure a high standard of results as part of their quality assurance/quality control (QA/QC).

All result reports were verified by the laboratory manager and any inconsistencies or variations regarding the results are re-analysed.

10.13 Data Management and Validation

SR 3.1(i); SR 3.1(ii)

All drill hole collar and lithology information as well as the laboratory results are currently housed within an MS Excel™ database, managed and maintained by Miptec. Copies of the original drill hole logs, photographs, laboratory certificates, as well as the digital data, are available for viewing at the GM offices in Middelburg.

Borehole data was checked for physical data errors including overlapping intervals and missing intervals, etc. as well as quality verifications including increasing cumulative ash values, decreasing cumulative volatile values and totalling proximate analyses to 100%, etc.

Any errors identified were investigated by the responsible person. All boreholes were presented graphically as well as plotted on plans for additional verification.

10.13.1 Drill Hole Data Validation

SR 2.1(iv); SR 3.1(vi); SR 4.1(i); SR 4.1(ii); SR 4.2(iii)

Miptec has reviewed a random selection of borehole logs, photographs, sampling records and analytical results, and is satisfied that the data has been adequately transferred into the database. The database is however lacking important borehole related information, such as date of drilling, drilling company, end of hole depths etc. It is good practice to capture all available information into the database to ensure safe keeping of the data, particularly as hard copy data often gets misplaced over time.

- **Topography:** The Topographic Surface was supplied as a .dxf file from Dan Ferreira Technical Surfaces. The surveyed collar elevations were compared with this surface in order to detect any anomalies. Two topographic surfaces were supplied. The first surface was flown in 2014, and therefore does not reflect the current surface conditions, which have changed due to ongoing mining activities. The second surface was flown in 2016 and does reflect the current surface features such as dumps and depressions (voids), however there is an issue with the topography over the Triangle Area, as the DTM was flown prior to the harvesting of the crops, and therefore the topography is approximately 2m higher than ground level in these areas. This increase in the topography level can lead to inaccurate strip ratio calculations. It was therefore decided to use the 2014 topographic surface to calculate resources, as the dumps and voids reflected in the 2016 surface has no effect on the resource area. It has however been used for diagrammatic purposes.
- **Borehole Collars:** The Borehole collars were compared with the 2014 flown topographic surface. All collar elevations plotted within 0.5 m of this surface. No boreholes were excluded from the model based on this check.
- **Lithology:** Boreholes are checked to ensure that the seams have been correctly correlated, that the lithographic intervals are in the correct sequence, that there are no negative thicknesses or anomalously thick intervals and that there are no inconsistencies in general. No major seam discrepancies were identified.
- **Qualities:** Quality results were evaluated for inconsistent relationships, e.g. ash increasing with increasing wash density; CV and volatiles decreasing with increasing wash density, cumulative yields sum to 100%, etc.

Based on verification techniques applied, Miptec is satisfied that the data is valid and fit for purpose for the construction of a geological model which accurately reflects the original borehole data, as well as the estimation of Coal Resources over the Khanyisa area. A total of 26 boreholes were used in the construction of the Triangle geological model. The average borehole spacing across the licence area is 95 m. The spacing and distribution of the current data set as included in the geological model is sufficient to establish the degree of geological and grade continuity for the estimation

and classification applied. For the current SAMREC resource classification for multiple seam deposits, the resource has been classified as Measured based on the drill and sample density.

Additionally, the mine is practically mined out. Considering the drill hole spacing as well as the information from actual mining, there is a high level of confidence regarding the geological model and remaining resource.

10.14 Coal Resources

[JSE2.10(h)(ix)]

10.14.1 Target Seams

The S4 and S2 seams are considered opencast economic targets within the Triangle Area.

10.15 Geological Modelling

SR 2.1(iii); SR 4.2 (i); SR 4.2 (iv); SR 4.2(v)

The geological modelling was undertaken by Ms. K. Black (Pri. Sci. Nat), a Resource Specialist under contract to Miptec. The model was created using Datamine's MineScape™ Software, Version 2023, Update 4; specialist software designed for the three-dimensional (3D) modelling of tabular ore deposits such as coal. The model was peer reviewed by Leon Raaths based on the geological grids that were supplied from the geological model. The model is dated 2023.

10.15.1 Modelling Process and Validation

SR 4.1(i); SR 4.2(ii); SR 4.2(iii)

The database was validated and the necessary input files for the model created in MS Excel™ format. These files, namely a drill hole collar and lithology file (including the seam picks and LOW), along with the Topography file were uploaded directly into StratModel. The modelling software includes a user-generated Schema, where the interpolators are set, modelled units are listed in downhole stratigraphic order (a form of model control), the relationships between parent and daughter seams defined and the nature of each unit set (e.g., conformable/non-conformable, transgressive, contiguous). Should the input lithology file contain seams that are in the uncorrected stratigraphic sequence, then upon upload, the model will report an error (logged as an error report). This is the first level of data verification while modelling.

The structural model is built by first creating a table model with the information from the uploaded drill hole data, controlled by the set of rules contained in the Schema. The construction of the table model also produces an error report, that is checked, and the data corrected accordingly.

Once the table model has been built, a 3D grid model is constructed. The grid modelling process interpolates the table data onto the grid block nodes. The grids' spatial orientation is determined by the centre point coordinates of the project area and the cell size determined by the user from the drill hole spacing. The interpolators used to model the data are specified by the modeller and can vary from project to project depending on the data. For this project, the Inverse Distance Cubed interpolator was used to ensure close honouring of the actual data. Various checks were done to compare the model data with the drill hole data in order to ensure accurate data honouring.

Twenty six cored and sampled drill holes were used to create the geological model. The average spacing of the drill holes across the licence area is 95 m; based on this, a grid cell size of 15 m was used. The structural model is set to truncate the coal seams where they intersect the LOW, ensuring resources for only unweathered coal are estimated. Extrapolation of data was constrained to 250 m beyond the last known data point.

Besides lithological verifications, the quality data were checked against the drill hole intervals to ensure that there were no missing or overlapping samples. If it was found that partings within coal seams were not sampled, then appropriate standard values (based on lithology) were assigned, to reflect the quality of the coal more accurately. However, very few standard values were required, and predominantly pertain to mudstone/sandstone partings that were not sampled.

Verification routines regarding the import of quality data are also built into StratModel. Should any inconsistencies between the modelled lithology and imported sample depths be detected, these are reported in a Quality Load error report. This report is then interrogated, the listed errors corrected, and the edited quality file reloaded.

The quality model is created similarly to the structural model – first by loading the quality data into a table file, interrogating the error log, compositing the individual ply data, and lastly, creating the grid model.

The resultant grid model is interrogated by creating data value posts, statistical reports, contour plots, various grid arithmetic plots and posts, and both two- and three-dimensional cross sections.

The following surfaces were modelled for each of the mineable coal seams:

- Topography;
- Limit of weathering;
- Seam roof and floor elevations;
- Seam thickness;
- Interburden thicknesses; and
- Raw Air-Dried Qualities.

The target coal seams and the parting bands, namely the S4U, S4L, S2U, and S2 were modelled. The resource boundaries are based on the seams' subcrops, seam thickness and quality cut-offs, the mining right boundary, and the servitude and environmental boundaries.

The model is an established model, which undergoes annual scrutiny during the annual Resource and Reserve reporting process, whereby the actual coal mined is reconciled against the model, and any necessary adjustments made. There has always been a good correlation between actual mining and the model.

10.15.2 Physical Results

SR 2.1(v); SR 2.1(vi); SR 4.1(vi); SR 4.5(i); SR 4.5(ii)

For each seam, the physical parameters of the seam elevation and the depth from surface of the seam floor and roof were modelled; the LOW was similarly modelled. The thickness of each seam was also modelled and used as the basis for the estimation of the Coal Resource volumes. Although all these parameters were modelled, only the floor elevation, depth from surface and the seam thickness results are presented Figure 10-9 in to Figure 10-18, along with a brief description of the results.

In addition, classical statistics for the modelled seams are compared with similar statistics derived from the drill hole data. The purpose for this comparison is to determine whether the model is a true reflection of the data or if the modelling algorithm has changed the apparent nature of the deposit.

No. 2 Coal Seam

Physical statistics for the S2 are presented in Table 7-7 (drill hole statistics) and Table 8-8 (model statistics) and illustrated Figure 10-9 to Figure 10-11.

Comparison of the drill hole and model statistics indicate that the model accurately reflects the coal in the ground. The differences are explained by the model extrapolating data into areas with little/no data. The effect in this model, however, is very small.

Table 10-3. No. 2 Seam Drill Hole Statistics

No. 2 Seam Drill hole Statistics									
Parameter	Number	Average	Minimum		Maximum		Standard Deviation	Skewness	Kurtosis
			Hole Name		Hole Name				
Thick (m)	13	5.59	T2_01	4.36	NLC5084	6.82	0.66	0.23	-0.17
Depth to Roof (m)	13	37.35	NLC5084	28.72	T2_3	42.68	4.59	-0.63	-0.90
Floor Elevation (mamsl)	13	1532.14	NLC14-05	1527.57	NLC5082	1536.27	2.23	-0.12	0.04

Table 10-4. No. 2 Seam Model Statistics

No. 2 Seam Model Statistics							
Parameter	Number	Average	Minimum	Maximum	Standard Deviation	Skewness	Kurtosis
Thick (m)	543	5.47	4.81	6.11	0.22	0.24	-0.01
Depth to Roof (m)	543	39.65	29.83	44.06	3.42	-1.02	0.19
Floor Elevation (mamsl)	543	1532.42	1527.60	1536.62	2.18	-0.23	-0.92

The S2 is present across the whole of the Triangle Area, consistently averaging around 5.5 m thick (Figure 10-9). Within the northern Triangle 2 area, where the S2U has been modelled as a separate ply, it averages 0.8 m in thickness. The depth to the No. 2 Coal Seam roof ranges from 45 m in the north-central portion of the remaining resource Area, to less than 30 m in the south-western corner (Figure 10-10). When view in conjunction with the S2 floor elevation, Figure 10-11, it is apparent that the depth to roof is influenced more by the surface ground level, than the floor contours. The floor elevation is slightly increased along the eastern edge of the area, decreasing towards the south-west.



Figure 10-9. No. 2 Seam Thickness (m)



Figure 10-10. No. 2 Seam Depth to Roof (m)

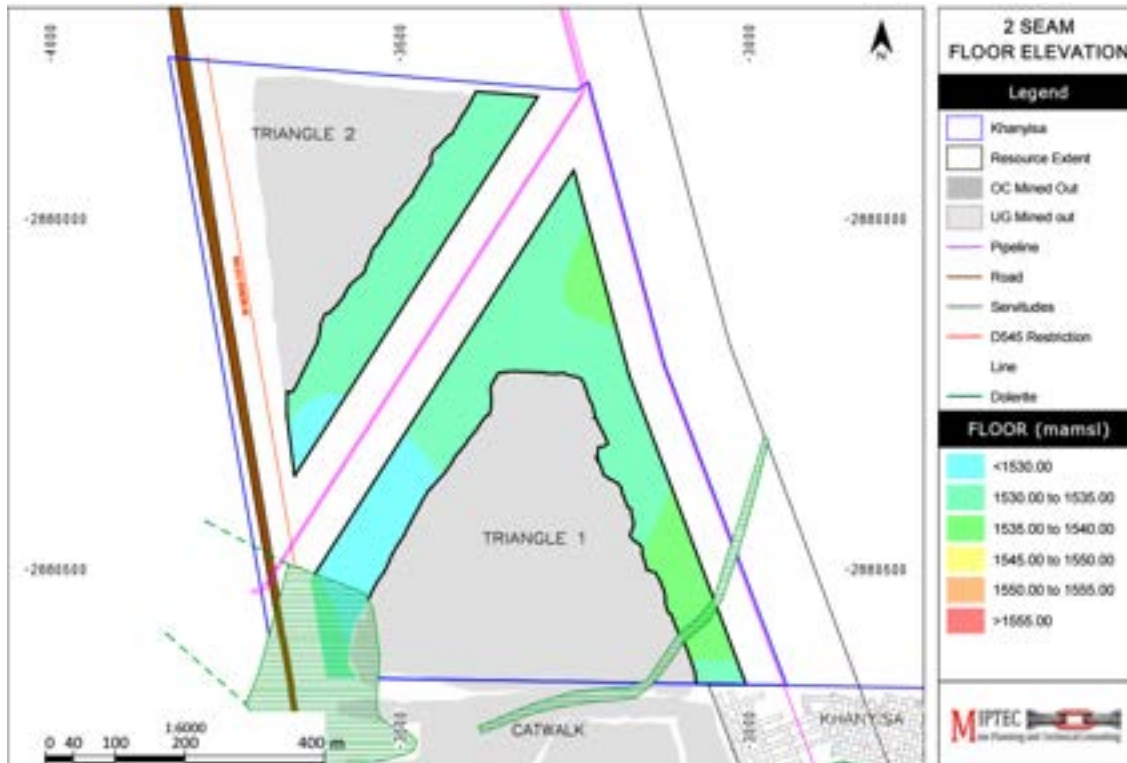


Figure 10-11. No. 2 Seam Floor Elevation (mamsl)

10.15.2.1 No. 4 Lower Coal Seam

Physical statistics for the S4L are presented in Table 10-5 (drill hole statistics) and Table 10-6 (model statistics) and illustrated in Figure 10-12 to Figure 10-15.

Comparison of the drill hole and model statistics indicate that the model accurately reflects the coal in the ground, with no notable differences between the drill hole and model statistics.

Table 10-5. No. 4L Seam Drill Hole Statistics

No. 4L Seam Drill hole Statistics									
Parameter	Number	Average	Minimum Hole Name		Maximum Hole Name		Standard Deviation	Skewness	Kurtosis
Thick (m)	11	3.72	NLC5082	3.20	NLC14-05	3.96	0.20	-1.65	2.72
Depth to Roof (m)	11	25.27	NLC5082	18.89	T2_4	29.12	3.22	-0.72	-0.63
Floor Elevation (mamsl)	11	1547.63	NLC14-05	1542.54	NLC5082	1550.70	2.18	-0.85	0.90

Table 10-6. No. 4L Seam Model Statistics

No. 4L Seam Model Statistics							
Parameter	Number	Average	Minimum	Maximum	Standard Deviation	Skewness	Kurtosis
Thick (m)	496	3.70	1.26	3.89	0.22	-8.26	74.80
Depth to Roof (m)	496	26.30	18.71	30.41	3.05	-0.90	-0.16
Floor Elevation (mamsl)	496	1547.81	1542.59	1551.41	2.02	-0.45	-0.69

The S4L is present across the whole of the Triangle Area, pinching out in the south-western where the seam appears to have been removed or highly affected by an overlying dolerite sill. The seam averages 3.8 m in thickness, with the seam pinching out in the south-west due to the effect of the removal of the seam by dolerite and the current LOW (Figure 10-12). The depth to roof ranges from 30 m in the north-eastern corner of the property, to less than 20 m in the south (Figure 10-13). The gently dipping seam mirrors that of the S2 below, with the highest elevations noted in the north and east, decreasing to the south-west (Figure 10-14).

The S4L is separated from the underlying S2, by a parting which averages 10 m in thickness (Figure 10-15). The parting thickness is very consistent across the resource area, and comprises mudstones, and interlaminated siltstones and sandstones. The S3 forms part of the parting between S4L and S2, and although not considered an economic target, it is used as a marker horizon.



Figure 10-12. No. 4 Lower Coal Seam Thickness (m)



Figure 10-13. No. 4 Lower Coal Seam Depth to Roof (m)



Figure 10-14. No. 4 Lower Coal Seam Floor Elevation (mamsl)

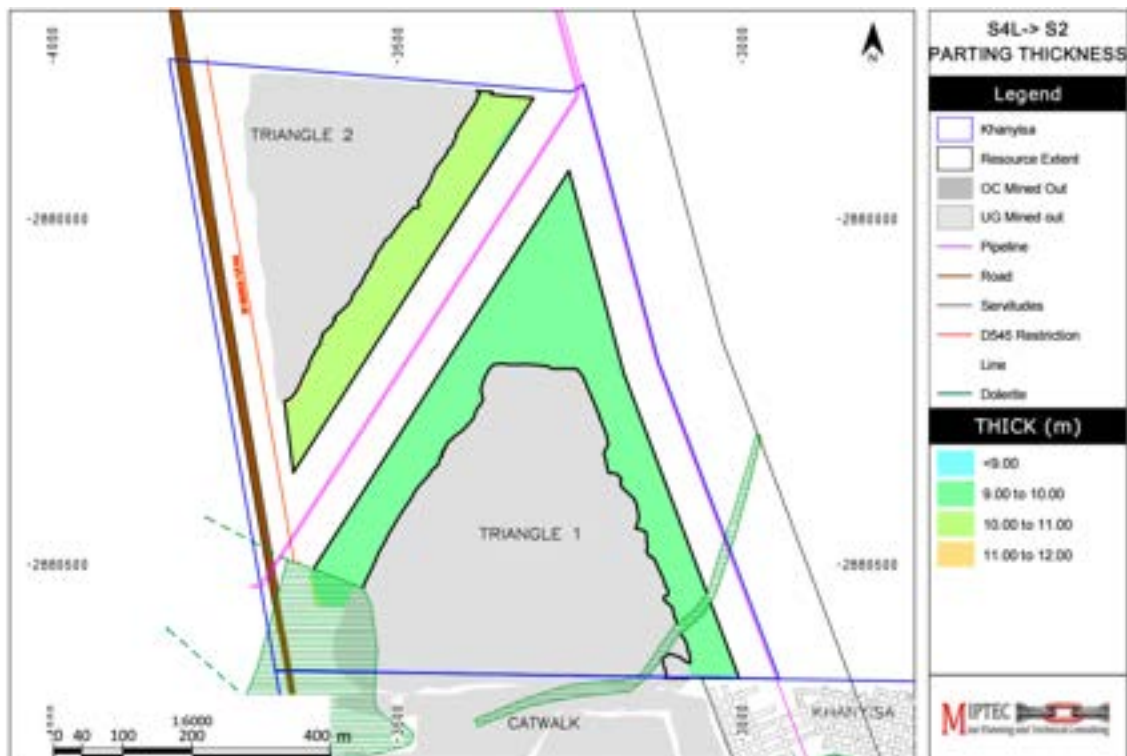


Figure 10-15. Parting thickness between the No. 4 Lower and No. 2 Coal Seams.

No. 4 Upper Coal Seam

Physical statistics for the S4U are presented in Table 10-7 (drill hole statistics) and Table 10-8 (model statistics) and illustrated in Figure 10-16 to Figure 10-18.

Comparison of the drill hole and model statistics indicate that the model accurately reflects the coal in the ground. The most notable difference between the drill hole and model statistics is the minimum seam thickness. The model projects the seam to pinch out where the seam has not been intersected, thus resulting in a lower minimum seam thickness.

Table 10-7. No. 4U Seam Drill Hole Statistics

No. 4U Seam Drill hole Statistics									
Parameter	Number	Average	Minimum		Maximum		Standard Deviation	Skewness	Kurtosis
			Hole Name		Hole Name				
Thick (m)	11	4.00	NLC5082	2.40	T2_2	4.80	0.60	-1.71	3.02
Depth to Roof (m)	11	20.98	NLC5082	15.49	T2_4	25.06	3.08	-0.48	-1.01
Floor Elevation (mamsl)	11	1551.62	NLC14-05	1546.82	NLC5082	1554.90	2.20	-0.54	0.36

Table 10-8. No. 4U Seam Model Statistics

No. 4U Seam Model Statistics							
Parameter	Number	Average	Minimum	Maximum	Standard Deviation	Skewness	Kurtosis
Thick (m)	463	4.04	0.99	4.42	0.35	-5.28	36.69
Depth to Roof (m)	463	22.53	15.60	26.29	2.50	-0.66	-0.43
Floor Elevation (mamsl)	463	1551.68	1546.78	1555.48	2.00	-0.42	-0.79

The S4U is present across the whole of the Triangle Area, pinching out in both the south-western and south-eastern corners of the area where it has been affected by the overlying dolerite sill and removed by present day erosion (Figure 10-16). The seam averages 4.2 m thick in Triangle 2, and 3.8 m thick in Triangle 1. The depth to roof ranges from almost 30 m in the north, to less than 20 m in the south (Figure 10-17). The gently dipping seam floor elevations range from around 1 555 mamsl in the south-east to around 1545 mamsl in the south-west (Figure 10-18), with no indication of any displacement.

The S4U is separated from the underlying S4L, by a carbonaceous mudstone parting averaging of 0.4 m in thickness.



Figure 10-16. No. 4 Upper Coal Seam Thickness (m)



Figure 10-17. No. 4 Upper Coal Seam Depth to Roof (m)



Figure 10-18. No. 4 Upper Coal Seam Floor Elevation (mamsl)

10.15.2.2 Cross Sections and Structural Interpretations

[SR3.1(vii) (viii)]

A number of cross sections were generated to test the geological model, three of which are included below. The locations of the cross sections are illustrated in Figure 10-19, whereas the cross sections are included as Figure 10-20.

It must be noted that the cross sections below have a vertical exaggeration of 1:3 applied.



Figure 10-19. Cross Section Location Plan

Evident in the sections below (Figure 10-20), is the flat lying nature of the seams, displaying a gentle dip towards the south-west. The pinching out of the S4 in Section B-B1, as well as the increase in the depth of weathering may be due to the presence of a dolerite sill postulated to occur in this area. There have been multiple dolerite dykes and sills encountered within the Khanyisa Colliery to the south and east, however the Triangle area remains largely free of dolerite activity.

All of the seams are very flat lying with a gentle dip to the southwest. No evidence of seam displacement has been identified in any of the cross-sections.

The cross-sections below illustrate that the coal seams are representative of a multiple seam deposit type, as they are discrete coal seams separated by inter-burdens of varying thicknesses.

Besides the dolerite intersected in two boreholes, no further dolerites have been surveyed during the mining of the Triangle area. The dolerite illustrated in Figure 10-19 is used to indicate the location and extent of the of the postulated dolerite intrusions. The coal within the Triangle Area is completely unaffected by the dolerite, with the exception of the

S4 where it has been removed. Additionally, no faulting has been encountered during mining or predicted to occur within the remaining resource areas.

