



ARNOTOPCO

THIRTY-SEVENTH 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

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013 297 8008
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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 other 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 *Salungano Group Limited v Mashwayi Proprietary Limited and Others* was heard in the Constitutional Court on 19 February 2026. Judgment was reserved. Creditors will be notified once judgement is delivered.

3. Operational Update and Business Rescue Initiatives:

3.1. Mooifontein Pit 1A (“Pit 1A”)

The Company produced 78,197 tonnes of run-of-mine coal from Pit 1A in February 2026. Of this, approximately 53,000 tonnes were delivered to Eskom, with the balance sold on the spot market. The lower delivery volumes to Eskom are a result of the under-offtake notice issued by Eskom in January 2026, as previously communicated.

Eskom further notified the Company on 3 March 2026 of its coal offtake requirements for the thirteen (13) month period commencing March 2026 and ending March 2027. This notification arises from the following factors:



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- Sustained improvement in Eskom's generation performance; and
- Reduced electricity demand, resulting in lower coal consumption requirements.

Accordingly, and until further notice, the Company has been requested to amend its supply plan for the above-mentioned period as follows:

- To supply 50,000 tonnes per month; and
- To postpone any planned or approved rectification of under-delivery to the latter part of the applicable Coal Supply Agreement (CSA) term, subject to Eskom's further direction.

The Company continues to explore various options to optimize sales following the above developments and will keep all its stakeholders informed.

3.2. Consolidated Pits (Pits 2, 3, and 5)

Mining operations at Pit 2 are expected to commence in Q2 2026. The commencement of mining at Pits 3 and 5 remains subject to the finalisation of discussions with surface rights holders, as well as further drilling and the receipt of necessary regulatory authorisations.

Construction activities are currently underway for the resettlement houses for the thirteen (13) families residing in the Pit 2 property.

3.3. Underground Mining Operations

A mining contractor has been appointed to develop and operate the underground mining reserve at 12 Shaft. The contract mining agreement has been finalised, further, the contractor will provide support for care and maintenance activities at 10 and 11 Shafts. Mining at 12 Shaft is scheduled to commence in Q2 2026.

4. Closing Remarks:

- 4.1. The BRP will keep creditors and other affected persons abreast of any new developments.



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- 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/>

Yours faithfully,

Phahlani Mkhombo
Business Rescue Practitioner
Arnot Opco Proprietary Limited (in business rescue)
28 February 2026



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