WESCOAL

RESOURCE AND RESERVE UPDATE ON THE COAL ASSETS OF **WESCOAL HOLDINGS LIMITED 2019**

REPORT REPARED BY

L. Raaths

B. Tech (Mining), B.Sc. (Operations Research), MBL, SACMA, SAIMM

Competent Person

K. Black

B.Sc. (Hons) Geol.

GDE (Chem. and Met. Engineering)

Pr. Sci. Nat., MGSSA

Competent Person

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Wescoal Holdings

PO Box 1962

Edenvale, 1610

Gauteng

Tel: 011 570 5800

Fax: 011 570 5848

Wescoal Mining

Khanyisa Colliery, Forest Plots

Plot 6, Kendal

Mpumalanga

Tel: 086 111 6463

Fax: 086 557 3122

JSE 12.11(i) 5

Miptec (Pty) Ltd

19 Jan Frederick Street

Witbank

1049

South Africa

Tel: 082 419 5807

Email: leon@miptec.co.za

KJB GeoServices

60 Curvy Road

Randburg

2194

South Africa

Tel: +27 11 326 3586

Email: Katherine.black@kjbgeoservices.com

JSE 12.9(a)

Effective Date of Report: 31 March 2019

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RESOURCE AND RESERVE STATEMENT

Purpose *JSE12.9(d), JSE12.9(h)(i)*

Miptec (Pty) Ltd ("MIPTEC") was commissioned by Wescoal Mining (Pty) Ltd, ("Wescoal"), a wholly owned subsidiary of Wescoal Holdings Ltd, a coal mining and exploration company with thermal coal assets located in the Mpumalanga and KwaZulu-Natal Provinces of South Africa, to produce an Coal Resource and Reserve update statement for their Elandspruit, Khanyisa Collieries' as well as the Keaton Energy Holdings Limited assets namely the Vanggatfontein Colliery, Moabsvelden, Sterkfontein and Leeuw Braakfontein Colliery Projects, in order to meet the JSE listing requirements as agreed with their JSE sponsor, reflective of the 31 March 2019 Status.

Work Conducted *JSE12.9(h)(ii),*

No exploration drilling was undertaken on Elandspruit and Khanyisa Collieries, as confirmed by project geologist Gerhard Mulder of GM Geotechnical Consulting CC ("GM"). As such, the geological models were not updated with new information, only with the surveyed positions of the mined out faces as at 31 March 2019. The Coal Resources for these areas were updated by Katherine Black (BSc. (Hons.), Pr. Sci. Nat, of KJB GeoServices ("KJB") based on the 2017 geological models nett of depletion. The Coal Reserves for these assets were estimated by Miptec in the scheduling models nett of depletion as at 31 March 2019, following the parameters as stipulated in the 2017 Reports. Mr. Leon Raaths, a full-time employee of Miptec, is responsible for all of the Coal Reserve estimations.

During the financial year 2018/19, 18 fully cored boreholes were drilled within the Vanggatfontein Colliery's VG5 Pit. The purpose of these planned boreholes was to delineate the extent of an identified transgressive sill, as well as confirming the planned boxcut. All boreholes were wireline logged, sampled and analysed. Eight boreholes were geotechnically logged and sampled by Middindi Consulting (Pty) Ltd. (Middindi), following which they completed a geotechnical highwall design for the VG5 Pit. The report submitted by Middindi was entitled: "VG05 Geotechnical Design", October 2018.

During October 2018, 14 fully cored boreholes were drilled within the Vanggatfontein Colliery's VG6 Pit. The purpose of these holes was to complete the planned infill drilling to gain sufficient information in order to determine whether the VG6 Pit should be designed as an opencast or underground mine. As the base case was to mine the pit via opencast methods targeting the No. 5, No. 4 and No. 2 Seams, an initial highwall design study was undertaken by Middindi, entitled "VG6 Geotechnical Design", December 2018.