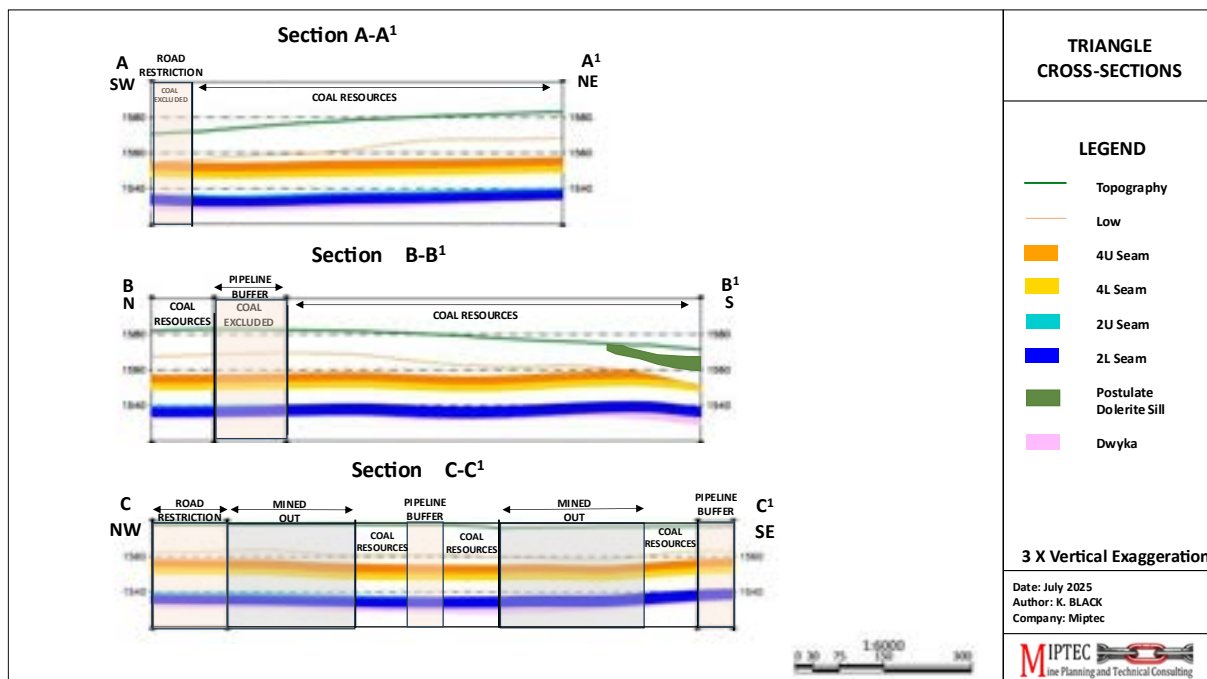


Figure 10-20. Triangle Area Cross-Sections

10.15.3 Raw Quality Results

SR 4.5(i); SR 4.5(ii)

Raw coal qualities (adb) were modelled for each seam. These include AS, CV, IM, FC, TS and VM. The average raw coal qualities were estimated by weight-averaging the individual coal ply qualities on both thickness and density.

Included in Figure 10-21 to Figure 10-32 are the raw Ash, CV, TS and VM plots, and frequency histograms, for the S2L, S4L and S4U seams.

No. 2 Seam

The S2 raw Ash content ranges between 28 % to 32 % across the remaining Triangle Resource Area, averaging 29 % (Figure 10-21). Of the data analysed, 57% has an ash content between 24 – 28%, with 100% of the data having an ash content less than 36%.

The average CV of the S2 over the Triangle Resource Area is approximately 20.9 MJ/kg (Figure 10-22); 79% of the data analysed has a raw CV content greater than 21 MJ/kg, with the remaining data containing CV contents between 18 – 20 MJ/kg.

The average TS content across the remaining Triangle Area is 1.18% (Figure 10-23). Of the data analysed, 69% has a raw TS content less than 1.2%; 23% of the data has a TS content between 1.2 % and 2.0%. Once borehole has a raw TS content greater than 3.2%, and as can be noted in Figure 10-23, has a large impact on the surrounding area. No washability results were available at the time of this report, and therefore it is unknown whether the sulphur is inorganic or organic in nature.

The raw VM content appears slightly higher in Triangle 2 than in the remaining Triangle 1, averaging 22.3 % and 20.9% respectively. All the S2 data analysed has a VM content greater than 19%. No devolatilisation has been recorded in the current resource areas.

The slightly better S2 qualities associated with Triangle 2 are attributed to the fact that the S2U was removed from the S2 in this area and modelled separately.



Figure 10-21. No. 2 Coal Seam Raw Ash Content

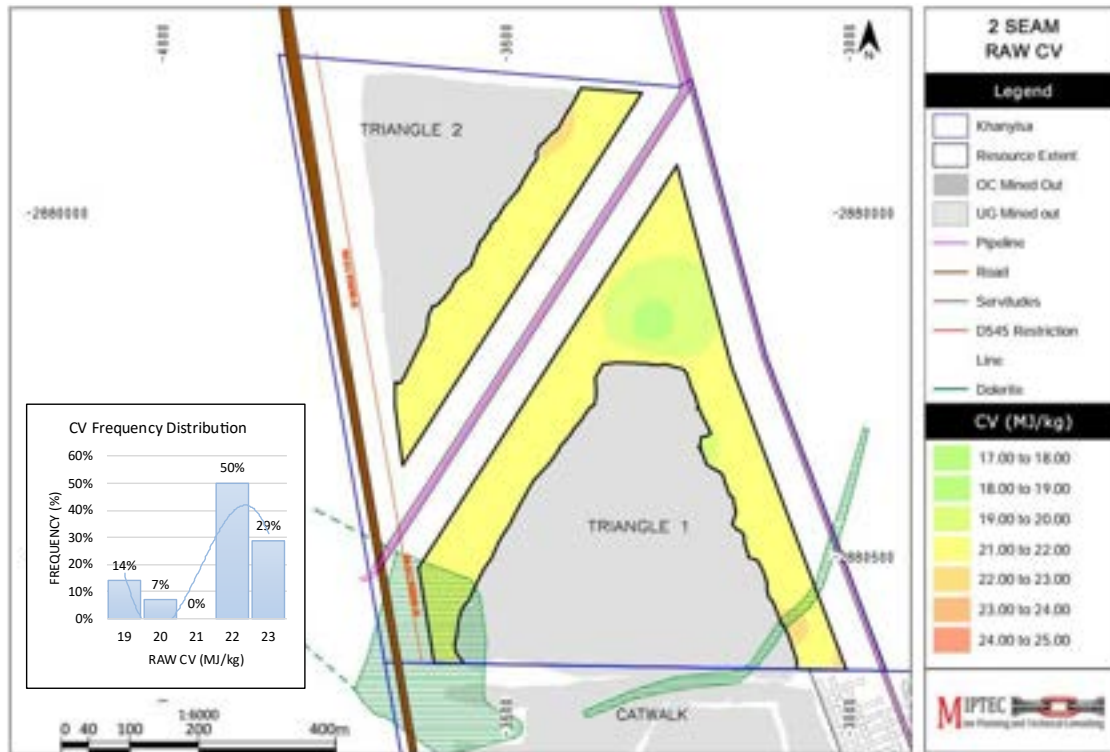


Figure 10-22. No. 2 Coal Seam Raw Calorific Value Content

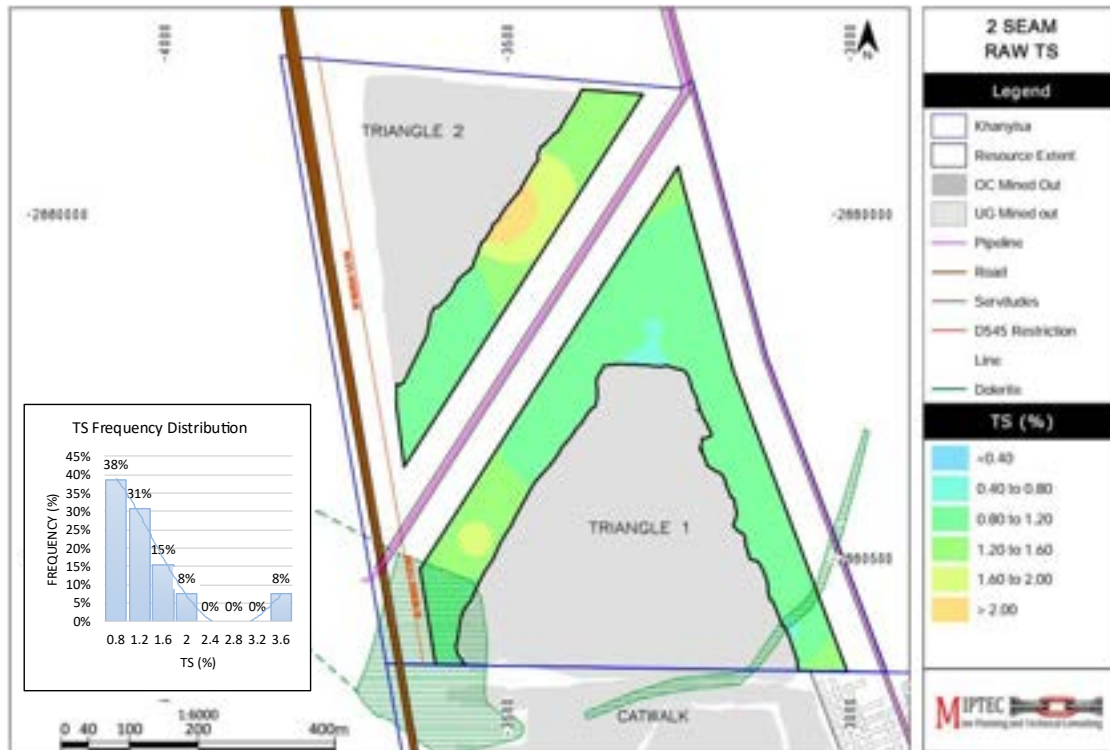


Figure 10-23. No. 2 Coal Seam Raw Total Sulphur Content

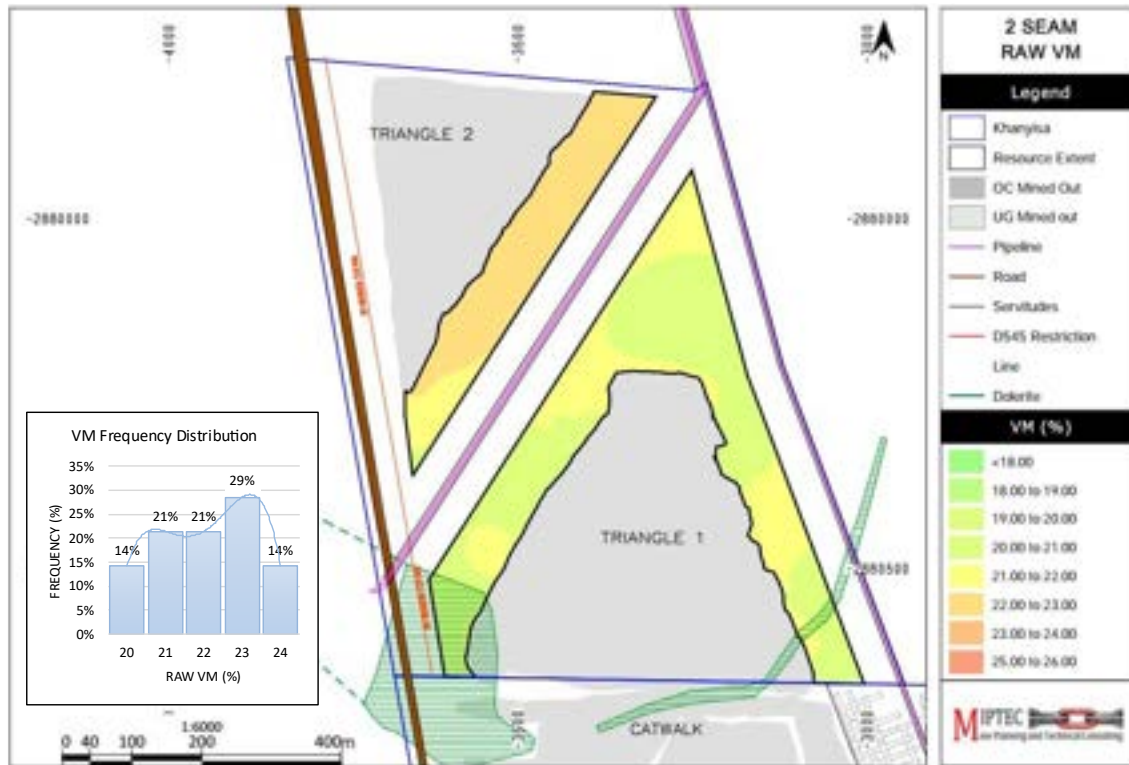


Figure 10-24. No. 2 Coal Seam Raw Volatile Matter Content

No. 4 Lower Coal Seam

The S4L within the Triangle area is characterised by a raw Ash content which ranges between 20 – 28 %, (97% of the data analysed), averaging 23.3 % (Figure 10-25).

The average raw CV of the S4L averages 23 MJ/kg, which comfortably satisfies Eskom's requirements (Figure 10-26). The CV content is very consistent across the area, with 100% of the data analysed containing a raw CV content between 22 – 25 %.

As is generally the case with a higher quality coal, the sulphur content is usually higher as well, and this trend is noted here. The average TS content of the S4L is 1.3 % and would therefore require blending if an Eskom contract was to be considered. No washability analyses have been conducted, and therefore it is not known whether the sulphur improves during beneficiation. Of the data analysed, 56% has a raw TS content greater than 1.2% (Figure 10-27).

The average VM content of the S4L averages 23.9%; 92 % of the data analysed has a raw VM content greater than 23%.

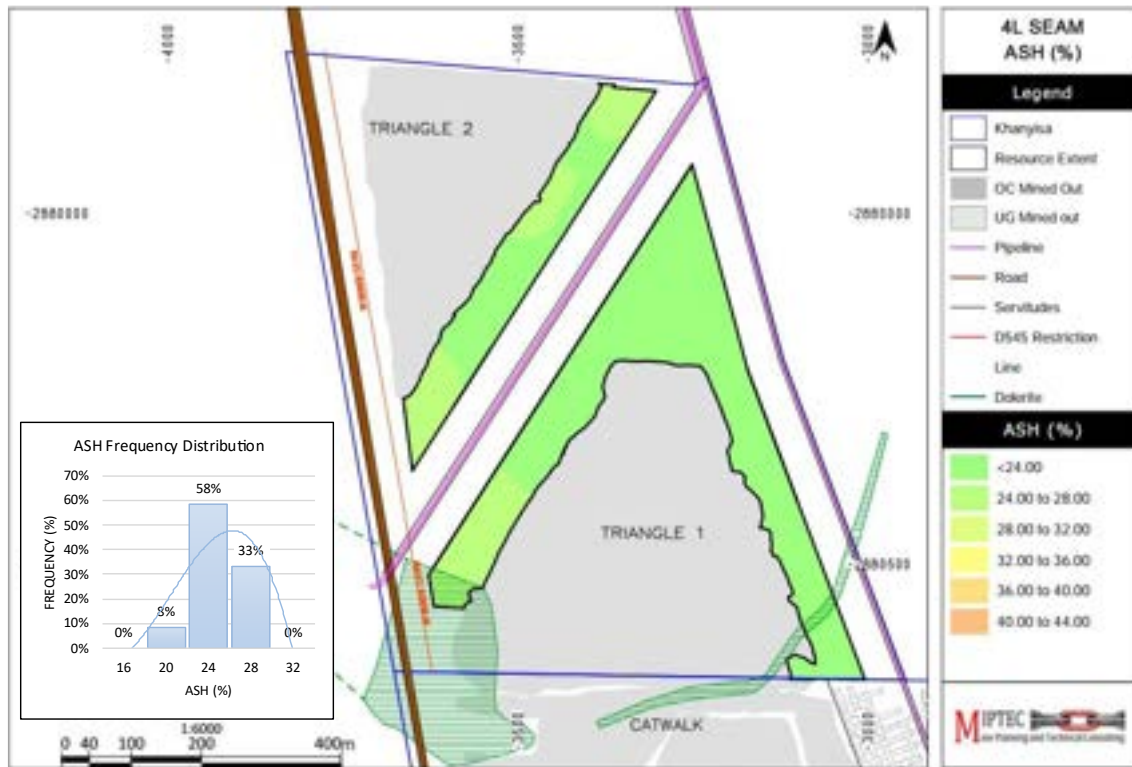


Figure 10-25. No. 4 Lower Coal Seam Raw Ash Content

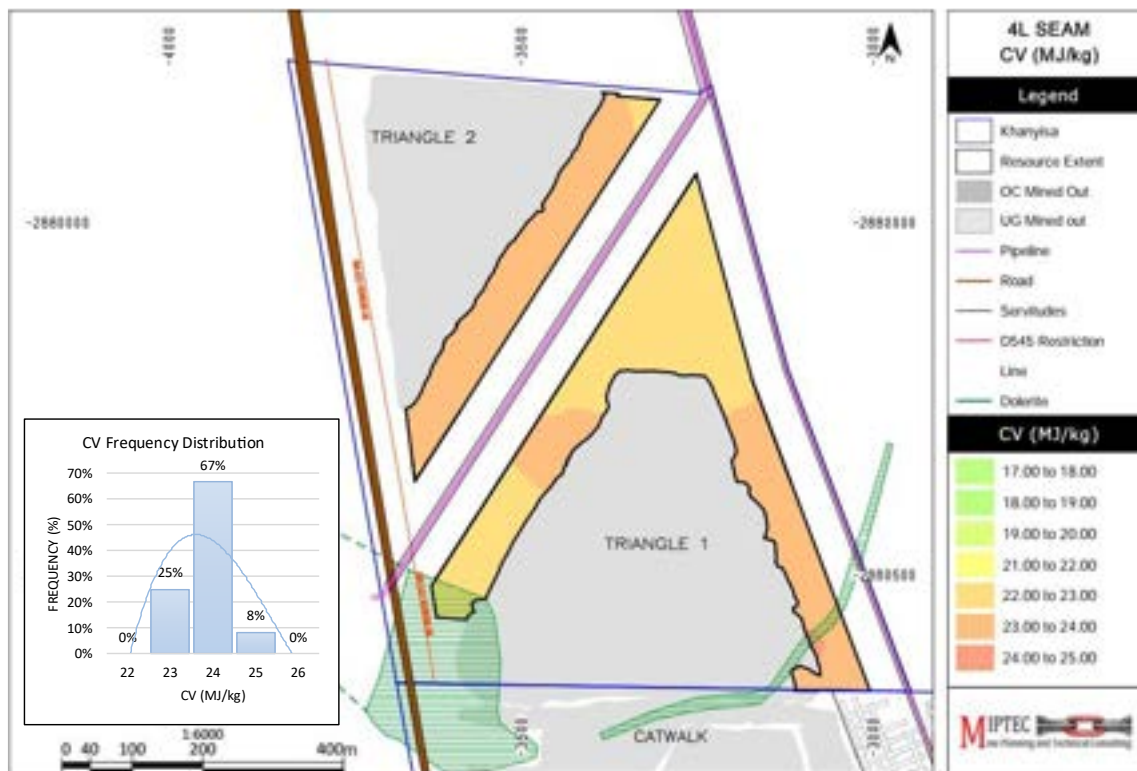


Figure 10-26. No. 4 Lower Coal Seam Raw Calorific Value Content

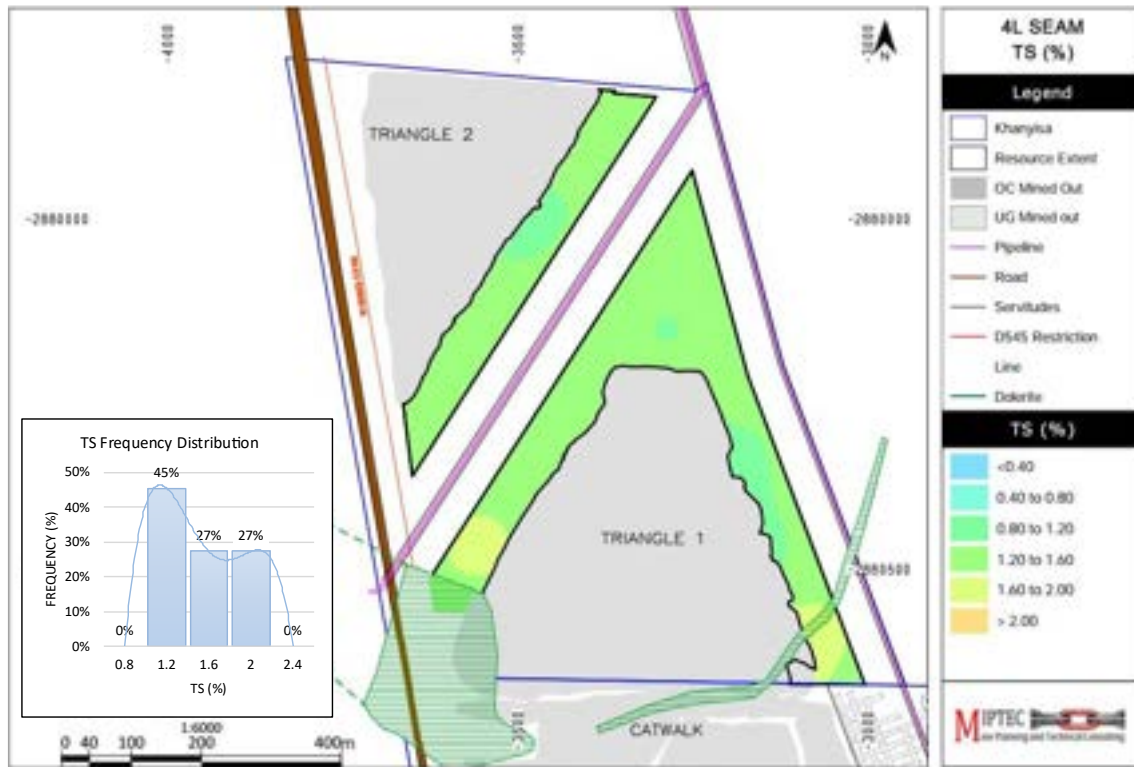


Figure 10-27. No. 4 Lower Coal Seam Raw Total Sulphur Content

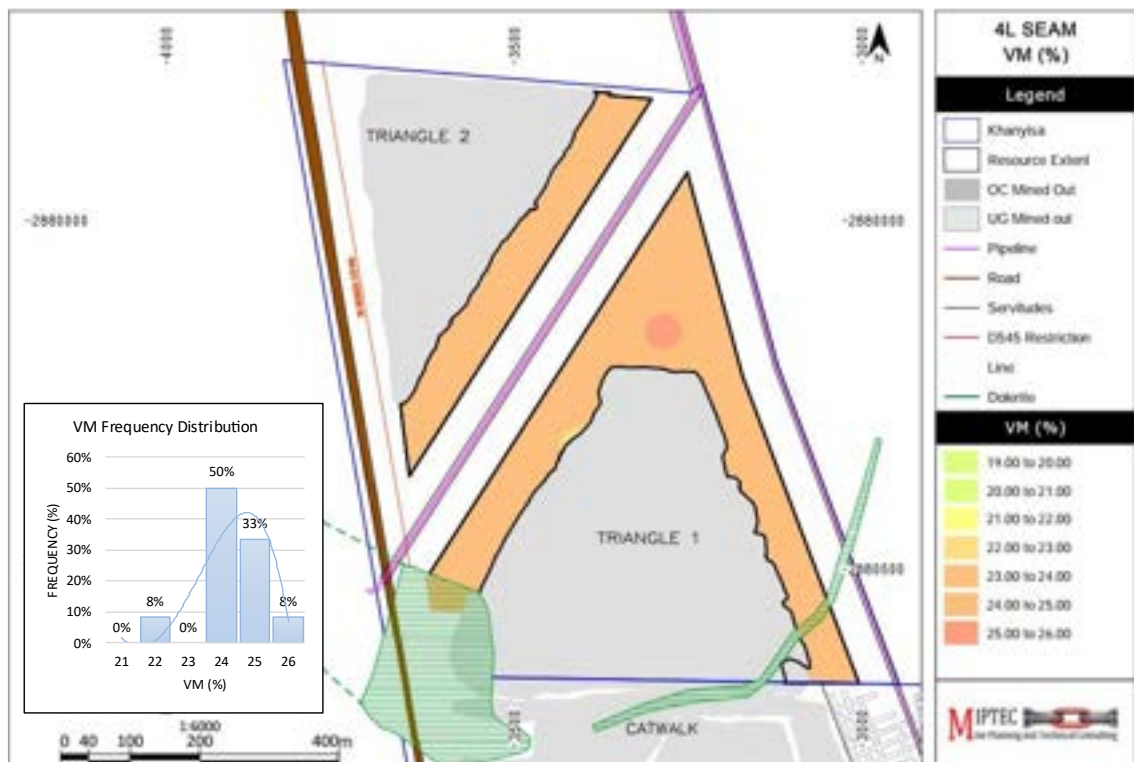


Figure 10-28. No. 4 Lower Coal Seam Raw Volatile Matter Content

No. 4 Upper Coal Seam

The S4U is a dull shaley coal with very occasional bright bands. Numerous mudstone bands are present throughout the seam. Due to its proximity to the limit of weathering, the seam is sometimes oxidised and friable.

