



ARNOTOPCO

SEVENTEENTH 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



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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 in the Supreme Court of Appeal ("**SCA**") remains pending and has not been finalised. The matter is setdown for hearing at the SCA on 30 August 2024.

3. Operational Update and Business Rescue Initiatives

3.1. Operational Update

The underground coal-winning activities at 11 Shaft have since stopped. In the interim, the Company continues to supply coal to Eskom through rectification while ensuring adequate care and maintenance of the underground workings.

3.2. Business Rescue Initiatives

3.2.1 Coal Rectification

Arnot OpCo continues to deliver coal to Eskom through the rectification process and engage with Eskom on strategic initiatives that will address the supply underdelivery in the medium to long term.

3.2.2 DMS Wash Plant

The Company commenced the recommissioning of the DMS Wash Plant. This development will enable the Company to improve its coal quality management processes, including



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fulfilling toll-washing commitments reported previously. As expected, the plant is experiencing minor operational glitches, but the operational team is managing these challenges as they occur.

3.2.3 Opencast Mining

As previously reported, I have appointed Plantcor Mining and Plant Hire (Pty) Ltd (“Plantcor”) as the contract miner to mine the Mooifontein pits, Pit 1A and Pit 2, concurrently. Plantcor will provide all the necessary capital to fund the establishment, box cut construction, associated surface, and auxiliary infrastructure to enable the mining of both pits. On 6 March 2024, both parties concluded and signed the Heads of Agreement (“HoA”). The legal teams of the respective parties are currently finalising the Contract Mining Agreement.

The parties have established a steering committee (“SteerCo”) to commence project execution across all key workstreams. Once the SteerCo has considered all key workstreams and developed a schedule, the creditors will be informed of project timelines relating to the establishment, the commencement of the works, and the expected date for ‘first coal’.

3.2.4 Underground Mining

Arnot OpCo is engaging with a potential underground mining contractor to re-establish 11-shaft and 10-shaft and to resume production. The BRP will share detailed information regarding the process and the potential contractor in due course.

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)
10 July 2024



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