Further investigations indicated that the No. 2 Seam in the larger area is too devolatilised to meet Eskom's requirements. With regard to underground, areas of No. 2 Seam with feasible qualities has steeper floor slopes than originally modelled, placing too high a risk on underground mechanised mining, resulted in the conclusion

that the No. 2 Seam was not mineable. The No. 5 and No. 4 Seams only via opencast methods is not feasible. This led to the decision to change focus to mining the No. 4 Seam only via underground methods, and as such, Associated Rock Mechanics Services (ARMS), was contracted to conduct the underground geotechnical assessment of the No. 4 Seam (May 2019).

Drilling on Moabsvelden commenced in November 2018. Twelve fully cored boreholes were drilled in order to determine the optimal position of the boxcut. As there is a known dolerite sill and associated uplift in the west of the mining footprint, the additional holes were drilled in order to ensure that the boxcut was not affected by this feature.

Moabsvelden remains an opencast project. The geological model was based on re-correlated borehole information to satisfy the proposed contractual coal specifications to Eskom based on a blended crush and screen product with a washed product as well. As part of the Eskom contract application process, a Moabsvelden Technical Report was compiled (and submitted) in order to meet Eskom's requirements.

Both the Vanggatfontein and Moabsvelden Geological models were updated to include both the physical and quality information received from the respective drilling programs, as well as the surveyed positions of the mined-out faces. The Coal Resource estimations included in this report are based on these models. Miptec updated the mining models with the newly updated geological grids where it was applicable.

The Coal Resources for the remaining two projects namely Sterkfontein and Leeuw Braakfontein Colliery were added to this report as per the 31 January 2017 Venmyn Deloitte CPR. It has been stated, by Wescoal to the CP's, that no work was conducted on these two projects to suggest a change in previously declared Coal Resources. A permitting change was initiated through the submission of an application for two mining rights over the total Sterkfontein prospecting areas together with a section102 application to consolidate the two mining rights when executed.

Effective date

The effective date ("Effective Date") of the Coal Resource and Coal Reserve update Report is the 31 March 2019.

Project outline

Wescoal's' operating coal assets are situated in the Witbank/ Highveld region and comprise the Elandspruit Colliery, which is an operational coal mine situated some 8 km west of the town of Middelburg, the Khanyisa complex situated approximately 14km west of the town of Ogies and the Vanggatfontein Colliery situated 15 km east of the town of Delmas, all in the Mpumalanga Province.

Wescoal has three coal projects, namely Moabsvelden, located 3km north of the Vanggatfontein Colliery, the Sterkfontein Project, located approximately 5km southwest of the town of Bethal, and the Leeuw Braakfontein Colliery Project, located approximately 10km east-southeast from the town of Newcastle in the KwaZulu-Natal Province.