The raw ash content of the S4U averages 38% (Figure 10-29), with 100% of the data analysed containing a raw ash content less than 44%.

The average raw CV content is approximately 17.5 MJ/kg, generally ranging between 17 – 19 MJ/kg across the area (Figure 10-30).

The average sulphur content across the Triangle Resource Area is 0.7 % (Figure 10-31), with 80% of the data analysed containing a raw TS content between 0.4 – 0.8%.

The S4U contains a very consistent raw VM content; 60 % of the data contain a VM content between 18 – 19% (Figure 10-32Figure 10-32); with the seam averaging 18.7% across the resource area

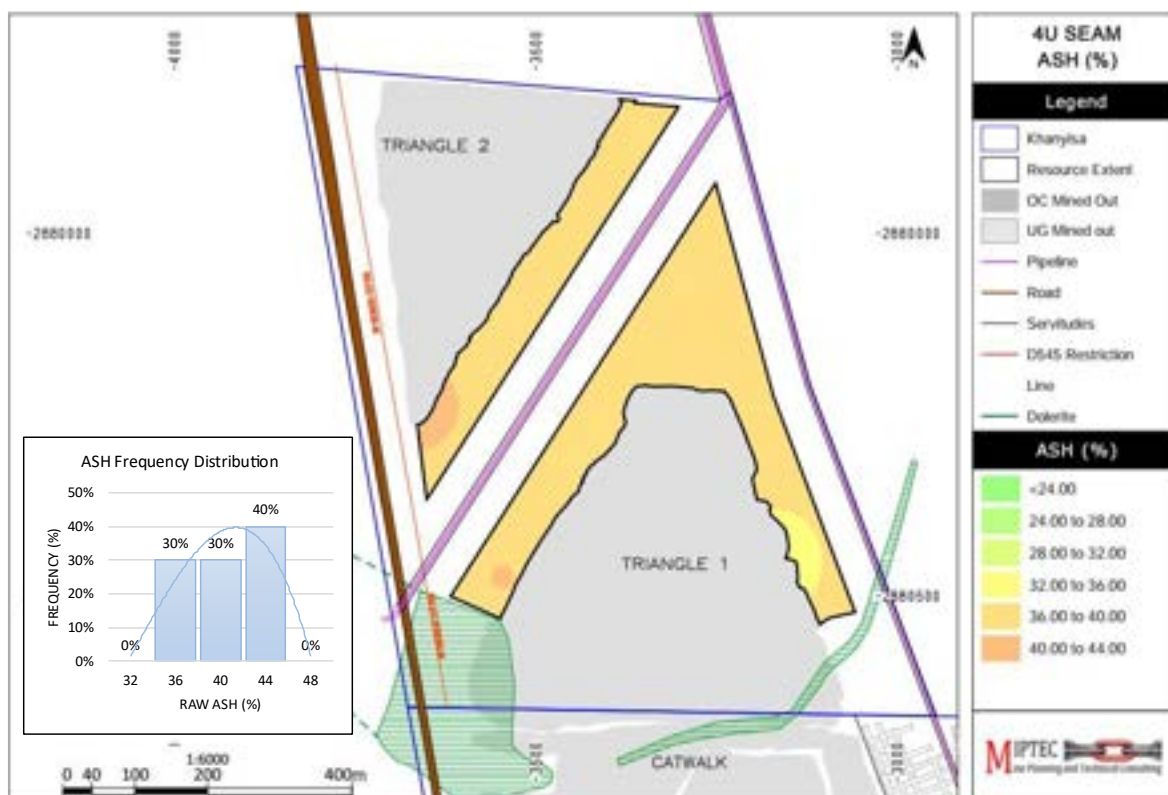


Figure 10-29. No. 4 Upper Coal Seam Raw Ash Content

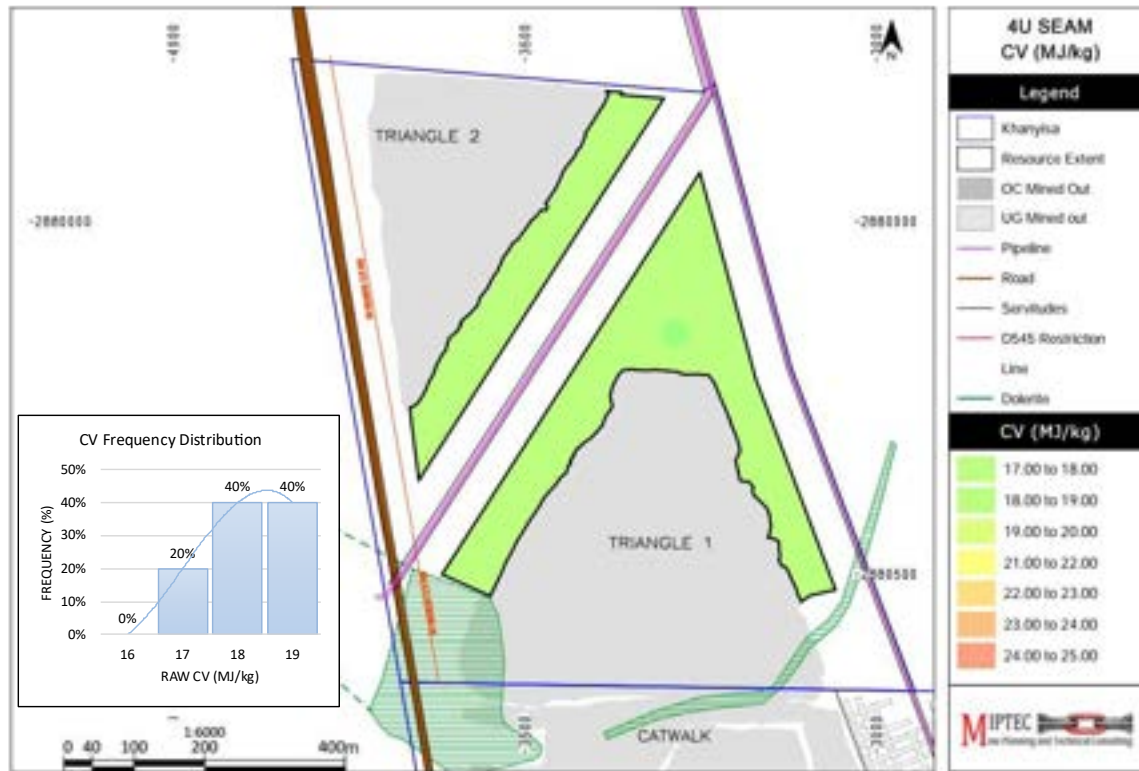


Figure 10-30. No. 4 Upper Coal Seam Raw Calorific Value Content

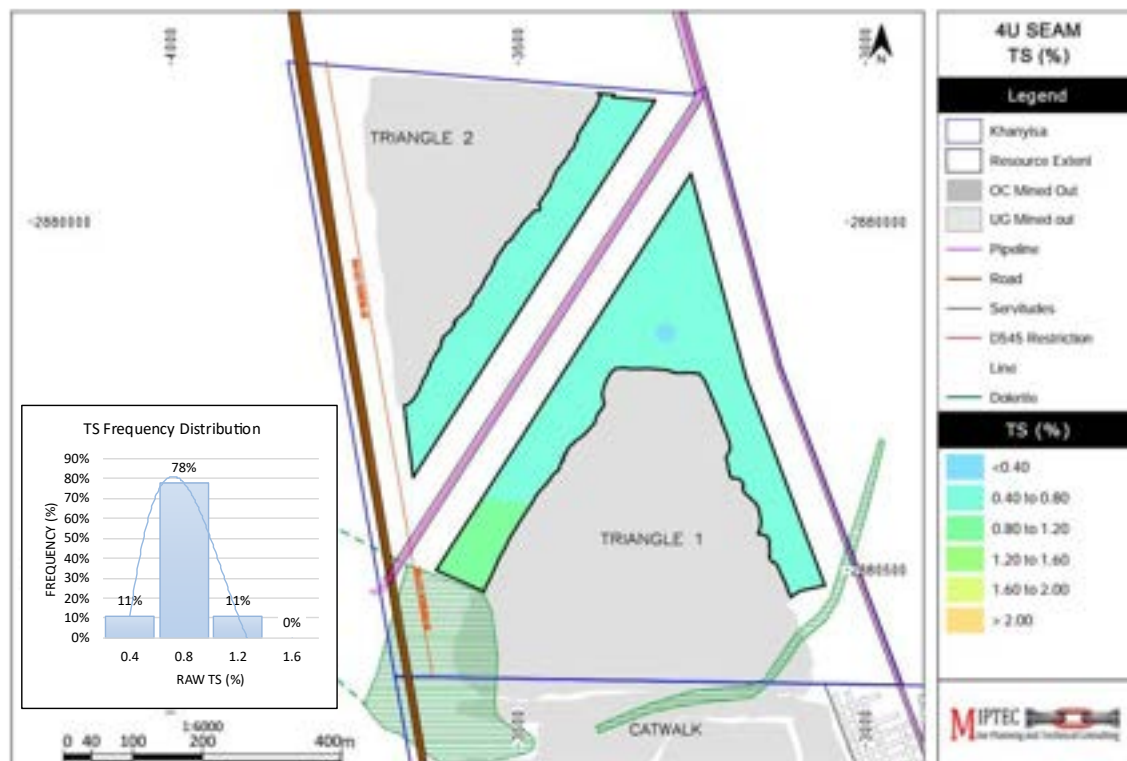


Figure 10-31. No. 4 Upper Coal Seam Raw Total Sulphur Content

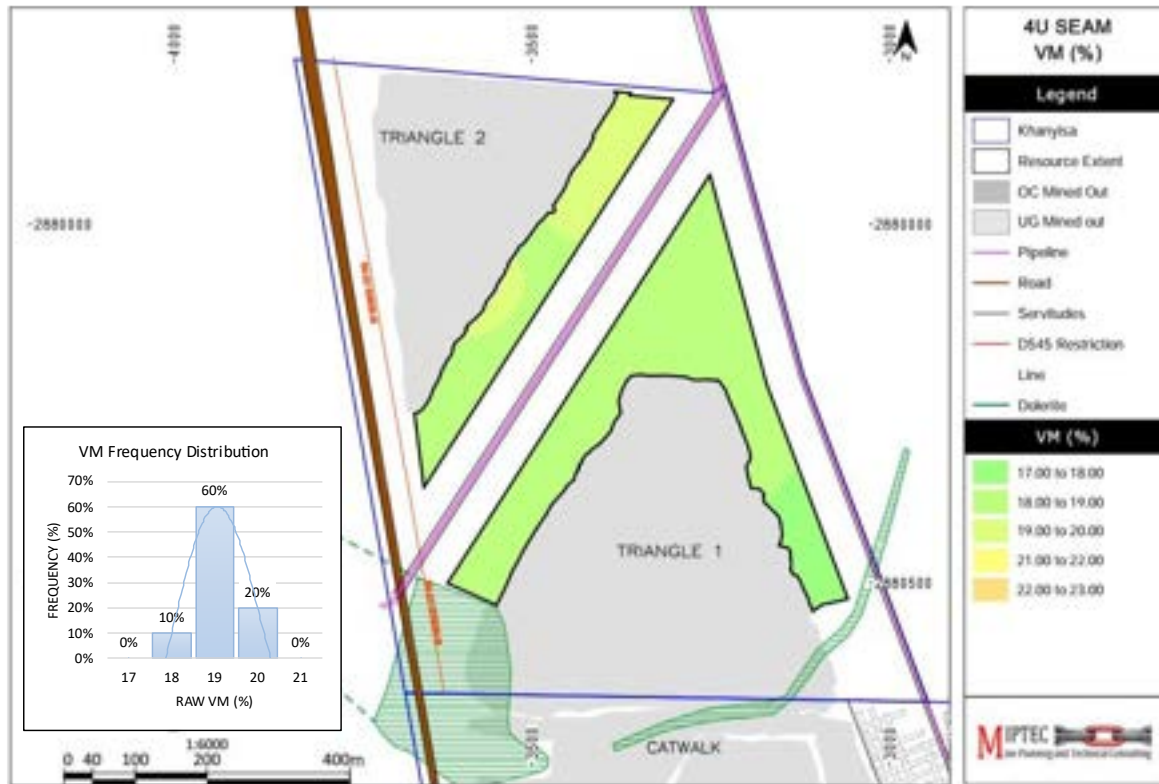


Figure 10-32. No. 4 Upper Coal Seam Raw Volatile Matter Content

10.16 Reasonable Prospects for Eventual Economic Extraction

[SR4.1(iv), SR4.2(ii) (iii) (iv), SR4.3, SR5.6(iii) (iv)]

Guidelines regarding the determination of Reasonable Prospects for Eventual Economic Extraction (RPEEE) are provided by both the SAMREC Code and SANS10320:2020. Table 1 of the SAMREC Code requires disclosure and discussion of the following items “which, in the opinion of the Competent Person, are likely to influence the prospect of economic extraction”. Briefly summarised, the factors/criteria used to determine whether a coal deposit can be economically mined and that a saleable raw or beneficiated product can be produced are discussed in Table 10-9.

Table 10-9: Factors for the Determination of Reasonable Prospects for Eventual Economic Extraction

Factor/Criteria	Issue	CP Comments
Legal	Tenure	All estimated coal resources are contained within the boundary of the Mining Right.
		The Mining Right expired in 2021; the mine timeously applied for an extension, however they are still awaiting feedback.
	Regulatory	Coal Resources have been included within 50 m of the Transnet Pipeline. Approval for this is still outstanding.
	Regulatory	There are no environmental constraints within the Triangle Area.
Environmental and Social Parameters		
Geological Parameters	Seam Thick	Minimum seam thickness > 0.5 m
	Strip Ratio	1:6 BCM:ROM Tonnes
	Coal Quality	Raw ash < 45% & VM > 17%
Mining	Mining Method	Triangle is an OC strip mining operation
Infrastructure	Infrastructure	Infrastructure is limited
Marketing	Market	Currently there is no CSA with Eskom.
Economic Assumptions	Economic/Commercial	Khanyisa is under business rescue
Material Risks	Risks	Khanyisa is under business rescue, MR expired

It is important to note that, while the estimate of Coal Resources is based on the CP's judgment that there are RPEEE, no assurance can be given that any or all the Coal Resources discussed in this document will eventually convert to Coal Reserves.

10.17 Data Spacing and Resource Category Classification

[SR4.4(i)]

Resource classification and reporting has been conducted in accordance with SANS10320:2020, the terms, definitions and guidelines of which have been used by the Company's geological consultants in assessing the status of classifiable Coal Resources.

Principally, the main criterion for classification is based on the number of drill holes intersecting a particular coal seam within a specified area. The confidence in projecting the coal quality across each seam is based on analysis from samples taken from the drill hole cores of the individual intersections. Classification was guided by the following:

- Drill hole density;
- Structural and coal quality continuity;
- Geological structure and its influence on mining; and
- Complexity of the geology.

Only valid Points of Observation (**PoO**) may be used to determine the resource classification categories. This is based on the number of cored drill holes that have appropriate quality data. In the case of Triangle, the coal was sold raw to Eskom, and therefore it is acceptable to classify these coal resources based on the availability of raw coal qualities.

Coal Resource classification is based on cored drill hole density; for coal that is of the multiple seam coal deposit-type, the classification is as follows: Measured: eight cored drill holes per 100 ha (350 m x 350 m spacing), Indicated: four cored drill holes per 100 ha (500 m x 500 m spacing), Inferred: one cored drill hole per 100 ha (approximately 1 000 m x 1 000 m spacing). Table 9-13 details the drill hole density and resource classification for Triangle on a per seam basis.

Table 10-10. Drill Hole Density at Triangle

Resource Area	Seam	Area (Ha)	Number of PoO	PoO/100 Ha	Classification
Triangle 2	S4U	3.85	4	103.90	Measured
	S4L	3.85	4	103.91	
	S2U	0.77	2	258.52	
	S2L	4.00	4	100.00	
Triangle 1	S4U	7.99	6	75.09	Measured
	S4L	9.23	8	86.72	
	S2L	10.58	10	94.52	

Figure 10-33 Figure 10-35 below indicate the resource classification and resultants polygons used for the Coal Resource Estimation, based on the requirements as discussed above. All the Coal Resources at Triangle are in the Measured category.

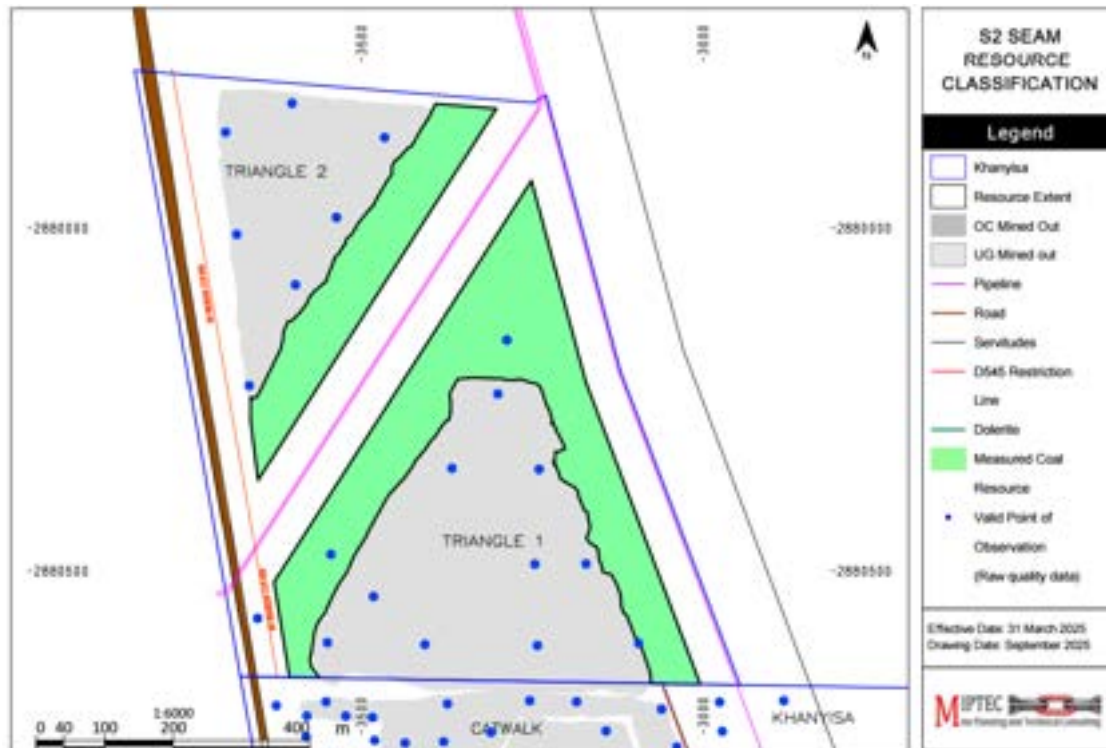


Figure 10-33 No. 2 Seam Resource Classification.

