



ARNOTOPCO

FIFTEENTH BUSINESS RESCUE STATUS REPORT

Report in terms of Section 132(3) of the Companies Act 71 of 2008 (as amended)

Full Name: Arnot Opco Proprietary Limited (in business rescue)

Registration Number: 2019/072282/07

Registered Office: Farm Rietkuil 491 JS

Private Bag X3

Rietkuil

1097

BRP: Phahlani Mkhombo – Genesis Corporate Solutions

Address: GCS House, 61 Akkerboom Street,

Zwartkop Ext4, Centurion 0157

Date of Appointment: 10 October 2022



Contact us

011 513 3000
013 297 8008
talktous@arnotopco.com
www.arnot-opco.com



Head Office

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1. Introduction

- 1.1. This Report is prepared in terms of section 132(3) of the Companies Act, 2008 (as amended) ("the Companies Act") in respect of the business rescue proceedings of Arnot Opco Proprietary Limited (in business rescue) ("the Company").
- 1.2. The purpose of this Report is to update creditors and affected persons on the progress of the business rescue proceedings of the Company.
- 1.3. This Report is required if a company's business rescue proceedings have not been finalised within three months after the commencement of the business rescue proceedings.
- 1.4. The Report must be read together with other reports previously issued, in the business rescue proceedings of the Company, in terms of section 132(3) of the Act.

2. Business Rescue Update

The appeal process in the Supreme Court of Appeal ("SCA") remains pending and has not been finalised. Correspondence has been received from the Registrar of the Supreme Court of Appeal advising that the matter will be enrolled for the third term. Dates for the third term will only be released at the end of the second term. Creditors and other affected persons will be advised once a date has been set for the hearing of the appeal.

3. Operational Update and Business Rescue Initiatives

3.1. Operational Update

The Company continues to supply coal to Eskom through rectification while ensuring adequate care and maintenance of the underground workings pending the finalisation of the underground contract miner de-establishment.

3.2. Business Rescue Initiatives

3.2.1 Coal Rectification

The Company delivered 154000 tonnes through the rectification process to Eskom. The Company continues to engage Eskom in approving additional sources for rectification as part of the turnaround strategy to deal with the supply under-delivery.



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3.2.2 DMS Wash Plant

The recommissioning of the DMS Wash Plant by the plant processing contractor is near completion. This development will enable the Company to improve its coal quality management processes, including fulfilling toll-washing commitments reported previously.

3.2.3 Opencast Mining

As previously reported, Plantcor Mining and Plant Hire (Pty) Ltd (“Plantcor”) has been appointed as the contract miner to mine the Mooifontein pits, Pit 1A and Pit 2, concurrently. Plantcor will provide the necessary capital to fund the establishment, box cut construction, associated surface, and auxiliary infrastructure. The legal teams of the respective companies are currently finalising the transaction agreements.

Contractor mobilisation and site establishment are expected to commence during Q1 FY2025, to be followed by early-works infrastructure construction activities.

3.2.4 Underground Mining

While the Company’s primary focus is to break ground and operationalise the Mooifontein opencast pits, we are in parallel assessing the commercial viability of resuming underground mining activities at 10 and 11 shafts. There has been a significant amount of capital invested in the development of the south main panel at 11 Shaft immediately prior to termination of the underground mining contract, which development was aimed at unlocking circa. 3 million tons.

4. Closing Remarks

- 4.1. The BRP will keep creditors and other affected persons abreast of any new developments.
- 4.2. The BRP undertakes to continue providing monthly reports to the Creditors, CIPC and other affected persons on the progress of the business rescue proceedings as required by Act.
- 4.3. All queries regarding the business rescue proceedings of the Company may be addressed to: ArnotOpcobr@gcs-sa.co.za. Creditors are reminded that all relevant notices and documents are available online on this link: <https://arnot-opco.com/business-resscue/>



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Yours faithfully,

Phahlani Mkhombo
Business Rescue Practitioner
Arnot Opco Proprietary Limited (in Business Rescue)
15 May 2024



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