Company Structure

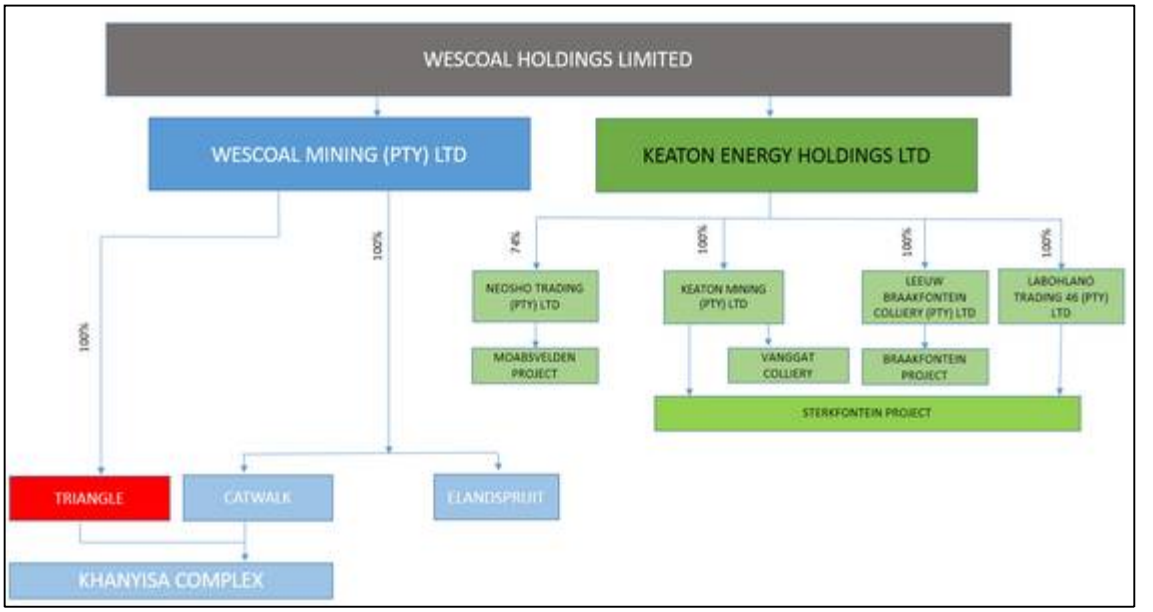

Figure 1. Wescoal Holdings Limited company structure

Emphasis regarding the Coal Resource and Coal Reserve ("R&R") estimates is placed on the realistic prospect for eventual economic extraction. The information in this R&R statement is compiled on a group basis in appropriate detail, summarizing the current situation and known changes at each operation. The Company structure, as depicted in Figure 1, was applied when reporting attributable Coal Resources / Coal Reserves.

Licensing and Permitting

Table 1. Licencing and Permitting Summary ***JSE (h)(iv), SE 12.11 (iii) 5***

	KHANYISA	ELANDSPRUIT COLLIERY	VANGGATFONTEIN COLLIERY	MOABSVELDEN PROJECT	BRAAKFONTEIN PROJECT	STERKFONTEIN PROJECT
Right Holder	Wescoal Mining (Pty) Ltd	Wescoal Mining (Pty) Ltd	Keaton Mining (Pty) Ltd	Keaton Mining (Pty) Ltd	Keaton Mining (Pty) Ltd	Keaton Mining (Pty) Ltd
Type of Right	MR	MR	MR	MR	MR	PR
Colliery/Project	Khanyisa Catwalk and Triangle	Elandspruit Colliery	Vanggat Colliery	Moabsvelden Project		Sterkfontein Project
Location	Witbank / Delmas	Middelburg	Witbank / Delmas	Witbank / Delmas	Newcastle	Bethal
DMR Ref No.	MP30/5/1/2/2/107MR	MP 30/5/1/2/351 MR	309 MR	10025 MR	143 MR	443PR, 444PR, 1827PR, 2053PR, 1720PR
Area (ha)	303.9846	538.31	1,651.98	250.00	1,951.66	7,926.00
Tenure	Amended right expiry May 2025	28 Oct '10 - 27 Oct '26	23 Feb '10 - 22 Feb '30	16 Oct '13 - Oct '31	29 Aug '07 - 28 Aug '37	Expired Dec 2017
Current Status	Operating	Operating	Operating	Project	Project	Project