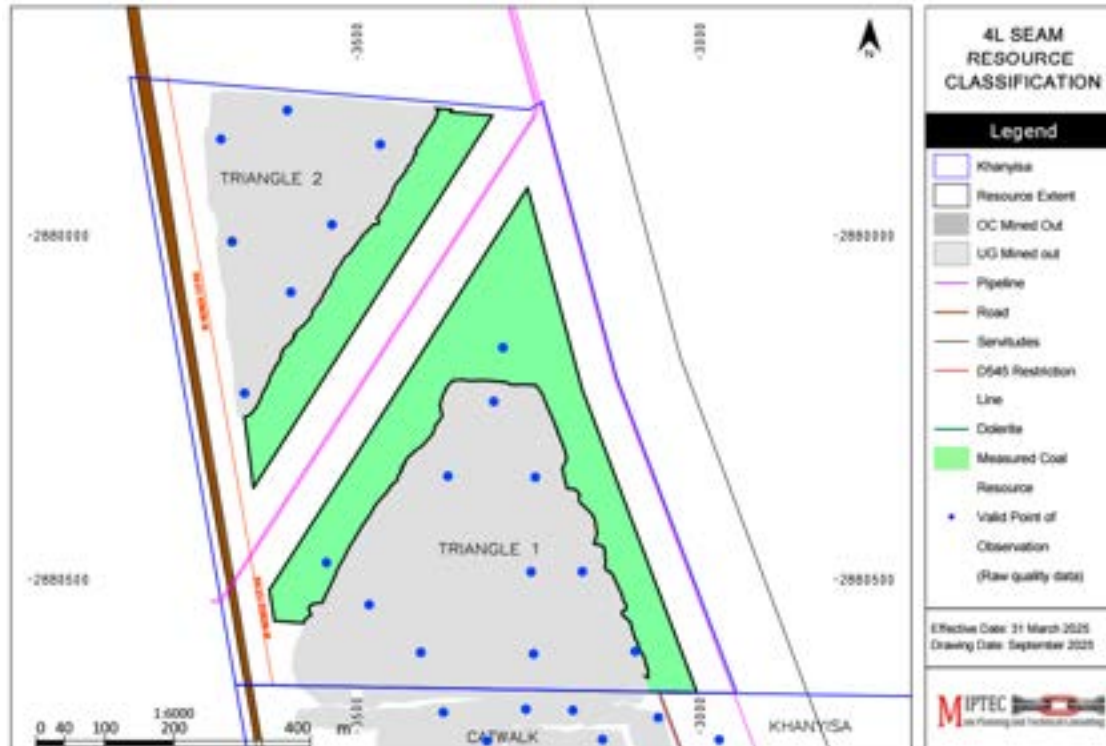


Figure 10-34 No. 4L Seam Resource Classification.

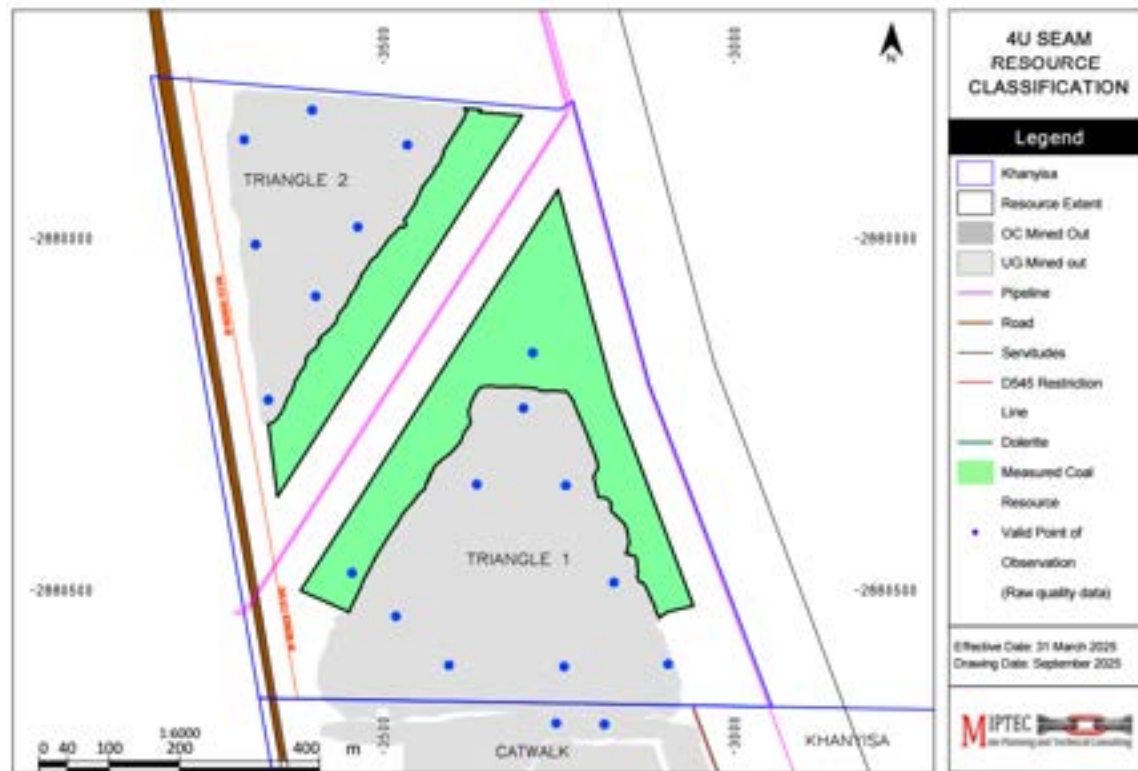


Figure 10-35 4U Seam Resource Classification.

10.18 Reporting Definitions

The SAMREC Code (2016) requires that only the Mineable Tonnes In Situ (**MTIS**) Coal Resource estimate is publicly reported (Clause 55). Reporting definitions as extracted from SANS0320:2020 are summarised in Table 7-23 and adhered to in this report.

Table 10-11: Summary of Reporting Definitions (SANS10320:2020)

Category	Definition
Mineable Tonnes In Situ (MTIS)	The tonnage and coal quality, at a specified moisture content, contained in the coal seam, or section of the coal seam, which is proposed to be mined, at the theoretical mining height, adjusted by the geological loss factors and de-rating factors for previous mining activities, with respect to a specific mining method and after the relevant minimum and maximum mineable thickness cut-offs, depth cut-off and relevant coal quality cut-off parameters have been applied. <i>NOTE 1 Mineable Tonnes In Situ (MTIS) Coal Resources are subdivided in order of increasing geoscientific knowledge and confidence into Inferred, Indicated or Measured Mineable Tonnes In Situ Coal Resource categories.</i> <i>NOTE 2 The geological loss factor is applied to the Gross Tonnes In Situ tonnage estimates and, therefore the impact of the geological loss is included in the Mineable Tonnes In Situ Coal Resource tonnage estimates.</i>
Measured Coal Resource	That part of a Coal Resource for which quantity, grade or quality, densities, shape, and physical characteristics are estimated with confidence sufficient to allow the application of modifying factors to support detailed mine planning and final evaluation of the economic viability of the deposit. <i>NOTE 1 Geological evidence is derived from detailed and reliable exploration, sampling and testing and is sufficient to confirm geological and grade or quality continuity between points of observation. A Measured Coal Resource has a higher level of confidence than that applying to either an Indicated Coal Resource or an Inferred Coal Resource. It may be converted to a Proved Coal Reserve or to a Probable Coal Reserve.</i> <i>NOTE 2 A Measured Coal Resource is defined by coal meeting the thickness cut-offs, depth cut-offs, and the relevant coal quality cut-offs, as defined by the competent person, which meets the criteria for reasonable prospects for eventual economic extraction.</i> <i>NOTE 3 Although a Measured Coal Resource has sufficient confidence to allow Coal Resource estimation and life of mine planning, it does not imply that further drilling and sampling would not be needed for optimization purposes prior to mining taking place.</i>
Indicated Coal Resource	That part of a Coal Resource for which quantity, grade or quality, densities, shape and physical characteristics are estimated with sufficient confidence to allow the application of modifying factors in sufficient detail to support mine planning and evaluation of the economic viability of the deposit. <i>NOTE 1 Geological evidence is derived from adequately detailed and reliable exploration, sampling and testing and is sufficient to assume geological and grade or quality continuity between points of observation. An Indicated Coal Resource has a lower level of confidence than that applying to a Measured Coal Resource and may only be converted to a Probable Coal Reserve.</i> <i>NOTE 2 An Indicated Coal Resource is defined by coal above the minimum thickness cut-off, depth cut-off, and the relevant coal quality cut-offs, as defined by the competent person, which meets the criteria for reasonable prospects for eventual economic extraction.</i> <i>NOTE 3 The level of confidence in an Indicated Coal Resource is usually sufficient to support a decision on whether a pre-feasibility study or feasibility study is warranted.</i>
Inferred Coal Resource	That part of a Coal Resource for which quantity and coal quality are estimated on the basis of limited geological evidence and sampling and shall not be converted to a Coal Reserve. <i>NOTE 1 Geological evidence is sufficient to imply but not verify geological and grade or quality continuity. An Inferred Coal Resource has a lower level of confidence than that applying to an Indicated Coal Resource. It is reasonably expected that the majority of Inferred Coal Resources could be upgraded to Indicated Coal Resources with continued exploration.</i> <i>NOTE 2 An Inferred Coal Resource is defined by coal above the minimum thickness cut-off, depth cut-off, and the relevant coal quality cut-offs, as defined by the Competent Person, which meets the criteria for reasonable prospects for eventual economic extraction.</i> <i>NOTE 3 The level of confidence in an Inferred Coal Resource is usually insufficient to justify a pre-feasibility study.</i>

10.19 Coal Resource Cut-off Parameters

[SR4.1(vi), SR4.2(i) (ii) (vi)]

The following cut-off parameters were applied when delineating the resource polygons and estimating the Coal Resources:

- Seam extent was constrained by:
 - The limit of weathering;
 - The mining right boundary and a 9 m pillar buffer; and
 - A 50 m Pipeline buffer.
- Quality cut-offs:
 - A raw VM cut-off of 18% was applied to the S4U, S4L and S2, and a raw VM cut-off of 17% was applied to the S2U; and
 - A raw ash content <45% was used on all seams.
- Physical seam parameters:
 - Coal seams less <0.5 m thick were excluded from the opencast Coal Resource Estimates.
- Mining parameters:
 - A maximum strip ratio of 1:6 BCM/ROM tonnes was applied.

10.20 Resource Estimation

[JSE12.10(a)] [SR1.4(iii), SR4.1(iv), SR4.5(ii) (iv) (v) (vii), SR6.1(i), SR6.3(vi)] [SV1.9]

The Coal Resource estimates were conducted in accordance with the SAMREC Code, 2016 Edition, as well as SANS10320:2020.

The Coal Resource Estimate has been independently estimated and signed off by Ms. K. Black of KJB GeoServices, on behalf of Miptec, and is declared as at 31 March 2025. The Triangle Opencast Coal Resource Estimate comprises 2.62 Mt (MTIS) of Measured Coal Resources (Table 10-12).

All Coal Resources are inclusive of the Coal Reserves.

Provision has been made for a geological loss factor (discount). Losses occur mainly as a result of intersection by dolerite dykes, small-scale faulting and other unforeseen geological losses. The geological discounts applied to the Measured Coal Resources are 10%.

Miptec is confident that the logging, sampling, data density and distribution, as discussed in the sections above, are suitable for the estimation of Coal Resources.

Table 10-12. Khanyisa Triangle Coal Resource Estimate as at 31 March 2025

									Raw Coal Qualities (Air Dried, uncontaminated)					
Resource Area	Mining Method	Resource Classification	Seam	Area (Ha)	Thick (m)	ARD (g/cm3)	Geological Loss (%)	MTIS (Mt)	Ash (%)	CV (MJ/kg)	FC (%)	IM (%)	TS (%)	VM (%)
Triangle 2	Opencast	Measured	S4U	3.85	4.20	1.74	10.00	0.25	39.17	17.35	38.32	3.50	0.70	19.04
			S4L	3.85	3.80	1.54	10.00	0.20	23.96	23.20	47.71	4.75	1.29	23.59
			S2U	0.77	0.56	1.77	10.00	0.01	42.98	16.01	36.35	3.27	0.23	17.41
			S2	4.46	5.28	1.60	10.00	0.34	28.36	21.62	45.66	3.25	1.45	22.29
			Sub Total				4.53	1.63		0.80	30.78	20.63	43.78	3.71
Triangle 1	Opencast	Measured	S4U	7.99	3.82	1.71	10.00	0.47	37.40	17.56	40.66	3.04	0.66	18.51
			S4L	9.23	3.71	1.54	10.00	0.47	22.94	22.91	48.99	4.06	1.36	23.99
			S2	10.58	5.69	1.61	10.00	0.87	29.20	20.63	46.48	3.42	1.07	20.86
			Sub Total				4.69	1.62		1.82	29.69	20.43	45.63	3.49
TRIANGLE TOTAL					4.64	1.25		2.62	30.03	20.49	45.06	3.55	1.08	21.22
Catwalk South	Opencast	Measured	MINED OUT											
Sub Total														
CATWALK TOTAL														
KHANYISA TOTAL					4.64	1.25		2.62	30.03	20.49	45.06	3.55	1.08	21.22

Note:

4. Minimum seam thickness cut-off of 0.5 m.
5. Ash Content <45% cut-off applied
6. Dry ash-free basis (daf) >28 % limit applied.
7. ARD – Apparent Relative Density.
8. Weighted average qualities estimated on MTIS. All seam thicknesses used are true thicknesses.
9. Coal Resources quoted on a MTIS adb basis in million tonnes.
10. Weighted average qualities estimated on MTIS.
11. CV - Calorific Value, VM – Volatile Matter content, FC - Fixed Carbon content, TS - Total Sulphur content, IM - Inherent Moisture content, DAFV – dry, ash-free Volatile Matter content, ARD – Apparent Relative Density.
12. Coal qualities reported on an air-dried basis (adb).

10.21 Reconciliation with Previous Coal Resource Estimate

[SR1.4(iii), SR4.5(vi)] [SV1.6]

Table 10-13 below details the Coal Resource Reconciliation between FY24 and FY25.

Table 10-13 indicates a change in the Triangle Resource of 0.05 Mt due to a small change in the S4U resource polygon in order to remove all resources with a VM content less than 17 % and a raw ash content > 45%. All other estimates have remained unchanged as per the previous estimate. No work or mining has taken place at Khanyisa since 2023.

Table 10-13. Khanyisa Triangle Resource Reconciliation

Reconciliation Mar'24 to Mar'25 Estimates						
Coal Resource Estimate (ADB)				FY25 Actual Mining		
	Mar' 24 Mt	Mar' 25 Mt	Variance Mt	ROM (AR) Mt	Change in Polygons	Loss/gain (Mt)
Khanyisa Colliery Total	2.67	2.62	-0.05	0.00		-0.05
Triangle Opencast	2.67	2.62	-0.05			-0.05
Triangle 2	0.80	0.80	0.00	-		0.00
4U Seam	0.25	0.25	0.00	-		0.00
4L Seam	0.20	0.20	0.00	-		0.00
2 Seam	0.35	0.35	0.00	-		0.00
Triangle 1	1.87	1.82	-0.05			0.05
4U Seam	0.52	0.47	-0.05	-	-0.05	-0.05
4L Seam	0.47	0.47	0.00	-		0.00
2 Seam	0.87	0.87	0.00	-		0.00

10.22 Risks

SR 4.3(viii); SR 5.5(iii); SR 5.7(i); JSE 12.10(h)(viii); JSE 12.10(h)(x)

TYPE OF RISK	RISK	MITIGATION	LEVEL OF RISK
MR Extension Approval	MR renewal not granted	Ensure compliance with the approved EMP, SLP etc.	Low/Medium
Permission to mine within 50m of the pipeline	Sterilisation of coal resources	Follow up on discussions and authorisations	High

10.23 Recommended Work

- Permission to mine within 50 m of the pipeline.
- Follow up on the MR extension with the DMRE

10.24 Audit and Reviews

SR 4.1(v); SR 7.1(i)

No Audits or Reviews were made available to Miptec.

10.25 Mining

SR4.1(iii); SR4.3(i-ii); SR4.5(iii,v); SR5.1(i); SR5.2(i-ix)

As indicated, Khanyisa is under care and maintenance. In terms of its life cycle it is in the closure phase. Historical mining was conducted with typical opencast equipment, and the methodology employed a typical roll over with blast gain and pushover before the remainder of the material was trucked to backfill areas.

10.25.1 Personnel

In terms of legal appointments, Khanyisa share resources with Elandspruit. Currently there are no employees on site.

Salungano has shared resources that cover overarching responsibilities of which the Khanyisa operation is part of.

10.25.2 Mining Method

Currently, there are no reserves remaining at Khanyisa, however based on previous mining at Triangle, as well as the surrounding operations, any Coal Resources successfully converted to Coal Reserves will be exploited using opencast methodology. From previous experience at Khayisa, mining under neath the pipeline was not permitted.

10.25.3 Rock Engineering

JSE 12.10 (h)(vii); SR 3.1(i), SR4.1(ii), SR4.3(ii), SR5.2(ii)

Salungano has appointed Tsebo as their independent rock engineering consultants as per all the other operations. Tsebo provide for a legal appointee responsible for the rock engineering function, inclusive of regular audits and update to the code of practice which endeavours to combat rockfalls. Miptec has relied on Tsebo and their appointed representative to provide the required input with respect to the sections below.

10.25.4 Mandatory Codes of Practice

The mandatory COP to combat rockfall and slope stability related incidents was compiled by the Company as a controlled document, as Khanyisa is not operational, this document was not updated since.

10.25.5 Geological structures and Geotechnical Setting

Not applicable.

10.25.6 Opencast Geotechnical Designs

Not applicable.

10.25.7 Findings

10.25.8 Specific Risks

Current risks are associated with water pumping by Siko mining, accessing the void where burden was removed to access underground pillars. These voids are filled with water, the site is still visited by Tsebo rock engineer to inspect the side slopes of the voids.

10.25.8.1 Mine design

Not applicable.

10.25.8.2 Resource Model

SR 5.2(iii),

The geological model utilised for the opencast mining model was constructed in Stratmodel™, updated in 2020. This model still applies for any upside potential evaluation.

10.25.8.3 Optimisation

Not applicable

10.25.8.4 Opencast footprint

SR 5.1(ii), SR 5.2(ii), SR 5.2(iv)

The mined-out areas and dumps form part of closure activities. No mining activities planned.

10.25.8.5 Seam cut off parameters

SR 5.1(ii),

Not applicable

10.25.8.6 Modifying factors coal recovery

SR 5.1(ii),

Not applicable

10.25.8.7 Production History

SR1.4(iii); SR5.2(viii)

The following ROM historical profiles were compile from available survey data.

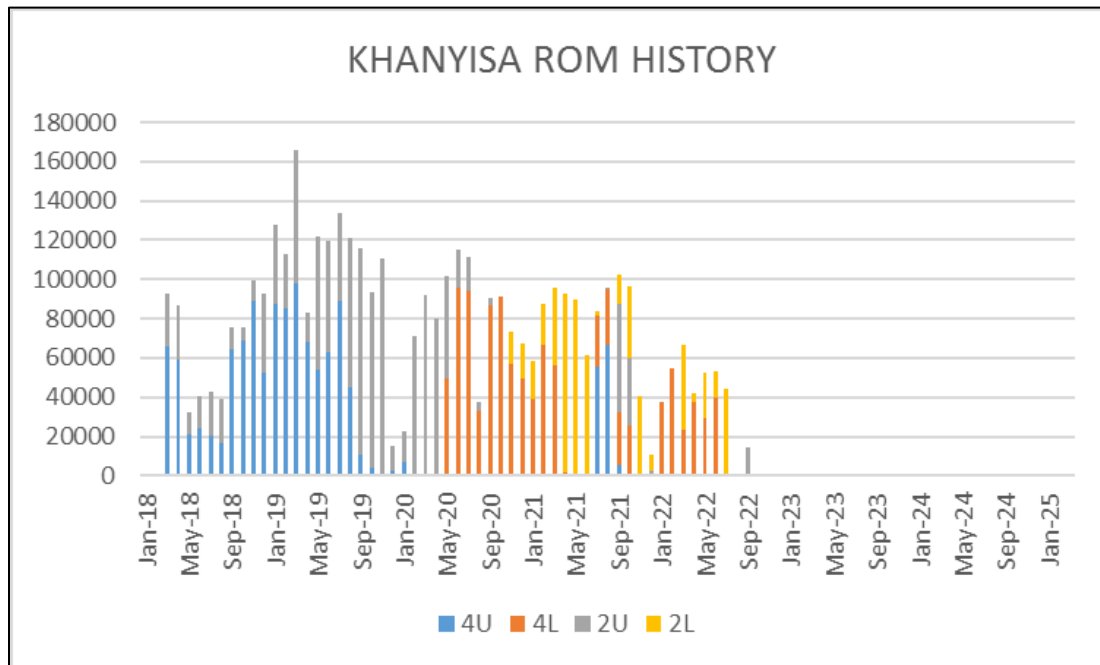


Figure 10-36. Khanyisa Opencast ROM History

10.25.8.8 Future production

There is no future production planned for Khanyisa by Salungano, with the exception of closure activities.

10.25.8.9 Colliery Organization

SR5.2(viii); ESG4.1

The mine has shared personnel, responsible for more than one of the Salungano operations. The mine has all the required legal appointments as required by the Mine Health and Safety Act (MHSA).

10.26 Coal Processing

SR1.1 (ii), SR2.1(v), SR4.3 (i)(ii), SR4.5(iii), SR5.3(i)(ii)(iii)(iv)(v)(vi), SR5.4(ii)(iii), SR5.6(viii)

N/A

10.27 Coal Market

SR4.1(iii); SR4.3(vi); SR5.6(i-iv)

For the remaining Coal Resources, it has been assumed that Eskom would be the intended market, as per the previously mined coal.