Notes to material mineral rights impediments	Section 102 application granted variation to Khanyisa MR, include Catwalk PR and Triangle MR 0 May '17	None	None	None	None	Two separate Mining Right Applications lodged with the DMR in Nov 2017 and Labohlano Trading. A separate Section 102 Application simultaneously lodged to consolidate the two Applications into one Keaton Mining Right Application. Awaiting response from the DMR
MPRDA EMP	MP 30/5/1/2/3/2/1(107) EM - 10 Oct 2016	MP 30/5/1/2/3/2/1(351) EM - 28 Oct '10				
NEMA environmental authorisation		17/2/3N-392, 30 November				
DWS WUL	WUL 03/B20F/AGJ/4627-13 MAY '16	WUL 04/B11J/ACGU/3057 – 28 MAR '15				
Notes on permitting and potential impact on ongoing	None	None	None	None	None	None
Farms related to Guarantees	Huewelfontein Ptn. 97, 106, 107 and Portions of 103	Elandspruit Ptn. 29, 30, 32, 33, 34, 36 & 40		Moabsvelden 248IR, Ptn 8	Rem Ext Drycut 8198HU, Madendi 15961HU and Braakfontein 4278HU	Kaffirskraal 148IS, Blesbok, 150IS, Sterkfontein 296IS,, Pieksdal 298IS,, Sterkfontein 299IS, Dikkop, Alias Verkorting 300IS, Goedehoop 301IS, Palmietfontein 307IS, and Wildan 577IS
Rehabilitation Guarantee	Guarantee in place	Guarantee in place	Guarantee in place			
Reg. right owner	Wescoal Mining (Pty) Ltd	Wescoal Mining (Pty) Ltd	Keaton Mining (Pty) Ltd	Neosho Trading 86 (Pty) Ltd	Leew Braakfontein Colliery (Pty) Ltd – 100% owned by KEHL	Keaton Mining (Pty) Ltd and Labohlano Trading 46 (Pty) Ltd
Funding mechanism	Lombard's	Lombard's				