10.28 Historical Coal Reserve estimates

SR1.4(iii)

Table 10-14. Khanyisa Historical Coal Reserve Estimates

		31-Mar-19	31-Mar-20	31-Mar-21	31-Mar-22	31-Mar-23	31-Mar-24	31-Mar-24	31-Mar-25
		ROM (AR) Mt	ROM (AR) Mt	ROM (AR) Mt	ROM (AR) Mt	ROM (AR) Mt	ROM (AR) Mt	ROM (AR) Mt	ROM (AR) Mt
Triangle	Total	3,01	2,27	1,42	0,34	-	-	-	-
	S4U	0,43	0,41	0,20	0,08				
	S4L	0,78	0,62	0,26	0,07				
	S2	1,81	1,24	0,95	0,20				
Catwalk	Total	0,47	0,17	0,03		-	-	-	-
	S4U								
	S4L								
	S2	0,47	0,17	0,03					
KHANYISA	Total	3,48	2,44	1,45	0,34	-	-	-	-
	S4U	0,43	0,41	0,20	0,08				
	S4L	0,78	0,62	0,26	0,07				
	S2	2,28	1,41	0,99	0,20				

Table 10-14 summarises the historical Coal Reserve Estimates as reported for Khanyisa Colliery from 2019 through to March 2022. With reference to the historical production, the last ROM was extracted during September 2022.

10.29 Environmental, Social and Governance (ESG)

10.29.1 Sensitive receptors

SR5.5(iii);

10.29.1.1 Surface water resources

The environmental officer for Khanyisa indicated that no surface water is utilised; the concern is that the 2024t4 WSP audit did indicate findings relating to water quality. They indicated that the average concentrations of the new PCD do not fully comply with the General Authorisation Limit, which may adversely impact on the natural environment. The August 2024 findings show the parameters which have deteriorated, include the PH value, turbidity, Aluminium and Manganese. It was suggested that such concentrations be investigated, and certain surface runoffs or discharges should be identified.

10.29.1.2 Wetland systems

The mine environmental officer did indicate that no wetland system were defined on the MR area.

10.30 Legal aspects

10.30.1.1 Costs

SR5.6(ix);

Costs associated with Khanyisa is dealt with under Business rescue through shared resources under Wescoal mining.

10.30.1.2 Environmental parameters

SR4.1(iii); SR4.3(v); JSE12.9h(viii)

10.30.1.3 Conformance and compliance audits

SR7.1(i-ii);

The risks at Khanyisa Colliery are significantly influenced by its current status: the operation is on Care and Maintenance and under Business Rescue. This status has limited Salungano's ability to implement corrective measures and environmental management protocols specified in approved authorizations and monitoring plans.

WSP identified several major issues across regulatory compliance, water management, occupational health and safety, and mine closure as of August 2024.

Regulatory and Operational Risks

The primary ongoing concern is that of any operational viability prospects and corresponding regulatory exposure:

- **Mining Right Expiration:** The MR expired in October 2021. Although a renewal application was submitted, approval from the DMRE is pending, and the application is still awaiting relevant signatures. No mining has taken place since September 2022.
- **Non-Compliance due to Business Rescue:** Khanyisa is unable to implement all conditions of its existing Environmental Authorizations (EAs) due to financial constraints, resulting in non-compliances with regulatory authorities. Salungano communicated that there is an agreement with relevant regulatory authorities regarding this inability, but documentary evidence was not provided to WSP.
- **Rezoning Exposure:** The application to rezone the mining area from agriculture to mining was not lodged because the lease agreement for Portion 106 had lapsed. This non-compliance leaves Salungano legally exposed.
- **Transnet Pipeline Buffer:** Khanyisa is negotiating with Transnet to relax the mining buffer zone around an existing pipeline from 100m to 50m to access additional coal resources. If an agreement is not reached, the mine would have to commence rehabilitation.

- **Stockpile Risk:** There is a high volume (approximately 180,000 tons) of low-grade ROM coal stockpiled at the colliery, for which there is currently no off-take agreement in place. It must be noted that the current agreement with Siko to purchase the remaining coal remnant stockpiles assist to manage this risk.

Water Management Risks

Water management issues are prevalent, with several open actions remaining:

- **PCD Water Quality Deterioration:** The average concentrations in the New Pollution Control Dam (PCD) do not fully comply with the General Authorisation Limit. Specifically, water quality parameters have deteriorated, including **pH Value, Turbidity, Aluminium, and Manganese**. Water from this locality should not be discharged into the natural environment as it can have toxic and deteriorating impacts.
- **Monitoring Gaps:** Water quality monitoring was not undertaken from September 2023 to May 2024 due to the business rescue status. Furthermore, there has been no progress in adding new monitoring points to replace boreholes KBH01 and KBH05, which were lost due to mining activities.
- **Water Balance and Infrastructure Deficiencies:** The **2024 Water Balance has not been updated** due to the business rescue. Additionally, flow meters required to improve water accounting, as per the Water Conservation / Water Demand Management Plan, have not been installed.
- **Water Quality Exceedances:** Several water quality exceedances were recorded between May 2023 and June 2024, but WSP was not provided with evidence of mitigation measures or action plans implemented to address these exceedances.
- **Post-Closure Decant Assessment:** The information regarding decanting in the Environmental Management Programme (EMPr) is contradictory, and an updated geo-hydrological assessment is recommended to confirm the potential decant scenario.

Mine Closure and Rehabilitation Risks

Closure liabilities and rehabilitation are significant concerns (one new Red risk and two Amber risks remain open):

- **Financial Provision Shortfall:** Although Salungano holds a total closure guarantee of R 281,248,299.69 (October 2022), the 2023 closure liability assessment determined the Itemized Closure Cost Assessment (ICCA) at R 176,900,315.62 and Direct General and Administration (DGA) costs at R 67,221,530.52. This difference raises concern about the adequacy of financial provisions to successfully complete rehabilitation.
- **Minimal Rehabilitation Progress:** There is concern about the mine's ability to successfully complete rehabilitation due to the potential for a material deficit. Implementation of the rehabilitation plan has been paused due to the mine being under business rescue.

- **Alien Vegetation: Significant alien invasive plant species**, notably black wattle trees, are present on site and require eradication through a management procedure implemented by a qualified specialist.

Occupational Health and Safety Risks

Safety issues are heightened by operational inactivity and infrastructure deterioration (two new Amber risks identified):

- **Catwalk Pit Water Accumulation:** Water is building up in the Catwalk pit since operations ceased. Access to the pit must be strictly limited, and the perimeter protected/fenced with signage to prevent potential safety incidents, such as drowning.
- **PCD Infrastructure Failure:** The silt traps are heavily clogged, affecting their functionality. Moreover, the **fencing around the PCD has been damaged**, and the floaters are damaged and ineffective, increasing the risk of safety incidents

10.30.1.4 Liability

SR1.7(i); SR5.6(iX);

Khanyisa is in the closure phase, no sufficient provision was made during the operational life for final closure activities. Zyntha consulting completed the closure assessment for Khanyisa. As per the normal guidelines, an estimation was completed based on the DMRE guidelines, amounting to R76.8 Million. In addition, a volume-based assessment was done, based on filling the voids with the surface dumps material. The volume-based assessment amounted to R206.9 Million, and includes moving material from dumps to voids, rehabilitation of the affected stripped and backfilled areas with seeding accounting for R136 Million, cost for Vat, P&G, contingency, and a closure plan, amounting to R60 Million. The variance is based on the demolition of structures, rehabilitation of roads, water management and aftercare. The basis of the volume-based assessment is the Rehabilitation plan provided by the appointed survey company, namely African Soil Technical Services. The rehabilitation plan as shown in Figure 10-37 indicates the dumps above OGL calculated to be 3.2 Million cubic meters, and the volume for the voids calculated at a total of 4.3 Million Cubes. The survey highlights a deficit of 0.9 Million Cubic meters of back fill material. No optimised closure plan was available.

The volume-based assessment assumes that moving all of the dump material into the voids will result in a new topography that will be free draining.



Figure 10-37. Khanyisa Rehabilitation plan (African Soil Survey)

10.30.1.5 Sufficiency of funding provisions

Khanyisa has an immediate closure assessment, as completed by Zyntha consulting, amounting to R76 756 619 as at the effective date. A guarantee in favour of the DMRE to the amount of R60 070 455.02 was declared in the information provided by Salungano; indicating a shortfall of over R16 Million.

With respect to final mine closure, the mine is currently in the closure phase; a very optimistic application was submitted for the MR extension to mine closer to the Transnet pipelines. The closure quantum as calculated by Zyntha amounts to R206.9 Million. A combined Wescoal fund with Old Mutual amounts to R64.76 Million.

Provisions for final closure is totally insufficient.

10.31 Risk analysis

SR4.1(iii); SR5.7(i);

Khanyisa has no bankable income potential. The current business rescue derives limited income from sales of low-quality coal dumps and the potential of mining exposed coal pillars that are currently covered with water.

The main risk for Khanyisa is mainly regarding the insufficient funds for final closure activities and environmental monitoring and permit compliance. In addition, there is the rental of surface from the farmers that is extended until final rehabilitation has been done.

Historical production indicated that productive mining stopped late 2022. The mine has been dormant for more than two years, and apart from the removal of old coal dumps that are in progress of being sold, and the possibility of a third-party contractor to recover coal currently underwater, there is some to no scope of further operational opportunity.

10.32 Asset Valuation

SR5.8(i-iv); SV1.12; SV1.13; JSE12.10(f); JSE12.10(h)(xii)

Khanyisa reached the end of its economic life following the depletion of reserves in 2022. Provision for final mine closure, apart from maintaining the rehabilitation guarantee aligned with the DMRE estimate, was not adequately made. With no potential for further income generation and a rehabilitation closure liability of R206.9 million, the mine holds a negative value. Additionally, Khanyisa still has R10.5 million committed to the expired SLP, with no current estimate for obligations under the updated SLP. This liability position could either be absorbed by the Salungano/Wescoal Group or addressed through the disposal of Khanyisa, transferring the rehabilitation obligations to a new owner.

From a business rescue perspective, however, the option to sell Khanyisa presents several challenges. The mine operates on leased surface land from local farmers, carries a R206.9 million volume-based closure liability, and the Mining Right renewal, submitted approximately three years ago, remains unresolved with the DMRE. Furthermore, outstanding SLP commitments continue to add to Khanyisa's overall liability and financial risk exposure.

10.33 Project Risks

SR4.3(viii); SR5.7(i); JSE12.10(h)(x)

Khanyisa faces multiple high-risk factors relating to financial sustainability, closure liability, and regulatory uncertainty. The business rescue process remains under pressure due to the lack of income-generating capacity and significant unfunded rehabilitation obligations. In parallel, the delay in Mining Right renewal and the need for pipeline mining authorisation present ongoing compliance and operational constraints. Immediate focus should be placed on regulatory alignment, closure cost optimisation, and strategic funding or disposal options to mitigate these risks and support the mine's orderly closure or transfer.

Table 10-15 summarises the risks identified during Miptec's review of Khanyisa.

Table 10-15 A Summary of the Risks Identified at Khanyisa

TYPE OF RISK	RISK Description	MITIGATION	LEVEL OF RISK
Business rescue success	Achieving closure objectives	Income generating options very limited	High
Closure Rehabilitation	Current high closure assessment	There is a possibility to look at scope for closure Optimisation strategies	High
Mining Right (MR) Extension Approval	Mining Right renewal not yet granted by the DMRE, increasing regulatory uncertainty.	Ensure ongoing compliance with EMP, SLP, and other regulatory requirements to strengthen renewal justification.	Low / Medium
Permission to Mine within 50m of Pipeline	Failure to obtain approval could sterilise a portion of coal resources, reducing potential value recovery.	Maintain proactive engagement with authorities and expedite approval processes to secure mining permissions.	High

10.34 Conclusions

Khanyisa Colliery is effectively in the closure phase and presents a high-risk, low-value profile within the Salungano Group portfolio. The colliery's remaining coal resources are limited to the Triangle area, with no coal reserves currently reported and no active LOMP. The MR expired in 2021, and despite a timely extension application, no response has been received from the DMRE, creating regulatory uncertainty.

Operationally, the colliery has been on Care and Maintenance since 2022 and under business rescue since 2023. Historical mining employed typical opencast methods, but all economically mineable reserves are depleted. Any potential extraction, such as coal within 50 m of the Transnet pipeline, remains contingent on receiving regulatory approval, representing a high-risk opportunity rather than a guaranteed asset.

From an environmental and ESG perspective, Khanyisa faces several challenges. Water quality audits indicate non-compliance with certain parameters (pH, turbidity, Aluminium, Manganese), and the business rescue status has limited the group's ability to implement corrective measures. Compliance with environmental authorizations, occupational health and safety standards, and closure requirements remains constrained.

The closure liability is a major concern. The total estimated closure cost ranges from R76.8 million (immediate obligations) to R206.9 million (full rehabilitation), far exceeding available provisions, guarantees, and funds. Additional obligations, including expired SLP commitments and surface rental agreements, exacerbate the negative value position. Khanyisa generates minimal income, limited to the sale of low-quality coal dumps or potential coal pillars, which does not materially offset the liabilities.

In summary, Khanyisa Colliery is a distressed asset with negative economic value. Its key risks include regulatory uncertainty regarding MR renewal, high closure liabilities, SLP obligations, and minimal revenue potential. Without significant intervention or a strategic disposal where liabilities are transferred, Khanyisa is unlikely to contribute positively to Salungano's financial or operational portfolio.

11 REFERENCES/LIST OF DATA

Group-Level and Business Rescue Documentation

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Vanggatfontein Colliery (Keaton Mining (Pty) Ltd)

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- *Hydropedological Survey of New Opencast Pits* – Letsolo, 2019.
- *Aquatic Specialist Assessment and Impact Assessment (VG5 & VG6 Expansion)* – Ecology International, Jan 2020.
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- *Engineering Design Report – Mine Residue Deposits* – Epoch Resources, Jul 2012.
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- *Annual Environmental Audit Report (EA & EMP)* – Singo Consulting, Oct 2024.

-
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Moabsvelden Colliery (Neosho Trading 86 (Pty) Ltd)

- *Integrated Water Use Licence (IWUL)* – Certified Copy.
 - *Environmental Management Plan (EMP)* – Approved, stamped copy.
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 - *External Environmental Audit Report* – Letsolo, 27 Feb 2024.
 - *Environmental Liability Assessment (Draft)* – Zyntha Consulting, Aug 2025.
 - *Water Use Licence (WUL) 2023 and External Audit Action Plans (2023 & 2025).*
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- *Integrated Water Use Licence (IWUL) Audit* – Singo Consulting, 22 May 2024.
 - *Environmental Liability Assessment (Draft)* – Zyntha Consulting, Aug 2025.
 - *Potable Water Analysis (WC_ELA_PWQR_33-01_June-25_0.0.pdf)* – Elementum, June 2025.
 - *Surface and Groundwater Quality Analysis (WC_ELA_WQR_33-01_June-25_0.0.pdf)* – Elementum, June 2025.
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Cairncross, B., & Cadle, A. B. (1987). A genetic stratigraphy for the Permian coal-bearing Vryheid Formation in the east Witbank Coalfield, South Africa. *South African Journal of Geology*, 90(3), 219–230.

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12 APPENDIX: COMPLIANCE CHECKLIST - SAMREC

SAMREC TABLE 1					MOABSVELDEN	VANGGATFONTEIN	ELANDSPRUIT	KHANYISA
		Exploration Results	Mineral Resources	Mineral Reserves				
Section 1: Project Outline								
SR 1.1	Property Description	(i)	Brief description of the scope of project (i.e. whether in preliminary sampling, advanced exploration, scoping, pre-feasibility, or feasibility phase, Life of Mine plan for an ongoing mining operation or closure).		ES1.1; ES2.1; ES2.13; ES2.33; Section 1.1; 3.1; 7.1; 7.25	ES1.1; ES2.1; ES3.13; ES3.38 Section 1.1; 3.1; 8.1; 8.17	ES1.1; ES4.1; ES4.17; ES4.37 Section 1.1; 3.1; 9.1; 9.25;	ES1.1; ES5.1; ES5.13; ES5.21 Section 1.1; 3.1; 10.1; 10.25
		(ii)	Describe (noting any conditions that may affect possible prospecting/mining activities) topography, elevation, drainage, fauna and flora, the means and ease of access to the property, the proximity of the property to a population centre, and the nature of transport, the climate, known associated climatic risks and the length of the operating season and to the extent relevant to the mineral project, the sufficiency of surface rights for mining operations including the availability and sources of power, water, mining personnel, potential tailings storage areas, potential waste disposal areas, heap leach pad areas, and potential processing plant sites.		ES2.3; ES2.21; ES2.22 Section 7.6; 7.8; 7.9; 7.26,	ES3.2; ES3.3; ES3.24 Section 8.3; 8.5; 8.7; 8.8; 8.9; 8.26.2	ES4.2; ES4.3; SE4.6; Section 9.3; 9.6; 9.8; 9.9; 9.10	ES5.2; ES5.3; Section 10.2; 10.4; 10.6; 10.7; 10.8
		(iii)	Specify the details of the personal inspection on the property by each CP or, if applicable, the reason why a personal inspection has not been completed.		Section 1.11	Section 1.11	Section 1.11	Section 1.11
SR1.2	Location	(i)	Description of location and map (country, province, and closest town/city, coordinate systems and ranges, etc.).		Section 1.1; 7.3; 7.4	Section 1.1; 8.3; 8.4	Section 1.1; 9.3; 9.4	Section 1.1; 10.2; 10.3
		(ii)	Country Profile: describe information pertaining to the project host country that is pertinent to the project, including relevant applicable legislation, environmental and social context etc. Assess, at a high level, relevant technical, environmental, social, economic, political and other key risks.		Section 5	Section 5	Section 5	Section 5
		(iii)	Provide a general topocadastral map	Provide a Topo-cadastral map in sufficient detail to support the assessment of eventual economics. State the known associated climatic risks.	Figure 7.2 Section 7.13	Figure 7.2 Section 8.13	Figure 9.2 Section 9.13	Figure 10.2 Section 10.12, 10.13
SR1.3	Adjacent Properties	(i)	Discuss details of relevant adjacent properties If adjacent or nearby properties have an important bearing on the report, then their location and common mineralized structures should be included on the maps. Reference all information used from other sources.		Section 7.5	Section 8.10	Section 9.5	Section 10.9

SAMREC TABLE 1					MOABSVELDEN	VANGGATFONTEIN	ELANDSPRUIT	KHANYISA
			Exploration Results	Mineral Resources				
SR1.4	History	(i)	State historical background to the project and adjacent areas concerned, including known results of previous exploration and mining activities (type, amount, quantity and development work), previous ownership and changes thereto.		Section 7.10; 7.12; 7.28	Section 8.11; 8.13; 8.28;	Section 9.11; 9.13; 9.16; 9.27	Section 10.10; 10.12; 10.28
		(ii)	Present details of previous successes or failures with reasons why the project may now be considered potentially economic.		Section 7.28	Section 8.28	Section 9.27	Section 10.28
		(iii)		Discuss known or existing historical Mineral Resource estimates and performance statistics on actual production for past and current operations.	Section 7.10, 7.22; 7.28;	Section 8.14; 8.28	Section 9.23; 9.25; 9.27	Section 10.12; 10.21; 10.28
		(iv)		Discuss known or existing historical Mineral Reserve estimates and performance statistics on actual production for past and current operations.	Section 7.10, 7.22; 7.28;	Section 8.14; 8.28	Section 9.23; 9.25; 9.27	Section 10.12; 10.21; 10.28
SR1.5	Legal Aspects and Permitting	Confirm the legal tenure to the satisfaction of the Competent Person, including a description of the following:						
		(i)	Discuss the nature of the issuer's rights (e.g. prospecting and/or mining) and the right to use the surface of the properties to which these rights relate. Disclose the date of expiry and other relevant details.		Section 1.1, 7.6; 7.7	Section 1.1; 8.5	Section 1.1; 9.6	Section 1.1; 10.4
		(ii)	Present the principal terms and conditions of all existing agreements, and details of those still to be obtained, (such as, but not limited to, concessions, partnerships, joint ventures, access rights, leases, historical and cultural sites, wilderness or national park and environmental settings, royalties, consents, permission, permits or authorisations).		Section 7.6; 7.7;	Section 8.5; 8.6; 8.31; 8.32; 8.33;	Section 9.6; 9.7; 9.25; 9.32; 9.33;	Section 10.4; 10.5; 10.29; 10.30; 10.34
		(iii)	Present the security of the tenure held at the time of reporting or that is reasonably expected to be granted in the future along with any known impediments to obtaining the right to operate in the area. State details of applications that have been made.		Section 7.6; 7.7;	Section 1.1; 8.5	Section 1.1; 9.6	Section 1.1; 10.4
		(iv)	Provide a statement of any legal proceedings for example; land claims, that may have an influence on the rights to prospect or mine for minerals, or an appropriate negative statement.		Section 4.0	Section 4.0	Section 4.0	Section 4.0
		(v)	Provide a statement relating to governmental/statutory requirements and permits as may be required, have been applied for, approved or can be reasonably be expected to be obtained.		Section 1.1, 7.6; 7.7	Section 1.1; 8.5	Section 1.1; 9.6	Section 1.1; 10.4
SR1.6	Royalties	(i)	Describe the royalties that are payable in respect of each property.		Section 5.1; 7.33	Section 5.1; 8.33	Section 5.1; 9.7.3; 9.33	Section 5.1
SR1.7	Liabilities	(i)	Describe any liabilities, including rehabilitation guarantees that are pertinent to the project. Provide a description of the rehabilitation liability, including, but not limited to, legislative requirements, assumptions and limitations.		Section 1.6.3; 3.1; 7.32.4; 7.32.5; 7.33.2; 7.36	Section 1.6.3; 3.1; 8.32; 8.33.2; 8.35; 8.36	Section 1.6.3; 3.1; 9.3; 9.32.5; 9.32.6; 9.33.2; 9.36	Section 1.6.3; 3.1; 10.30.3; 10.3.4
Section 2: Geological Setting, Deposit, Mineralisation								
SR2.1		(i)	Describe the regional geology.		Section 6	Section 6	Section 6	Section 6

SAMREC TABLE 1				MOABSVELDEN	VANGGATFONTEIN	ELANDSPRUIT	KHANYISA	
		Exploration Results	Mineral Resources					Mineral Reserves
	Geological Setting, Deposit, Mineralisation	(ii)	Describe the project geology including deposit type, geological setting and style of mineralisation.		Section 7.11.13; 7.18	Section 8.14.4	Section 9.12.3; 9.19	Section 10.17
		(iii)	Discuss the geological model or concepts being applied in the investigation and on the basis of which the exploration program is planned. Describe the inferences made from this model.		Section 7.16	Section 8.14	Section 9.17	Section 10.15
		(iv)	Discuss data density, distribution and reliability and whether the quality and quantity of information are sufficient to support statements, made or inferred, concerning the Exploration Target or Mineralisation.		Section 1.7; 7.15.1, 7.18	Section 1.7; 8.13.4; 8.14.4;	Section 1.7;9.16; 9.19	Section 1.7; 10.13; 10.17
		(v)	Discuss the significant minerals present in the deposit, their frequency, size and other characteristics. Includes minor and gangue minerals where these will have an effect on the processing steps. Indicate the variability of each important mineral within the deposit.		Section 7.11; 7.16.2.3;	Section 8.12; 8.14.2.2	Section 9.17.2.2	Section 9.12; 9.17.2.2
		(vi)	Describe the significant mineralised zones encountered on the property, including a summary of the surrounding rock types, relevant geological controls, and the length, width, depth, and continuity of the mineralisation, together with a description of the type, character, and distribution of the mineralisation		Section 7.11; 7.16.2.3;	Section 8.12; 8.14.2.2	Section 9.17.2.2	Section 9.12; 9.17.2.2
		(vii)	Confirm that reliable geological models and / or maps and cross sections that support interpretations exist.		Section 1.4; 1.10; 7.2; 7.16.2; 7.25.4	Section 1.4; 1.10; 8.2; 8.14.2	Section1.4; 1.10; 9.2;	Section 1.4; 1.10; 9.17.2
Section 3: Exploration and Drilling, Sampling Techniques and Data								
SR3.1	Exploration	(i)	Describe the data acquisition or exploration techniques and the nature, level of detail, and confidence in the geological data used (i.e. geological observations, remote sensing results, stratigraphy, lithology, structure, alteration, mineralisation, hydrology, geophysical, geochemical, petrography, mineralogy, geochronology, bulk density, potential deleterious or contaminating substances, geotechnical and rock characteristics, moisture content, bulk samples etc.). Confirm that data sets include all relevant metadata, such as unique sample number, sample mass, collection date, spatial location etc.		Section 7.12; 7.13; 7.14	Section 8.13.1; 8.13.2; 8.13.3; 8.13.4	Section 9.13.2; 9.14; 9.15	Section 10.12.2; 12.12.3; 10.212.5; 10.12.6
		(ii)	Identify and comment on the primary data elements (observation and measurements) used for the project and describe the management and verification of these data or the database. This should describe the following relevant processes: acquisition (capture or transfer), validation, integration, control, storage, retrieval and backup processes. It is assumed that data are stored digitally but hand-printed tables with well organized data and information may also constitute a database.		Section 7.15; 7.15.1	Section 8.13.3; 8.13.3 .3	Section 9.16; 9.16.1	Section 10.13; 10.13.1
		(iii)	Acknowledge and appraise data from other parties and reference all data and information used from other sources.		Section 7.12.1; 7.12.1.2	Section 8.13.1.1; 8.13.1.2	Section 9.13.1; 9.13.2	Section 10.12.1; 10.2.2
		(iv)	Clearly distinguish between data / information from the property under discussion and that derived from surrounding properties		N/A	N/A	N/A	N/A
		(v)	Describe the survey methods, techniques and expected accuracies of data. Specify the grid system used.		Section 7.4; 7.11.4; 7.13.2; 7.15.1	Section 8.4; 8.13.2.3; 8.13.2.6; 8.14.2.2	Section 9.4; 9.14.2; 9.14.3; 9.14.5	Section 10.3; 10.12.5; 10.13.1;

SAMREC TABLE 1				MOABSVELDEN	VANGGATFONTEIN	ELANDSPRUIT	KHANYISA
		Exploration Results	Mineral Resources				
		(vi)	Discuss whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the estimation procedure(s) and classifications applied.	Section 17.16.2.1; 7.18	Section 8.14.2.1; 8.14.4	Section 9.17.2.1; 9.19	Section 10.15.1; 10.17
		(vii)	Present representative models and / or maps and cross sections or other two or three dimensional illustrations of results, showing location of samples, accurate drill-hole collar positions, down-hole surveys, exploration pits, underground workings, relevant geological data, etc	Section 7.3; 7.12, 7.16	Section 8.1; 8.13.1.2	Section 9.1; 9.13.2	Section 10.1; 10.2.3
		(viii)	Report the relationships between mineralisation widths and intercept lengths are particularly important, the geometry of the mineralisation with respect to the drill hole angle. If it is not known and only the down-hole lengths are reported, confirm it with a clear statement to this effect (e.g. 'down-hole length, true width not known').	Section 7.13.1	Section 8.13.2.1	Section 9.14.1	Section 10.12.5.1
SR3.2	Drilling Techniques	(i)	Present the type of drilling undertaken (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).	Section 7.12.1; 7.13.1	Section 8.13.; 8.13.2.1	Section 9.13.; 9.13.2.2; 9.14.1	Section 10.12; 10.12.2; 10.12.3; 10.12.5
		(ii)	Describe whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, technical studies, mining studies and metallurgical studies.	Section 7.12.1.1; 7.12.1.2; 7.13.3; 7.13.4; 7.13.5; 7.21	Section 8.13.1.2; 8.13.2.4; 8.13.2.5; 8.13.2.6; 8.13.4; 8.14.7	Section 9.13.2; 9.14.2; 9.14.3; 9.14.5; 9.16.1; 9.22	Section 10.12; 10.12.2; 10.12.3; 10.12.5; 10.2
		(iii)	Describe whether logging is qualitative or quantitative in nature; indicate if core photography. (or costean, channel, etc) was undertaken	Section 7.13; 7.13.3	Section 8.13; 8.13.2.4	Section 9.13; 9.14.2	Section 10.12; 10.12.2
		(iv)	Present the total length and percentage of the relevant intersections logged.	Section 7.13; 7.13.4	Section 8.13.2; 8.12.2.5	Section 9.14; 9.14.4	Section 10.12; 10.12.5
		(v)	Results of any downhole surveys of the drill hole to be discussed.	Section 7.13.5	Section 8.13.2.6	Section 9.14.5	Section 10.12.5.2
SR3.3	Sample method, collection, capture and storage	(i)	Describe the nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.	Section 7.14	Section 8.13.3	Section 9.15	Section 10.12.6.1
		(ii)	Describe the sampling processes, including sub-sampling stages to maximize representivity of samples. This should include whether sample sizes are appropriate to the grain size of the material being sampled. Indicate whether sample compositing has been applied.	Section 7.14	Section 8.13.3.1	Section 9.15.1	Section 10.12.6.1
		(iii)	Appropriately describe each data set (e.g. geology, grade, density, quality, diamond breakage, geo-metallurgical characteristics etc.), sample type, sample-size selection and collection methods	Section 7.14; 7.16.2.4	Section 8.13.3.1; 8.14.2.3	Section 9.15.1; 9.17.3	Section 10.12.6.1; 10.15.3
		(iv)	Report the geometry of the mineralisation with respect to the drill-hole angle. State whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. State if the intersection angle is not known and only the downhole lengths are reported.	Section 7.14; 7.13.1	Section 8.13.3.1; 8.12.2.1	Section 9.15; 9.14.1	Section 10.12.6.1; 10.12.5.1

SAMREC TABLE 1				MOABSVELDEN	VANGGATFONTEIN	ELANDSPRUIT	KHANYISA
		Exploration Results	Mineral Resources				
		(v)	Describe retention policy and storage of physical samples (e.g. core, sample reject, etc.)	Section 7.14.12	Section 8.13.3.2	Section 9.15.2	Section 10.12.6.2
		(vi)	Describe the method of recording and assessing core and chip sample recoveries and results assessed, measures taken to maximise sample recovery and ensure representative nature of the samples and whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	Section 7.14.1	Section 8.13.3.1	Section 9.15.2	Section 10.12.6.1
		(vii)	If a drill-core sample is taken, state whether it was split or sawn and whether quarter, half or full core was submitted for analysis. If a non-core sample, state whether the sample was riffled, tube sampled, rotary split etc. and whether it was sampled wet or dry.	Section 7.14.1	Section 8.13.3.1	Section 9.15.1	Section 10.12.6.1
SR3.4	Sample Preparation and Analysis	(i)	Identify the laboratory(s) and state the accreditation status and Registration Number of the laboratory or provide a statement that the laboratories are not accredited.	Section 7.14.2	Section 8.13.3.2	Section 9.15.2	Section 10.12.6.2
		(ii)	Identify the analytical method. Discuss the nature, quality and appropriateness of the assaying and laboratory processes and procedures used and whether the technique is considered partial or total.	Section 7.14.2	Section 8.13.3.2	Section 9.15.2	Section 10.12.6.2
		(iii)	Describe the process and method used for sample preparation, sub-sampling and size reduction, and likelihood of inadequate or non representative samples (i.e. improper size reduction, contamination, screen sizes, granulometry, mass balance, etc.)	Section 7.14.2	Section 8.13.3.2	Section 9.15.2	Section 10.12.6.2
SR3.5	Sampling Governance	(i)	Discuss the governance of the sampling campaign and process, to ensure quality and representivity of samples and data, such as sample recovery, high grading, selective losses or contamination, core/hole diameter, internal and external QA/QC, and any other factors that may have resulted in or identified sample bias.	Section 7.14.2; 7.14.3	Section 8.13.3.2; 8.13.2.3	Section 9.15.2; 9.15.3	Section 10.12.6.2; 10.12.6.3
		(ii)	Describe the measures taken to ensure sample security and the Chain of Custody.	Section 7.15	Section 8.13.4.1	Section 9.16	Section 10.3
		(iii)	Describe the validation procedures used to ensure the integrity of the data, e.g. transcription, input or other errors, between its initial collection and its future use for modelling (e.g. geology, grade, density, etc.)	Section 7.15.1	Section 8.13.4.1	Section 9.16.1	Section 10.3.1
		(iv)	Describe the audit process and frequency (including dates of these audits) and disclose any material risks identified.	Section 7.34	Section 8.34	Section 9.34	Section 10.24
SR3.6	Quality Control/Quality Assurance	(i)	Demonstrate that adequate field sampling process verification techniques (QA/QC) have been applied, e.g. the level of duplicates, blanks, reference material standards, process audits, analysis, etc. If indirect methods of measurement were used (e.g. geophysical methods), these should be described, with attention given to the confidence of interpretation.	Section 7.14.1	Section 8.13.3.1	Section 9.15.1	Section 10.12.6.1
SR3.7	Bulk Density	(i)	Describe the method of bulk density determination with reference to the frequency of measurements, the size, nature and representativeness of the samples.	N/A	N/A	N/A	N/A

SAMREC TABLE 1					MOABSVELDEN	VANGGATFONTEIN	ELANDSPRUIT	KHANYISA	
			Exploration Results	Mineral Resources					Mineral Reserves
		(ii)	If target tonnage ranges are reported state the preliminary estimates or basis of assumptions made for bulk density.			N/A	N/A	N/A	N/A
		(iii)	Discuss the representivity of bulk density samples of the material for which a grade range is reported.			N/A	N/A	N/A	N/A
		(iv)	Discuss the adequacy of the methods of bulk density determination for bulk material with special reference to accounting for void spaces (vugs, porosity etc.), moisture and differences between rock and alteration zones within the deposit.			N/A	N/A	N/A	N/A
SR3.8	Bulk-Sampling and/or trial-mining	(i)	Indicate the location of individual samples (including map).			N/A	N/A	N/A	N/A
		(ii)	Describe the size of samples, spacing/density of samples recovered and whether sample sizes and distribution are appropriate to the grain size of the material being sampled.			N/A	N/A	N/A	N/A
		(iii)	Describe the method of mining and treatment.			N/A	N/A	N/A	N/A
		(iv)	Indicate the degree to which the samples are representative of the various types and styles of mineralisation and the mineral deposit as a whole.			N/A	N/A	N/A	N/A
Section 4: Estimation and Reporting of Exploration Results and Mineral Resources									
SR4.1	Geological model and interpretation	(i)	Describe the geological model, construction technique and assumptions that forms the basis for the Exploration Results or Mineral Resource estimate. Discuss the sufficiency of data density to assure continuity of mineralisation and geology and provide an adequate basis for the estimation and classification procedures applied.			Section 17.16.2.1; 7.18	Section 8.14.2.1; 8.14.4	Section 9.17.2.1; 9.19	Section 10.15.1; 10.17
		(ii)	Describe the nature, detail and reliability of geological information with which lithological, structural, mineralogical, alteration or other geological, geotechnical and geo-metallurgical characteristics were recorded.			Section 7.13; 7.13.3; 7.16.2.1; 7.20	Section 8.13; 8.13.2.4; 8.14.2.1 8.14.6	Section 9.13; 9.14.2; 9.17.2.1; 9.21	Section 10.12; 10.12.2; 10.15.1; 10.17
		(iii)	Describe any obvious geological, mining, metallurgical, environmental, social, infrastructural, legal and economic factors that could have a significant effect on the prospects of any possible exploration			Section 7.17, 7.35	Section 8.14.3; 8.35	Section 9.18; 9.35	Section 10.16; 10.33

SAMREC TABLE 1					MOABSVELDEN	VANGGATFONTEIN	ELANDSPRUIT	KHANYISA
		Exploration Results	Mineral Resources	Mineral Reserves				
			target or deposit.					
		(iv)		Discuss all known geological data that could materially influence the estimated quantity and quality of the Mineral Resource.	Section 7.11.4; 7.12; 7.13; 7.14; 7.15; 7.16.2; 7.20	Section 8.12.4; 8.13.1; 8.13.2; 8.13.3; 8.14.2; 8.14.3; 8.14.6	Section 9.12.4; 9.13; 9.14; 9.15; 9.16; 9.18; 9.20	Section 10.12.2; 10.12.3; 10.12.5; 10.12.6; 10.13; 10.15; 10.16; 10.19
		(v)		Discuss whether consideration was given to alternative interpretations or models and their possible effect (or potential risk) if any, on the Mineral Resource estimate.	Section 7.16.2.1	Section 8.14.2.1	Section 9.17.2.1	Section 10.5.1
		(vi)		Discuss geological discounts (e.g. magnitude, per reef, domain, etc.), applied in the model, whether applied to mineralized and / or un-mineralized material (e.g. potholes, faults, dykes, etc).	Section 7.20; 7.21	Section 8.14.6; 8.14.7	Section 9.21; 9.22	Section 10.19; 10.20
SR4.2	Estimation and modelling techniques	(i)	Describe in detail the estimation techniques and assumptions used to determine the grade and tonnage ranges.		Section 7.20	Section 8.14.2.1; 8.14.2.2; 8.14.2.3; 8.14.4; 8.14.6	Section 9.21	Section 10.19
		(ii)		Discuss the nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values (cutting or capping), compositing (including by length and/or density), domaining, sample spacing, estimation unit size (block size), selective mining units, interpolation parameters and maximum distance of extrapolation from data points.	Section 7.1; 7.11; 7.16.2; 7.16.2.1; 7.16.2.2; 7.16.2.3; 7.16.2.4; 7.18	Section 8.1; 8.12; 8.14.2.1; 8.14.2.2; 8.14.2.3; 8.14.4	Section 9.12; 9.17.2; 9.17.2.1; 9.17.2.3; 9.19	Section 10.11; 10.15; 10.15.1; 10.15.2; 10.15.3; 10.17;
		(iii)		Describe assumptions and justification of correlations made between variables.	Section 7.11	Section 8.12	Section 9.12	Section 10.11
		(iv)		Provide details of any relevant specialized computer program (software) used, with the version number, together with the estimation parameters used.	Section 7.16.2	Section 8.14.2	Section 9.17.2	Section 10.15
		(v)		State the processes of checking and validation, the comparison of model information to sample data and use of reconciliation data, and whether the Mineral Resource estimate takes account of such information.	Section 7.16.2.1	Section 8.14.2.1	Section 9.17.2.1	Section 9.17.2.1
		(vi)		Describe the assumptions made regarding the estimation of any co-products, by-products or deleterious elements.	N/A	N/A	N/A	N/A
SR4.3	Reasonable prospects for	(i)		Disclose and discuss the geological parameters. These would include (but not be limited to) volume / tonnage, grade	Section 7.17; 7.20; 7.21; 7.25.4.3;	Section 8.14.3; 8.14.6; 8.14.7; 8.20.1.4	Section 9.18; 9.21; 9.22; 9.25.4.4	Section 10.16; 10.19; 10.20

SAMREC TABLE 1					MOABSVELDEN	VANGGATFONTEIN	ELANDSPRUIT	KHANYISA
		Exploration Results	Mineral Resources	Mineral Reserves				
	eventual economic extraction			and value / quality estimates, cut-off grades, strip ratios, upper- and lower- screen sizes.				
		(ii)		Disclose and discuss the engineering parameters. These would include mining method, dilution, processing, geotechnical, geohydraulic and metallurgical) parameters.	Section 7.25.2; 7.25.4.3; 7.25.4.4; 7.26; 7.25.3	Section 8.17, 8.18; 8.19; 8.20	Section 9.25.2; 9.25.3; 9.25.4; 9.25.5; 9.26	Section 10.25; 10.26
		(iii)		Disclose and discuss the infrastructural including, but not limited to, power, water, site-access.	Section 7.8; 7.9	Section 8.7; 8.9	Section 9.8; 9.9	Section 10.8
		(iv)		Disclose and discuss the legal, governmental, permitting, statutory parameters.	Section 5; 7.7	Section 5; 8.6	Section 5; 9.7	Section 5; 10.5
		(v)		Disclose and discuss the environmental and social (or community) parameters.	Section 5; 7.7; 7.32; 7.36	Section 5; 8.6; 8.31; 8.32; 8.35; 8.36	Section 5; 9.7; 9.32; 9.36	Section 5; 10.4; 10.5; 10.29; 10.30; 10.31; 10.34
		(vi)		Disclose and discuss the marketing parameters.	Section 7.25.9; 7.27	Section 8.24; 8.27	Section 9.7.3.1; 9.25.6.3	Section 10.17
		(vii)		Disclose and discuss the economic assumptions and parameters. These factors will include, but not limited to, commodity prices and potential capital and operating costs	Section 7.25.11; 7.26.5; 7.26.6; 7.27.1; 7.32.2; 7.32.5; 7.33.2	Section 8.26; 8.32.1; 8.33.2	Section 9.7.3.2; 9.25.8; 9.32.2.3; 9.32.5; 9.33.2	Section 10.30.1; 10.30.3; 10.30.4
		(viii)		Discuss any material risks	Section 7.35; 7.36	Section 8.35; 8.36	Section 9.35; 9.35	Section 10.33; 10.34
		(ix)		Discuss the parameters used to support the concept of "eventual"	Section 7.17	Section 8.14.3	Section 9.18	Section 10.16
SR4.4	Classification Criteria	(i)		Describe criteria and methods used as the basis for the classification of the Mineral Resources into varying confidence categories.	Section 7.18	Section 8.14.4	Section 9.19	Section 10.17
SR4.5	Reporting	(i)		Discuss the reported low and high-grades and widths together with their spatial location to avoid misleading the reporting of Exploration Results, Mineral Resources or Mineral Reserves.	Section 7.16.2.4; 7.20	Section 8.14.2.1; 8.14.6	Section 9.17.3; 9.21	Section 10.15.3; 10.19
		(ii)		Discuss whether the reported grades are regional averages or if they are selected individual samples taken from the property under discussion.	Section 7.12, 7.16; 7.21; 7.25	Section 8.13; 8.14; 8.20	Section 9.13; 9.17; 9.22; 9.25.4	Section 10.12; 10.14; 10.15; 10.20
		(iii)	State assumptions regarding mining methods, infrastructure, metallurgy,		Section 7.17; 7.20; 7.21	Section 8.14.3; 8.14.6; 8.14.7	Section 9.18; 9.21; 9.22	Section 10.16; 10.19; 10.20

SAMREC TABLE 1					MOABSVELDEN	VANGGATFONTEIN	ELANDSPRUIT	KHANYISA
		Exploration Results	Mineral Resources	Mineral Reserves				
			environmental and social parameters. State and discuss where no mining related assumptions have been made.					
		(iv)	State the specific quantities and grades / qualities which are being reported in ranges and/or widths, and explain the basis of the reporting		Section 7.20; 7.21	Section 8.14.6; 8.14.7	Section 9.21; 9.22	Section 10.19; 10.20
		(v)	Present the detail for example open pit, underground, residue stockpile, remnants, tailings, and existing pillars or other sources in the Mineral Resource statement		Section 7.21	Section 8.14.7	Section 9.22	Section 10.20
		(vi)	Present a reconciliation with any previous Mineral Resource estimates. Where appropriate, report and comment on any historic trends (e.g. global bias).		Section 7.22	Section 8.14.8	Section 9.23	Section 10.21
		(vii)	Present the defined reference point for the tonnages and grades reported as Mineral Resources. State the reference point if the point is where the run of mine material is delivered to the processing plant. It is important that, in all situations where the reference point is different, such as for a saleable product, a clarifying statement is included to ensure that the reader is fully informed as to what is being reported.		Section 7.21; 7.30.2	Section 8.14.7; 8.30.1.2	Section 9.22; 9.29.2	Section 10.20