Table 1 provides a summary of the licensing and permitting status for the operational and project assets under review. As detailed in Table 1, all required licences, permits and agreements are in place to conduct mining operations at the current operating assets.

For the Sterkfontein project, two mining right applications were submitted in December 2017 together with a section 102 application to consolidate the rights when granted. Wescoal awaits DMR's response in this regard.

Coal Resource and Coal Reserves Summary

As at the end of March 2019, Wescoal holds a total managed Coal Resource of 233.61 Mt (225.59 Mt attributable) and an inclusive managed Coal Reserve of 76.13 Mt (68.59 Mt attributable) nett of 6.3 Mt depleted for the reporting period.

Coal Resource and Coal Reserve Estimates for the period ending 31 March 2019 are included below. The Estimates for FY19 are compared to the FY18 estimates and a reconciliation provided in each of the asset sections below.

Table 2. Summarised Resource and Reserve statement of all managed assets as at 31 March 2019 *JSE 12.9 (h) (ix), JSE 12.11 (iii) 6*

At 31 March 2019							
	Coal Resource (MTIS) (AD)				ROM Coal Reserve (AR)		
	Inferred Mt	Indicated Mt	Measured Mt	Total Coal Mt	Probable Mt	Proved Mt	Total Rom Coal Reserve Mt
Elandspruit Colliery	**-**	**-**	**16.71**	**16.71**	**1.78**	**14.63**	**16.41**
Elandspruit Opencast	**-**	**-**	**14.69**	**14.69**	**0.59**	**14.63**	**15.22**
4 Seam			1.23	1.23		1.02	1.02
3 Seam			0.49	0.49	0.01	0.51	0.52
2U Seam			2.04	2.04	0.19	2.16	2.36
2L Seam			4.60	4.60	0.20	4.51	4.71
1 Seam			6.34	6.34	0.19	6.42	6.61
Elandspruit Underground	**-**	**-**	**2.02**	**2.02**	**1.19**	**-**	**1.19**
1 Seam			2.02	2.02	1.19		1.19
Khanyisa Colliery	**-**	**0.12**	**3.84**	**3.96**	**-**	**3.48**	**3.48**
Triangle Opencats	**-**	**0.12**	**3.19**	**3.31**		**3.01**	**3.01**
4U Seam		0.03	0.44	0.47		0.43	0.43
4L Seam		0.04	0.85	0.89		0.78	0.78
2 Seam		0.06	1.90	1.96		1.81	1.81
Catwalk Opencast	**-**	**-**	**0.65**	**0.65**	**-**	**0.47**	**0.47**
2 Seam			0.65	0.65		0.47	0.47
Vanggatfontein Colliery	**0.34**	**1.64**	**29.13**	**31.11**	**2.18**	**25.05**	**27.23**
Vanggatfontein opencast	**0.34**	**1.64**	**23.87**	**25.85**	**-**	**25.05**	**25.05**
5 Seam		0.04	0.86	0.90		0.74	0.74
4 Seam	0.18	0.82	10.32	11.32		12.12	12.12
2 Seam	0.16	0.78	12.69	13.63		12.19	12.19
Vanggatfontein underground	**-**	**-**	**5.26**	**5.26**	**2.18**	**-**	**2.18**
4 Seam			4.67	4.67			
2 Seam			0.59	0.59	2.18		2.18
Moabsvelden Project (74% ownership)		**2.00**	**28.84**	**30.84**	**4.98**	**24.04**	**29.01**
Moabsvelden Opencast		**2.00**	**28.84**	**30.84**	**4.98**	**24.04**	**29.01**
5 Seam		0.16	2.44	2.60	0.31	2.45	2.76
4 Seam		0.86	13.18	14.04	2.43	10.02	12.45
2 Seam		0.98	13.23	14.21	2.24	11.56	13.81
Braakfontein Project	**-**	**60.06**	**-**	**60.06**			
Braakfontein Opencast	**-**	**11.43**	**-**	**11.43**			
Top Seam		6.90		6.90			
Bottom Seam		4.53		4.53			
Braakfontein Underground	**-**	**48.63**	**-**	**48.63**			
Top Seam		29.73		29.73			
Bottom Seam		18.90		18.90			
Sterkfontein Project	**40.64**	**50.29**	**-**	**90.93**			
Sterkfontein Underground	**40.64**	**50.29**	**-**	**90.93**			
4U Seam	0.12	0.99		1.11			
4L Seam	40.52	49.30		89.82			
TOTAL (100% basis)	**40.98**	**114.11**	**78.52**	**233.61**	**8.94**	**67.19**	**76.13**
Wescoal Attributable	**40.98**	**113.59**	**71.02**	**225.59**	**7.65**	**60.94**	**68.59**

The attributable resources and reserves were all based on a 100% basis except for Moabsvelden that is 74%. Owned.

JSE 12.11 (iii) 11

Wescoal, on behalf of the directors, provided a statement confirming that there are no legal proceedings or other material conditions that may impact the company's ability to continue mining or exploration activities.

JSE 12.11 (iii) 10

It is important to note that Coal Resource estimates are inclusive of Coal Reserves, nett of mining depletion and are compliant with the SAMREC 2016 guidelines and the JSE Section 12.11. Estimations were rounded, and therefore subsequent additions could result in minor discrepancies which are not considered material. The Coal Resources and Coal Reserves will be affected by factors such as changes in coal pricing, currency fluctuations, permitting, legislation and operating parameters.

Compliance

JSE 12.9 (c)

The respective Coal Resource and Coal Reserve Estimates are classified and signed off by suitably qualified CPs. Each CP has sufficient, relevant experience in the style of mineralisation, type of deposit, mining method and activity for which they have taken responsibility, to qualify as a CP as defined in section 9 of the SAMREC Code. All CPs consent to the inclusion of information into this report in the form and context in which they appear. Each CP is independent of the issuer and does not have a material interest capable of affecting their ability to give an unbiased opinion on the projects for which they take responsibility, and have not received, and will not receive, any pecuniary or other benefits in connection with the estimates presented, other than normal consulting fees.