SAMREC TABLE 1						MOABSVELDEN	VANGGATFONTEIN	ELANDSPRUIT	KHANYISA
			Exploration Results	Mineral Resources	Mineral Reserves				
		(viii)	If the CP is relying on a report, opinion, or statement of another expert who is not a CP, disclose the date, title, and author of the report, opinion, or statement, the qualifications of the other expert and why it is reasonable for the CP to rely on the other expert, any significant risks and any steps the CP took to verify the information provided.			N/A	N/A	N/A	N/A
		(ix)	State the basis of equivalent metal formulae, if applied.			N/A	N/A	N/A	N/A
Section 5: Technical Studies									
SR5.1	Introduction	(i)	Technical Studies are not applicable to Exploration Results	State the level of study – whether scoping, prefeasibility, feasibility or ongoing Life of Mine	State the level of study – whether prefeasibility, feasibility or ongoing Life of Mine. The Code requires that a study to at least a Pre-Feasibility level has been undertaken to convert Mineral Resource to Mineral Reserve. Such studies will have been carried out and will include a mine plan or production schedule that is technically achievable and economically viable, and that all Modifying Factors have been considered.	ES2.1, ES2.13, ES2.25, ES3.1, ES3.13, ES3.28, ES4.1, ES4.21, ES4.29, ES5.1, ES5.13, 7.1, 7.25, 7.30.2, 8.17, 8.30, 8.30.1.2, 9.25, 9.29, 9.29.2, 10.25,			
		(ii)			Provide a summary table of the Modifying Factors used to convert the Mineral Resource to Mineral Reserve for Pre-feasibility, Feasibility or on-going life-of-mine studies.	ES2.17, ES3.17, ES4.21, 7.25.4.2, 7.25.4.3, 7.25.4.4, 8.20.1.3, 8.20.1.4, 8.20.1.5, 8.20.2.3, 9.25.4.3, 9.25.4.4, 9.25.4.5, 10.25.8.4, 10.25.8.5, 10.25.8.6,			
SR5.2	Mining Design	(i)	Technical Studies are not applicable to Exploration Results	State assumptions regarding mining methods and parameters when estimating Mineral Resources or explain where no mining assumptions have been made.		ES2.13, ES3.13, ES5.13, 7.25. 8.17, 9.25, 10.25,			
		(ii)			State and justify all modifying factors and assumptions made regarding mining methods, minimum mining dimensions (or pit shell) and internal and, if applicable, external) mining dilution and mining losses used for the techno-economic study and signed-off, such as mining method, mine design criteria,	ES2.13, ES2.14, ES2.25, ES3.13, ES3.14, ES3.28, ES4.18, ES4.29, ES5.13, ES5.14, 7.25, 7.25.3, 7.25.4.2, 7.30.2, 8.17, 8.18, 8.20.1.3, 8.20.2.3, 8.30, 8.30.1.2, 9.25, 9.25.3, 9.25.4.3, 9.29, 9.29.2, 10.25, 10.25.3, 10.25.8.4,			

SAMREC TABLE 1						MOABSVELDEN	VANGGATFONTEIN	ELANDSPRUIT	KHANYISA
			Exploration Results	Mineral Resources	Mineral Reserves				
					infrastructure, capacities, production schedule, mining efficiencies, grade control, geotechnical and hydrological considerations, closure plans, and personnel requirements.				
		(iii)		State what mineral resource models have been used in the study.	ES2.8, ES2.13, ES2.25, ES3.13, ES3.16, ES3.18, ES3.28, ES4.20, ES4.29, ES5.8, ES5.13, 7.25, 7.25.4.1, 7.30.2, 8.17, 8.20.1.1, 8.20.2.1, 8.30, 8.30.1.2, 9.25, 9.25.4.1, 9.29, 9.29.2, 10.25, 10.25.5.2,				
		(iv)		Explain the basis of (the adopted) cut-off grade(s) or quality parameters applied. Include metal equivalents if relevant	ES2.13, ES2.25, ES.13,ES3.28, ES4.29, ES5.13, 7.25, 7.25.4.2, 7.30.2, 8.17,8.20.1.3, 8.20.2.3, 8.30, 8.30.1.2, 9.25, 9.25.4.3, 9.29,9.29.2, 10.25, 10.25.8.4,				
		(v)		Description and justification of mining method(s) to be used.	ES2.13, ES3.13, ES5.13, 7.25,8.17,9.25, 10.25,				
		(vi)		For open-pit mines, include a discussion of pit slopes, slope stability, and strip ratio.	ES2.13, ES3.13, ES5.13, 7.25, 8.17,9.25, 10.25,				
		(vii)		For underground mines, discussion of mining method, geotechnical considerations, mine design characteristics, and ventilation/cooling requirements.	ES2.13, ES2.18, ES3.13, ES3.15, ES5.13, 7.25, 8.17, 8.19.2.3, 9.25, 10.25,				
		(viii)		Discussion of mining rate, equipment selected, grade control methods, geotechnical and hydrogeological considerations, health and safety of the workforce, staffing requirements, dilution, and recovery.	ES2.13, ES2.21, ES3.13, ES3.20, ES4.22, ES5.13, 7.25, 7.25.5, 7.25.7, 7.25.8, 7.26, 8.17,8.21, 8.23, 8.23.1.1, 9.25, 9.25.4, 9.25.6.1, 9.25.6.2, 10.25, 10.25.8.7, 10.25.8.9,				
		(ix)		State the optimisation methods used in planning, list of constraints (practicality, plant, access, exposed Mineral Reserves, stripped Mineral Reserves, bottlenecks, draw control).	ES2.13, ES3.13, ES5.13, 7.25, 8.17, 9.25, 10.25,				
SR5.3	Metallurgical and Testwork	(i)	Technical Studies are not applicable to Exploration Results		Discuss the source of the sample and the techniques to obtain the sample, laboratory and metallurgical testing techniques.	ES2.21, ES3.24, ES4.25, 7.13, 7.26, 8.26.2, 8.26.2.3, 10.26,			
		(ii)		Explain the basis for assumptions or predictions regarding metallurgical amenability and any preliminary mineralogical test work already carried out.	ES3.24, ES4.25, 8.26.2, 8.26.2.3, 10.26,				

SAMREC TABLE 1						MOABSVELDEN	VANGGATFONTEIN	ELANDSPRUIT	KHANYISA
			Exploration Results	Mineral Resources	Mineral Reserves				
		(iii)		Discuss the possible processing methods and any processing factors that could have a material effect on the likelihood of eventual economic extraction. Discuss the appropriateness of the processing methods to the style of mineralisation.	Describe and justify the processing method(s) to be used, equipment, plant capacity, efficiencies, and personnel requirements.	ES3.24, ES4.25, 8.26.2, 8.26.2.3, 10.26,			
		(iv)			Discuss the nature, amount and representativeness of metallurgical test work undertaken and the recovery factors used. A detailed flow sheet / diagram and a mass balance should exist ,especially for multi-product operations from which the saleable materials are priced for different chemical and physical characteristics.	ES3.24, ES4.25,8.26.2, 8.26.2.3, 10.26,			
		(v)			State what assumptions or allowances have been made for deleterious elements and the existence of any bulk-sample or pilot-scale test work and the degree to which such samples are representative of the ore body as a whole.	ES3.24, ES4.25, 8.26.2, 8.26.2.3, 10.26,			
		(vi)			State whether the metallurgical process is well-tested technology or novel in nature.	ES3.24, ES4.25, 8.26.2, 8.26.2.3, 10.26,			
SR5.4	Infrastructure	(i)	Technical Studies are not applicable to Exploration Results	Comment regarding the current state of infrastructure or the ease with which the infrastructure can be provided or accessed		ES4.6, 7.8, 7.9, 8.9; 9.10; 10.8			
		(ii)			Report in sufficient detail to demonstrate that the necessary facilities have been allowed for (which may include, but not be limited to, processing plant, tailings dam, leaching facilities, waste	ES2.28, ES3.24, ES4.6, ES4.25, 7.7.3.1.3, 7.8, 7.9, 8.26.2, 10.26,			

SAMREC TABLE 1						MOABSVELDEN	VANGGATFONTEIN	ELANDSPRUIT	KHANYISA
			Exploration Results	Mineral Resources	Mineral Reserves				
					dumps, road, rail or port facilities, water and power supply, offices, housing, security, resource sterilisation testing etc.). Provide detailed maps showing locations of facilities.				
		(iii)			Statement showing that all necessary logistics have been considered.				
SR5.5	Environmental and Social	(i)	Technical Studies are not applicable to Exploration Results	Confirm that the company holding the tenement has addressed the host country environmental legal compliance requirements and any mandatory and/or voluntary standards or guidelines to which it subscribes		5.1; 7.6; 7.7; 7.32; 8.5; 8.6; 8.31; 9.6; 9.7; 9.32; 10.4; 10.5; 10.30			
		Identify the necessary permits that will be required and their status and where not yet obtained, confirm that there is a reasonable basis to believe that all permits required for the project will be obtained		5.1; 7.6; 7.7; 7.32; 8.5; 8.6; 8.31; 9.6; 9.7; 9.32; 10.4; 10.5; 10.30					
		Identify and discuss any sensitive areas that may affect the project as well as any other environmental factors including I&AP and/or studies that could have a material effect on the likelihood of eventual economic extraction. Discuss possible means of mitigation.		ES2.27, ES3.30, ES4.31, ES5.11, 1.6.1, 7.31.1, 8.31.1, 9.32.1, 10.29.1,					
		Identify any legislated social management programmes that may be required and discuss the content and status of these.		7.6; 8.6; 9.7; 10.5					
		Outline and quantify the material socio-economic and cultural impacts that need to be mitigated, and their mitigation measures and where appropriate the associated costs.		7.6; 8.6; 9.7; 10.5					
SR5.6	Market Studies and Economic criteria	(i)	Technical Studies are not applicable to Exploration Results		Describe the valuable and potentially valuable product(s) including suitability of products, co-products and by products to market.	ES2.23, ES3.25, ES4.26, 7.27,8.27, 10.27,			
		(ii)			Describe product to be sold, customer specifications, testing, and acceptance requirements. Discuss whether there exists a ready market for the product and whether contracts for the sale of the product are in place or expected to be readily obtained. Present price and volume forecasts and the basis for the forecast.	ES2.23, ES3.25, ES4.26,7.27, 8.27, 9.26.3, 10.27,			
		(iii)			State and describe all economic criteria that have been used for the study such as capital and operating	ES2.23, ES3.25, ES4.26, 7.25.11, 7.26.5, 7.27, 7.27.1, 8.26, 8.26.2.6, 8.27, 9.25.8, 9.26, 9.26.1, 9.26.3, 10.27,			

SAMREC TABLE 1						MOABSVELDEN	VANGGATFONTEIN	ELANDSPRUIT	KHANYISA
			Exploration Results	Mineral Resources	Mineral Reserves				
					costs, exchange rates, revenue / price curves, royalties, cut-off grades, reserve pay limits.				
		(iv)		Summary description, source and confidence of method used to estimate the commodity price/value profiles used for cut-off grade calculation, economic analysis and project valuation, including applicable taxes, inflation indices, discount rate and exchange rates.	ES2.23, ES3.25, ES4.26, 7.25.11, 7.26.5, 7.27, 7.27.1, 8.26, 8.26.2.6, 8.27, 9.25.8, 9.26, 9.26.1, 9.26.3,10.27,				
		(v)		Present the details of the point of reference for the tonnages and grades reported as Mineral Reserves (e.g. material delivered to the processing facility or saleable product(s)). It is important that, in any situation where the reference point is different, a clarifying statement is included to ensure that the reader is fully informed as to what is being reported.	ES2.25, ES3.27, ES3.28, ES4.28, ES4.29, 7.29, 7.30.1, 8.29, 8.30, 8.30.1.2, 9.28, 9.29,				
		(vi)		Justify assumptions made concerning production cost including transportation, treatment, penalties, exchange rates, marketing and other costs. Provide details of allowances that are made for the content of deleterious elements and the cost of penalties.	7.25.11, 7.26.5, 7.26.1, 8.26, 8.26.2.6, 9.25.8, 9.26, 9.26.1,				
		(vii)		Provide details of allowances made for royalties payable, both to Government and private.	5; 7.33; 8.33; 9.7.3.2; 9.33;				
		(viii)		State type, extent and condition of plant and equipment that is significant to the existing operation(s).	ES3.24, ES4.25, 7.26.3, 8.26.2, 8.26.2.4, 10.26,				
		(ix)		Provide details of all environmental, social and labour costs considered	ES2.29, ES3.33, ES4.33, ES5.17, 7.25.11, 7.26.5, 7.27.1, 7.32.2, 7.32.5, 8.26, 8.26.2.6, 8.31.2.2, 8.32.1, 9.25.8, 26, 9.26.1, 9.32.3, 9.32.6, 10.30.1.1, 10.30.1.4,				
SR5.7	Risk Analysis	(i)	Technical Studies are not applicable to Exploration Results	Report an assessment of technical, environmental, social, economic, political and other key risks to the project. Describe actions that will be taken to mitigate and/or manage the identified risks.		ES2.31, ES3.11, ES3.37, ES4.36, ES5.11, ES5.20, 7.32.6, 7.35, 8.32.1.3, 8.35, 9.32.7, 9.35, 10.31, 10.33,			

SAMREC TABLE 1					MOABSVELDEN	VANGGATFONTEIN	ELANDSPRUIT	KHANYISA
			Exploration Results	Mineral Resources				
SR5.8	Economic Analysis	(i)	Technical Studies are not applicable to Exploration Results	At the relevant level (Scoping Study, Pre-feasibility, Feasibility or on-going Life-of Mine), provide an economic analysis for the project that includes:	ES3.36, ES4.35, ES5.19, 3.1, 7.25.11, 7.26.5, 7.27.1, 7.33, 8.26, 8.26.2.6, 8.33, 9.25.8, 9.26, 9.26.1, 9.33, 10.32,			
		(ii)		Cash Flow forecast on an annual basis using Mineral Reserves or an annual production schedule for the life of the project	ES3.36, ES4.35, ES5.19,3.1, 7.25.11, 7.26.5, 7.26.1, 7.33, 8.26, 8.26.2.6, 8.33, 9.25.8, 9.26, 9.26.1, 9.33, 10.32,			
		(iii)		A discussion of net present value (NPV), internal rate of return (IRR) and payback period of capital	ES3.36, ES4.35, ES5.19, 3.1, 7.25.11, 7.26.5, 7.27.1, 7.33, 8.26, 8.26.2.6, 8.33, 9.25.8, 9.26,9.26.1, 9.33, 10.32,			
		(iv)		Sensitivity or other analysis using variants in commodity price, grade, capital and operating costs, or other significant parameters, as appropriate and discuss the impact of the results.	ES3.36, ES4.35, ES5.19, 3.1, 7.25.11, 7.26.5, 7.27.1, 7.33, 8.26, 8.26.2.26, 8.33, 9.25.8, 9.26,9.26.1,9.33, 10.32,			
Section 6: Estimation and Reporting of Mineral Reserves								
SR6.1	Estimation and modelling techniques	(i)		Describe the Mineral Resource estimate used as a basis for the conversion to a Mineral Reserve.	ES2.9, ES2.25, ES3.9, ES3.28, ES4.13, ES4.14, ES4.29, 7.30.2, 7.30.2, 8.30, 8.30.1.2, 9.29,			
		(ii)		Report the Mineral Reserve Statement with sufficient detail indicating if the mining is open pit or underground plus the source and type of mineralisation, domain or ore body, surface dumps, stockpiles and all other sources.	ES2.25, ES3.28, ES4.29, 8.30, 8.30.1.2, 9.29, 9.29.2,			
		(iii)		Provide a reconciliation reporting historic reliability of the performance parameters, assumptions and modifying factors including a comparison with the previous Reserve quantity and qualities, if available. Where appropriate, report and comment on any historic trends (e.g. global bias)	ES2.10, ES3.10, ES3.27, ES4.21, ES4.28, 7.29, 8.29, 9.28,			
SR6.2	Classification Criteria	(i)		Describe and justify criteria and methods used as the basis for the classification of the Mineral Reserves into varying confidence categories, based on the Mineral Resource category, and including consideration of the confidence in all the modifying factors.	ES2.25, ES3.27, ES3.28, ES4.21, ES4.28, ES4.29, 7.29, 7.30.2, 8.29, 8.30, 8.30.1.2, 9.28, 9.29, 9.29.2,			
S6.3	Reporting	(i)		Discuss the proportion of Probable Mineral Reserves, which have been derived from Measured Mineral Resources (if any), including the reason(s) therefore.	ES2.25, ES3.27, ES3.28, ES4.28, ES4.29, 7.29, 7.30.2, 8.29, 8.30,8.30.1.2, 9.28, 9.29, 9.29.2,			

SAMREC TABLE 1						MOABSVELDEN	VANGGATFONTEIN	ELANDSPRUIT	KHANYISA
			Exploration Results	Mineral Resources	Mineral Reserves				
		(ii)			Present details of for example open pit, underground, residue stockpile, remnants, tailings, and existing pillars or other sources in respect of the Mineral Reserve statement	ES3.27, ES4.28, 7.29,8.29, 9.28,			
		(iii)			Present the details of the defined reference point for the Mineral Reserves. State where the reference point is the point where the run of mine material is delivered to the processing plant. It is important that, in all situations where the reference point is different, such as for a saleable product, a clarifying statement is included to ensure that the reader is fully informed as to what is being reported. State clearly whether the tonnages and grades reported for Mineral Reserves are in respect of material delivered to the plant or after recovery.	ES2.25, ES3.27, ES3.28, ES4.28, ES4.29, 7.29, 7.30.2, 8.29, 8.30, 8.30.1.2, 9.28, 9.29, 9.29.2,			
		(iv)			Present a reconciliation with the previous Mineral Reserve estimates. Where appropriate, report and comment on any historic trends (e.g. global bias).	7.31	8.30	9.30	10.28
		(v)			Only Measured and Indicated Mineral Resources can be considered for inclusion in the Mineral Reserve.	ES2.25, ES3.28, ES4.29, 7.30.2, 8.30, 8.30.1.2, 9.29, 9.29.2,			
		(vi)			State whether the Mineral Resources are inclusive or exclusive of Mineral Reserves.	7.21; 8.14.7; 9.22; 10.20			
Section 7: Audits and Reviews									
SR7.1	Audits and Reviews	(i)	State type of review/audit (e.g. independent, external), area (e.g. laboratory, drilling, data, environmental compliance etc), date and name of the reviewer(s) together with their recognized professional qualifications.			ES1.1, ES1.6, ES2.27, ES3.31, ES4.32, 1.1, 1.4.2, 1.9.1, 7.32.4, 7.34, 8.31.3.1, 8.34, 9.32.5, 9.34, 10.30.1.3,			
		(ii)	Disclose the conclusions of relevant audits or reviews. Note where significant deficiencies and remedial actions are required.			ES2.27, ES3.31, ES4.32, 1.4.2, 7.32.4, 7.34, 8.31.3.1, 8.34, 9.32.5, 9.34, 10.30.1.3,			
Section 8: Other Relevant Information									
SR8.1		(i)	Discuss all other relevant and material information not discussed elsewhere.			N/A	N/A	N/A	N/A

SAMREC TABLE 1					MOABSVELDEN	VANGGATFONTEIN	ELANDSPRUIT	KHANYISA
		Exploration Results	Mineral Resources	Mineral Reserves				
Section 9: Qualification of Competent Person(s) and other key technical staff. Date and Signature Page								
SR9.1		(i)	State the full name, registration number and name of the professional body or RPO, for all the Competent Person(s). State the relevant experience of the Competent Person(s) and other key technical staff who prepared and are responsible for the Public Report.		ES1.7, 1.5.2, 1.10, Appendix 15			
		(ii)	State the Competent Person's relationship to the issuer of the report.		ES1.7, 1.10, Appendix 15			
		(iii)	Provide the Certificate of the Competent Person (Appendix 2), including the date of sign-off and the effective date, in the Public Report.		ES1.5, 1.6, Appendix 15			
Section 10: Reporting of for Coal Resources and Reserves								
SR10.1	Specific Reporting for Coal	(i)	Confirm that the reports on coal deposits take cognisance of sections 54-74 of the Code and Sections 1 - 9 of Table 1.		Yes			
		(ii)	Confirm that the Coal Exploration Results, Coal Inventory, Coal Resources and Coal Reserves are reported using the South African National Standard 10320 as the guideline		Yes			
SR10.2	Geological Setting, Deposit, Mineralisation	(i)	Describe the project geology including coal deposit type, geological setting and coal seams / zones present.		ES3.4, ES4.8, 7.11; 8.12; 9.12; 10.11			
		(ii)	Identify and discuss the structural complexity, physical continuity, coal rank, qualitative and quantitative properties of the significant coal seams or zones on the property.		7.11; 8.12; 9.12; 10.11			
SR10.3	Drilling Techniques	(i)	Report core recoveries and method of calculation. Confirm that core recoveries in cored boreholes are in excess of 95% by length within the coal seam intersection.		7.13.5, 7.12; 8.13; 9.13			
	Relative Density to replace Bulk Density	(ii)	Describe the apparent relative density or true relative density of the coal seam(s) determined on coal samples from borehole cores using recognized standard laboratory methods or commonly used procedures. State the moisture basis on which the relative density determination is based and the moisture basis on which the final density value is reported (in situ or air-dried basis).		N/A			
	Bulk-Sampling and/or trial-mining	(iii)	Describe the purpose or aim of the bulk sampling programme, the size of samples, spacing/density of samples recovered. Describe the applicability of bulk sampling or large diameter core samples towards providing representative samples for tests. Compare and comment on results obtained from bulk sampling versus exploration sampling.		N/A			
SR10.4	Reasonable prospects for eventual economic extraction	(i)	Confirm that an appropriate coal quality is reported for all Coal Resource categories. Present and discuss the type of analysis (e.g. raw coal, washed coal at a specific cut-point density) and the basis of reporting of the coal quality parameters (e.g. air-dried basis, dry basis, etc.).		Yes; 7.17; 8.14.3; 9.18; 10.16			
SR11	Coal Resource Reporting	(i)		A Coal Resource only includes the coal	7.20; 7.21	8.14.6; 8.14.7	9.21; 9.22	10.19; 10.20

SAMREC TABLE 1						MOABSVELDEN	VANGGATFONTEIN	ELANDSPRUIT	KHANYISA
			Exploration Results	Mineral Resources	Mineral Reserves				
				seam(s) above the minimum thickness cut-off and the coal quality cut-off(s). Present and discuss the MTIS Coal Resource tonnage and quality.					
		(ii)		State the reporting basis for the Coal Resource statement with particular reference to moisture and relative density.		7.21	8.14.7	9.22	10.20
11	Coal Reserve Reporting	(i)			State the reporting basis for the Coal Reserve statement with particular reference to moisture and relative density.	7.30	8.30	9.29	N/A
		(ii)			Confirm that the Coal Reserves are reported as ROM tonnages and coal quality, and also as Saleable product/s tonnages and coal quality. Present and discuss the reporting basis for the Coal Reserve statement with particular reference to moisture content and relative density.	7.30	8.30	9.29	N/A

13 APPENDIX : COMPLIANCE CHECKLIST - JSE

Section	Chapter 12 of JSE Listing Rules	Khanyisa	Elandspruit	Vanggatfontein	Moabsvelden
JSE12.9(a)(i)	CPR to comply to SAMREC and SAMVAL (Tables to be included)	Yes, 1.5.1, Appendix 12; Appendix13; Appendix 14			
JSE12.9(b)	Details of any direct or indirect beneficial interest	Appendix – certificates of CP's, ES1.6, 1.9.1,			
JSE12.9(d)	A statement by the directors regarding any legal proceedings that may have an influence on the rights to explore or mine, or an appropriate Negative statement; and	Was requested, no formal statement received, 1.8.2			
JSE12.9(e)	Confirmation that the applicant issuer, or its group (including companies In which it has investments), is in possession of the necessary legal title or ownership rights to explore, mine or explore and mine the relevant Minerals.	Summarised 1.1 Background, 1.2 Ownership and under each section, detail on mining rights and authorisations, 1.4.2, 1.8.2, 2, 7.6.3, 8.5.3, 9.6.3, 10.4.3,			
JSE12.10(a)	CPR to have an effective date	ES1.5, ES2.9, ES3.9, ES4.13, ES4.14, ES5.9, 1.6, 8.14.7, 9.22, 10.20,			
JSE12.10(c)	If the Competent Person is not independent of the issuer, clearly Disclose the nature of the relationship or interest;	Appendix – certificates of CP's, each CP disclosure, ES1.6, 1.9.1, 1.10,			
JSE12.10(d)	Show the particular paragraph of this section, the SAMREC Code (including Table 1) and SAMVAL Code (including Appendices and Tables) Complied with in the margin of Competent Person's Report;	12, 13, 14			
JSE12.10(e)	Contain a paragraph stating that all requirements of this section, the Samrec code (including table 1) and samval code (including Appendices and tables) have been complied with, or state that certain Clauses in the samval code were not applicable and provide a list of Such clauses; and	ES1.4, 1.4.3, 1.5			
JSE12.10(e)(i)	Exploration expenditure incurred to date by the applicant issuer And by other parties, where available;	Information requested, nil response in terms of exploration expenditure			
JSE12.10(e)(ii)	Planned exploration expenditure that has been committed, but Not yet incurred, by the applicant issuer concerned; and	Nil response, Khanyisa is in care and maintenance and under business rescue, no exploration plans	Nil response, Elandspruit is has commenced OC and is under business rescue. No exploration plans	Nil response, Vanggatfontein under JSE section155 compromise, no exploration plans	Moabsvelden Section 7.12 – Exploration drilling and sampling

Section	Chapter 12 of JSE Listing Rules	Khanyisa	Elandspruit	Vanggatfontein	Moabsvelden
JSE12.10(e)(iii)	Planned exploration expenditure that has not been committed to By the applicant issuer but which is expected to be incurred By the applicant issuer but which is expected to be incurred Sometime in the future, in sufficient detail to fairly present future Expectations;	Nil response, Khanyisa is in care and maintenance and under business rescue, no exploration plans 10.12.4	Nil response, Elandspruit is has commenced OC and is under business rescue. No exploration plans ES4.9, 9.13,	Nil response, Vanggatfontein under JSE section155 compromise, no exploration plans 8.13,	Moabsvelden Section 7.12 – Exploration drilling and sampling 7.12.2
JSE12.10(f)	Contain a valuation section which must be completed and signed off by a Competent valuator in terms of and in compliance with the samval Code (including appendices and tables);	Khanyisa Section 10.32 – Asset valuation. Note not signed off, no valuation done apart from summarizing current liabilities. The mine is under care and maintenance with no material remaining reserves or resources ES5.19,3.1, 10.32	Elandspruit Section 9.32 Asset valuation. No valuation done, indicative scenarios for the Business rescue shown. ES4.35, 3.1, 9.33,	Vanggatfontein – Section 8.16.20 Asset Valuation. Valuation conducted by Salungano. Reviewed by Miptec for inclusion. 3.1, 8.33, 15	Moabsvelden – Section 8.16.20 Asset Valuation. Valuation conducted by Salungano. Reviewed by Miptec for inclusion. 3.1, 7.33 15
JSE12.10(g)	Be published in full on the applicant issuer's website;	To be Completed	To be Completed	To be Completed	To be Completed
JSE12.10(h)	Be included in the relevant JSE document either in full (which includes Incorporation by reference pursuant to paragraph 11.61) or as an Executive summary. The executive summary must be approved by the JSE (after approval by the Readers Panel) at the same time as the	To be Completed			

Section	Chapter 12 of JSE Listing Rules	Khanyisa	Elandspruit	Vanggatfontein	Moabsvelden
	Competent Person's Report is approved by the JSE and the Readers Panel. The executive summary should be a concise summary of the Competent Person's Report and must cover, at a minimum, where Applicable:				
JSE12.10(h)(i)	Purpose	ES1.1, 1.1, 1.4, 1.4.1			
JSE12.10(h)(ii)	Project outline	ES2.1, ES3.1, ES4.1, ES5.1, 1.4.2, 7.1, 8.1, 9.1, 10.1,			
JSE12.10(h)(iii)	Location map indicating area of interest;	ES1.2, 1.2			
JSE12.10(h)(iv)	Legal aspects and tenure, including any disputes, risks or Impediments;	1.8.2, 4, 5, 7.6.3, 8.5.3, 9.6.3, 10.4.3,			
JSE12.10(h)(v)	Geological setting description;	ES1.9, ES2.4, 6; 7.11; 8.12; 9.12; 10.11			
JSE12.10(h)(vi)	Exploration programme and budget;	7.12.2; 8.13; 9.13; 10.12			
JSE12.10(h)(vii)	Brief description of individual key modifying factors;	ES2.17, ES3.17; 3.18; ES4.18, ES4.21, ES5.14, 7.25.3, 7.26, 8.20, 9.25, 10.25			
JSE12.10(h)(viii)	Brief description of key environmental issues;	ES2.27, ES3.31, ES5.11, 7.32, 8.31; 8.35; 9.7; 9.32; 9.35; 10.29; 10.31			
JSE12.10(h)(ix)	Mineral Resource and Mineral Reserve Statement;	ES2.25, ES2.28, ES4.28, ES4.29, 1.3; 7.21; 7.30, 8.14.7; 8.30, 8.30.1.2, 9.22, 9.29, 10.20			
JSE12.10(h)(x)	Reference to risk paragraph in the full Competent Person's Report;	ES2.31, ES3.37, ES4.36, ES5.11, ES5.20, 7.35, 8.35, 9.35, 10.23, 10.33,			
JSE12.10(h)(xi)	Statement by the Competent Person that the summary is a true Reflection of the full Competent Person's Report; and	Executive Summary Heading			
JSE12.10(h)(xii)	Summary valuation table. Where the cash flow approach has Been employed, the valuation summary must include the Discount rate(s) applied to calculate the npv(s) (net present Value(s)) per share with reference to the specific paragraph in The competent person's report. If inferred resources are used, Show the summary valuation with and without inclusion of such Inferred resources.	ES3.36, ES4.35, ES5.19, 7.33, 7.33.2, 8.33, 8.33.2, 9.33, 9.33.2, 10.32			

14 APPENDIX: COMPLIANCE CHECKLIST - SAMVAL

Code	Criteria	Comments	MOABSVELDEN	VANGGATFONTEIN	ELANDSPRUIT	KHANYISA
SV1.0	General	The Valuation Report shall contain: The signature of the CV; The CV's qualifications and experience in valuing mineral properties, or relevant valuation experience; A statement that all facts presented in the report are correct to the best of the CV's knowledge; A statement that the analyses and conclusions are limited only by the reported forecasts and conditions; A statement of the CV's present or prospective interest in the subject property or asset; A statement that the CV's compensation, employment, or contractual relationship with the Commissioning Entity is not contingent on any aspect of the Report; A statement that the CV has no bias with respect to the assets that are the subject of the Report, or to the parties involved with the assignment; A statement that the CV has (or has not) made a personal inspection of the property; and A record of the CP's and experts who have contributed to the valuation. Written consent to use and rely on such Reports shall be obtained. Significant contributions made by such experts shall be highlighted individually.	ES1.6, ES1.7, 1.5.2, 1.7, 1.8.1, 1.9.1, 1.9.2, 1.10, 3.1, Appendix 15			
SV1.1	Illustrations	There are numerous instances (especially in the non-listed environment) when a valuation is not accompanied by the CPR on which it is based. In these cases, especially, diagrams/illustrations are required and shall be in the required format. Diagrams, maps, plans, sections, and illustrations shall be legible and prepared at an appropriate scale to distinguish important features. Maps shall be dated and include a legend, author or information source, coordinate system and	N/A. All relevant information included in this report.			

Code	Criteria	Comments	MOABSVELDEN	VANGGATFONTEIN	ELANDSPRUIT	KHANYISA
		datum, a scale in bar or grid form, and an arrow indicating north. A location or index map and more detailed maps showing all important features described in the text, including all relevant cadastral and other infrastructure features, shall be included.				
SV1.2	Synopsis	Provide the salient features of the report – a brief description of the terms of reference, scope of work, the Valuation Date, the mineral property; its location, ownership, geology, and mineralization; history of exploration and production, current status, Exploration Targets, mineralization and/or production forecast, Mineral Resources and Mineral Reserves, production facilities (if any); environmental, social, legal, and permitting considerations; valuation approaches and methods, valuation, and conclusions.	Executive Summary and Full Report			
SV1.3	Introduction and Scope	Introduction and scope, specifying commissioning instructions including reference to the valuation, engagement letter, date, purpose and intended use of the valuation. The CV shall fully disclose any interests in the Mineral Asset or Commissioning Entity. Any restrictions on scope and special instructions followed by the CV, and how these affect the reliability of the valuation, shall be disclosed.	ES1.1, ES1.5, 1.1,1.4, 1.4.1, 1.6,			
SV1.4	Compliance	A statement that the report complies with SAMVAL shall be included. Any variations shall be described and discussed.	ES1.1, ES1.4, 1.1, 1.4.3, 3.1,			

Code	Criteria	Comments	MOABSVELDEN	VANGGATFONTEIN	ELANDSPRUIT	KHANYISA
SV1.5	Identity, Tenure and Infrastructure	The identity, tenure, associated infrastructure and locations of the property interests, rights or securities to be valued (<i>i.e.</i> The physical, legal, and economic characteristics of the property) shall be disclosed.	ES1.1, ES2.3, ES3.2, ES3.3, ES4.2, ES4.3, ES5.2, ES5.3, 1.1, 5, 7.3; 7.6; 7.8; 7.9; 8.3. 8.5; 8.7; 8.9; 9.3, 9.6; 9.10; 10.2, 10.4; 10.8			
SV1.6	History	History of activities, results, and operations to date shall be included.	ES2.5; ES2.24; 7.10; 7.12.1.1; 7.25.5; 7.28; 7.29	ES3.5; ES3.26; 8.13.1; 8.21; 8.28; 8.29	ES4.9; ES4.22; ES4.27; 9.13.1; 9.25.5; 9.27; 9.28	ES5.5; ES5.15; 10.12.1; 10.28
SV1.7	Geological Setting	Geological setting, models, and mineralization shall be described.	6; 7.11; 7.16.2	6; 8.12; 8.14.2	6; 9.12; 9.17.12	6; 10.11; 10.15
SV1.8	Exploration Results and Exploration Targets	Exploration programmes, their location, results, interpretation, and significance shall be described. Exploration Targets shall be discussed.	7.12; 7.13; 7.14; 7.15; 7.16	8.13, 8.14	9.13; 9.14; 9.15; 9.17	10.12; 10.13; 10.14
SV1.9	Mineral Resources and Mineral Reserves	Mineral Resource and Mineral Reserve statements shall be provided. They shall be signed off by a Competent Person in compliance with the SAMREC Code or another CRIRSCO code. The CV shall set out the manner in which he has satisfied himself that he can rely upon the information in the CPR.	ES2.9, ES2.25, ES4.14, ES4.29, ES5.9, 3.1, 7.21; 7.30, 8.14.7, 8.30; 9.22, 9.29, 9.29, 10.20			

Code	Criteria	Comments	MOABSVELDEN	VANGGATFONTEIN	ELANDSPRUIT	KHANYISA
SV1.10	Modifying Factors and Key Assumptions	A statement of Modifying Factors shall be included, separately summarizing material issues relating to each applicable Modifying Factor. The CV shall set out the manner in which he has satisfied himself that he can rely upon the technical information provided. (NOTE: All the Modifying Factors shall be listed, or references provided to relevant definitions). This shall include an explanation of all material assumptions and limiting factors. When reporting on environmental, social and governance Modifying Factors, reference should be made to the ESG reporting parameters as required by the Southern African Minerals Environmental, Social and Governance Guideline (SAMESG) or other recognised code, e.g. Equator Principles.	ES2.17; 7.25.4	ES3.17; 3.19; 8.20.1; 8.20.2	ES4.20; ES4.21; 9.25.4.4; 9.25.4.5	n/a
SV1.11	Previous Valuations	The valuation shall refer to all available and relevant previous valuations of the Mineral Asset that have been performed in at least the previous two years, and explain any material differences between these and the present valuation.	N/A	N/A	N/A	N/A
SV1.12	Valuation Approaches and Methods	The valuation approaches and methods used in the valuation shall be described and justified in full.	ES2.30, ES3.36, ES4.35, ES5.19, 3.1, 7.33, 8.33, 9.33, 10.32,			
SV1.13	Valuation Date	A statement detailing the Report Date and the Valuation Date, as defined in this Code, and whether any material changes have occurred between the Valuation Date and the Report Date.	ES3.36, ES5.19, 1.6.1, 3.1, 7.33, 8.33, 9.33,			

Code	Criteria	Comments	MOABSVELDEN	VANGGATFONTEIN	ELANDSPRUIT	KHANYISA
SV1.14	Valuation Results	For the Income Approach, the valuation cash flow shall be disclosed. For the Market Approach, the market comparable information shall be disclosed. For the Cost Approach, the relevant and applicable cost shall be disclosed.	ES2.30, ES3.36, 7.33.2, 8.33.2, 9.33.2,			
SV1.15	Valuation Summary and Conclusions	A summary of the valuation details, consolidated into single material line items, shall be provided. The Mineral Asset Valuation shall specify the key risks and forecasts used in the valuation. A cautionary statement concerning all forward-looking or forecast statements shall be included. The valuation's conclusions, illustrating a range of values, the best estimate value for each valuation, and whether the conclusions are qualified or subject to any restrictions imposed on the CV, shall be included.	ES2.30,1.9.3; ES5.21; 7.33	ES3.36; ES5.21; 8.33	ES4.35; ES5.21; 9.33	ES5.59; 10.32 ES5.21;
SV1.16	Identifiable Component Asset (ICA) Values	In some valuations, the valuation shall be broken down into Identifiable Component Asset Values (an ICA valuation) equaling the Mineral Asset Value. This could be, for example, due to the requirements of other valuation rules and legislative practices including taxation (<i>i.e.</i> Fixed property, plant, and equipment relative to Mineral Asset Value allocations such as in recoupment or capital gains tax calculations or where a commissioned Mineral Asset Valuation specifies a need for a breakdown of the Mineral Asset Valuation). In such cases, the separate allocations of value shall be made by taking account of the value of every separately identifiable component asset. Allocation of value to only some, and not all, identifiable component assets is not allowed. This requires a specialist appraisal of each identifiable component asset of property, plant and equipment, with the 'remaining' value of the Mineral Asset being attributed to the Mineral Resources and Reserves. Such valuations shall be performed by suitably qualified experts, who may include the CV.	N/A	N/A	N/A	N/A

Code	Criteria	Comments	MOABSVELDEN	VANGGATFONTEIN	ELANDSPRUIT	KHANYISA
		If the Mineral Asset Valuation includes an ICA Valuation, the CV shall satisfy himself or herself that the ICA Valuation is reasonable before signing off the Mineral Asset Valuation.				
SV1.17	Historic Verification	A historic verification of the performance parameters on which the Mineral Asset Valuation is based shall be presented.	All of the assets discussed are in the advanced stages on their LOMP's, as such performance parameters have been verified and reconciled over the years. Statistics are available based on years of production history.			
SV1.18	Market Assessment	A comprehensive market assessment should be presented.	Section 7.25.9; 7.27	Section 8.24; 8.27	Section 9.7.3.1; 9.25.6.3	Section 10.17
SV1.19	Sources of Information	The sources of all material information and data used in the report shall be disclosed, as well as references to any published or unpublished technical papers used in the valuation, subject to confidentiality. A reference shall be made to any other report that has been compiled, for the purpose of providing information for the valuation, including SAMREC-compliant reports and any other contributions or reports from experts.	1.4.4, Section 11: References and Lists of Data			

15 APPENDIX : CERTIFICATES OF COMPETENT PERSONS

15.1 Certificate of Competent Person Leonardt Raaths

1. My name is Leonardt Raaths I am a senior Mining Engineer and director for Miptec (Pty) Ltd, situated at 19 Jan Frederik street Witbank
2. Mining Engineer registered with SAIMM, membership number - 702015
3. Btech in Mining Engineering, Bsc Operations research and MBL
4. More than 31 years' experience in coal mining, with last positions as Technical Director, Mine Manager, Technical Manager, Projects Manager and Group Mining Engineer for operations at BHP and Xstrata. Currently senior Mining Engineer and director of Miptec (Pty) Ltd.
5. I am a "Competent person" as defined in the SAMREC code.
6. I have undertaken to compile this Report for Salungano as required by the JSE for reporting and delisting purposes as the lead CP. I have the required experience and knowledge in mine planning, resource and reserve estimation, mining projects, financial modelling and mining operations to estimate reserves and oversee the compilation of the CPR as lead CP.
7. I am not aware of any material fact or material change with respect to the subject matter in the report that is not reflected in the report, the omission of which would make the report misleading.
10. I declare that this report appropriately reflects the competent person's/author's view.
11. I am independent of Salungano.
12. I have read the SAMREC code (2016) and the report has been prepared in accordance with the guidelines of the SAMREC code for specific use as part of the Salungano delisting process from the JSE
13. I do not have, nor do I expect to receive, a direct or indirect interest in Salungano.
14. At the effective date of the report, to the best of my knowledge, information and belief, the report contains all scientific and technical information that is required to be disclosed to not make the report misleading.

Signed at Witbank on this 12 November 2025



Leonardt Raaths

15.2 Certificate of Competent Person Katherine Black

As a contributing author to this report, I hereby state:

1. My name is Katherine Black and I am a Director of KJB GeoServices, located at 29a Douglas Ave, Randburg, South Africa.
2. I am registered as a Professional Natural Scientist (Geological Science) with the South African Council for Natural Scientific Professions (SACNASP), registration No.400295/12. I am a Member of the Geological Society of South Africa (GSSA).
3. I am a graduate of the University of Kwa Zulu Natal, with a B.Sc. Degree in Geology (2005), a B.Sc. Honours Degree in Geology (2006) and that I have practiced my profession continuously since 2007.
4. I have been actively involved in the mining industry since 2007. I have worked on numerous, exploration, geological due diligences, geological modelling and resource estimation and drafting of Competent Persons Reports specialising in coal. I have contributed to compliant documents applicable to the Canadian and South African stock exchanges.
5. I am a Competent Person as defined in the SAMREC Code.
6. I have compiled the Geological Sections of the report.
7. I am responsible for the transparent and material reporting of coal assets in this report.
8. I am not aware of any material fact or material change with respect to the subject matter of the Report, which is not reflected in the Report, the omission of which would make the Report misleading.
9. I am independent of Salungano Group.
10. As of the date of this certificate, to the best of my knowledge, information and belief, this report contains sufficient technical information that is required to be disclosed to ensure that this report is not misleading;
11. I have read the SAMREC Code (2016) and the Report has been prepared in accordance with the guidelines of the SAMREC Code for specific use as required by the JSE listing requirements.
12. I do not have nor, do I expect to receive a direct or indirect interest in any of Salungano assets contained in the Report.
13. At the effective date of the Report, to the best of my knowledge, information and belief, the report contains all scientific and technical information that is required to be disclosed to make the report not misleading.

Signed at Randburg on this 12 November 2025

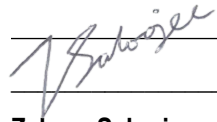
Katherine Black

15.3 Certificate of Competent Valuator Zaheer Saloojee

As a contributing valuator to this report, I hereby state:

1. My name is Zaheer Saloojee and I am an Associate in the Commercial and Investment's department at Salungano Group Limited in Johannesburg.
2. I am not a registered Professional.
3. I am a graduate of the University of Kwa Zulu Natal, with a B.Com. Degree in Accounting (2003), and also a B.Com. Honours Degree in Accounting (2007) from Unisa, and an MBA from Wits Business School, with mining electives completed at the Schulich School of Business in Toronto, Canada. Additionally, I have completed the DCF Valuation Modeling Course' with Corporate Financial Institute, and I have practiced my profession continuously since 2008.
4. I have been actively involved in the mining industry since 2019. I have worked on detailed financial analysis, developed comprehensive financial models for valuation analysis, performed due diligence processes for impending and ongoing corporate activities, provided financial and commercial support services to the executives of group subsidiaries, performed analysis for year-end reporting on impairment reviews, sensitivity analysis, assisted with review and finalisation of budgets. Prepared results, investor presentations and SENS announcements, contributed to annual reports and result booklets. Formed part of the project development team that operationalised Moabsvelden.
6. I have compiled the valuation models for both Vanggatfontein and Moabsvelden, and I had sight of the Wescoal Business rescue option valuation models.
7. I am responsible for the transparent and material valuation of the stated coal assets in this report.
8. I am not aware of any material fact or material change with respect to the subject matter of the Report, which is not reflected in the Report, the omission of which would make the Report misleading.
9. As of the date of this certificate, to the best of my knowledge, information and belief, this report contains sufficient valuation information that is required to be disclosed to ensure that this report is not misleading.
10. I have read the SAMVAL Code and the Report has been prepared in accordance with the guidelines of the SAMVAL Code for specific use as required by the JSE listing requirements.
11. I do not have nor, do I expect to receive a direct or indirect interest in any of Salungano assets contained in the Report.
12. At the effective date of the Report, to the best of my knowledge, information and belief, the report contains all relevant information that is required to be disclosed to make the report not misleading.

Signed at Johannesburg on this 12 November 2025



Zaheer Saloojee