Competent Persons (CP)

JSE 12.9 (h) (xi), JSE 12.11 (i) 5,

The CP responsible for the resource estimations for Elandspruit, Khanyisa, Vanggatfontein and Moabsvelden, as contained in this report is Ms. Katherine Black (BSc. (Hons.), Pr. Sci. Nat. Ms Black has 12 years' experience in the mining industry as a coal geologist. Over the last 12 years, Katherine has primarily been involved in the compilation and management of coal databases, the construction of geological models, and the estimation of coal resources for various Greenfield operations in South Africa, Botswana and Mozambique, as well as a number of operating coal mines in South Africa. Ms. Black is currently the owner of KJB GeoServices (60 Curvy Road, Johannesburg, 2194) and an associate of Miptec. She is registered with the South African Council for Natural Scientific Professions (SACNASP Reg. No. 400295/12) and is a member in good standing with the Geological Society of South Africa.

In accordance with the SAMREC Code, this report has been prepared under the direct supervision of a Lead Competent Person, Mr. Leonardt Raaths, who assumes overall responsibility for this report. Mr. Raaths is responsible for all of the reserve estimations. Mr Raaths holds a BTech Mining degree from UJ, a BSc. in Operations Research from Unisa and an MBL from Unisa SBL. Mr Raaths is registered with the SAIMM (registration number 702015). Mr Raaths has 28 years' experience in coal mining, the largest portion of which was on technical and project disciplines, where the determination of Coal Reserves was part of his responsibility. This was largely for BHP's South African collieries, Xstrata South Africa, CIC Energy and now as an independent consultant at Miptec Consulting Proprietary Limited, 19 Jan Frederik Street Witbank, (PO Box 40084, Reyno Ridge, 1049).

As lead CP, it can be stated that this resource and reserve update report provides a true reflection of the resources and reserves held by Wescoal.

Key Technical Persons

Table 3. Table of Key Technical Persons

	Elandspruit	Khanyisa	Vanggatfontein	Moabsvelden	Braakfontein	Sterkfontein
Status	Operating	Operating	Operating	Project	Project	Project
Field Geologist	Rotodwa Mogale (Employee)	Mpho Phatela (Employee)	Rendani Shiwalula (Employee)			
Modeling Geologist	K.J. Black (Forbes) (Miptec)	K.J. Black (Forbes) (Miptec)	K.J. Black (Forbes) (Miptec)	K.J. Black (Forbes) (Miptec)	J Hancox (CCIC) / L de Klerk (Venmyn Deloitte)	J Hancox (CCIC) / L de Klerk (Venmyn Deloitte)
Mining engineer	L. Raaths (Miptec)	L. Raaths (Miptec)	L. Raaths (Miptec)	L. Raaths (Miptec)		
Chief Surveyor	D. Fereira (DFTS)	D. Fereira (DFTS)	M. Jooste(SRM)			
Environmental Practitioner	J. Kleinhans (JacoK Consulting)and M. Maloba (Employee)	Erika vd Linde and M. Maloba	M. Maloba (Employee)	M. Maloba (Employee)	M. Maloba (Employee)	M. Maloba (Employee)
SLP Practitioner	T. Makhubedu (Employee)	T. Makhubedu (Employee)	Eric Mnisi (Employee)			

Environmental practitioners are appointed by Wescoal and were consulted with regard the Coal Resources and Coal Reserves. They are responsible for the compliance audits, monitoring, closure assessments and related

permitting/approvals as well as pending applications that could affect the reported Coal Resources and Coal Reserves.

Coal Resource and Reserve Estimation Process *JSE 12.11(iii)2*

Work conducted by Miptec is stated in the related section above and forms the focus of the descriptive sections below.

Exploration and Data management

Drilling and exploration were only carried out on Moabsvelden and Vanggatfontein during the financial year ending 31 March 2019. Miptec was responsible for the overall design, supervision, logging and sampling of the 41 holes drilled over the two areas.

All borehole collar and lithology information as well as the laboratory results are currently housed within a MS Excel™ database, managed and maintained by Miptec.

Laboratory Analysis

For recent exploration programs, borehole samples were analysed at both Bureau Veritas Inspectorate Laboratories (BV) as well as Noko Analytical Services (Noko), according to ISO standards. BV is an independent company specializing in coal sampling and analysis, is currently ISO 17205 accredited and SANAS (South African National Accreditation Service) accredited. They frequently participate in recognized “round robin” quality control procedures, both locally and internationally, and the results and certificates are openly available.

Recent coal samples were analysed for both raw and wash proximate analyses: Ash Content (AS), Inherent Moisture (IM) and Volatile Matter (VM), as well as for Calorific Value (CV) and Total Sulphur (TS). Density measurements were taken on all samples. All the coal apparent relative densities (RD) were also determined by the laboratories for each sample. No bulk sampling work was done.

Geological Modelling

Geological models for Vanggatfontein, Moabsvelden, Elandspruit and Khanyisa Collieries were updated or maintained during the 2018/19 financial year by Ms. K Black (Pri. Sci. Nat). Ms. Black is a registered member of SACNASP (Reg. no. 400295/12). All of the geological models were created using ABB MineScape™ Geological Modelling Software.

Vanggatfontein and Moabsvelden were the only models updated with newly acquired drilling information, whereas the models for the other collieries were updated with the surveyed mined out face positions as at 31 March 2019, in order to update the resource estimations.

Model Process

The Databases, on a per project basis, were validated and the necessary input files for the models created in MS Excel format. These files, namely a collar and lithology file (including the seam picks and limit of weathering ("LOW")), along with the Topography file were uploaded directly into StratModel™. The modelling software includes a user generated Schema, wherein the modelled units are listed in stratigraphic order (a form of model control).

Should the lithology file contain seams that are in the incorrected sequence stratigraphically, then upon upload, the model will report an error (logged as an error report). This is the first level of data verification while modelling. Besides lithological verification, the quality data was checked against the borehole intervals to ensure that there were no missing or overlapping samples. Where it was found that partings within coal seams were not sampled, then appropriate dummy values were assigned, in order to more correctly reflect the quality of the coal. Verification routines regarding the import of quality data are also built into StratModel™. Should any undetected depth correlations between the modelled lithology and imported qualities be detected, then these are also reported in an error report file. The report file is then interrogated, and the listed errors corrected, and the newly edited files reloaded.

Once the necessary physical and quality data was loaded into the models, and all reported errors corrected, the data was gridded. The resultant grid model is interrogated by creating data posts, statistical reports, contour plots, various grid arithmetic plots and posts and both 2D and 3D cross sections.
The model is set to truncate the coal seams on intersection with the LOW so as to ensure only unweathered coal is reserved.

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

- Topography;
- Level/Depth of weathering (LOW);
- Roof and Floor Elevations;
- Seam Thickness for all seams;
- Interburden Thicknesses; and
- Raw and Washed Air-Dried Qualities (RD, Ash, CV, VM, FC, IM and TS).

The Coal Resource boundaries are based on the sub-outcrops of the seams, cut-off seam thicknesses and qualities, license boundaries and any existing surface and environmental features. The Coal Resources included in the estimations are considered as having the potential for eventual economic extraction based on multiple factors

such as the fact that they form part of a Coal Resource that is currently being mined, the seam thicknesses and qualities meet the current mining and marketing parameters.

The Geological Models for the Sterkfontein and Braakfontein Project areas were created by CCIC, using Datamine Modelling Software. No additional exploration work has been carried out on either Sterkfontein or Leeuw Braakfontein Colliery projects, subsequent to the construction of the geological models, and the inclusion of the Coal Resource Estimates contained in the 31 January 2017 CPR entitled "Independent Competent Persons Report on the Coal Assets of Keaton Energy Holdings Limited", compiled by Venmyn Deloitte, and therefore the Coal Resource Estimate for the current 2019 financial year, remains unchanged.

Coal Resource classification *JSE 12.11 (iii) 7*

Coal Resource classification and reporting has been conducted in accordance with the requirements of the SAMREC Code 2016 Edition, 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 criteria for classification is based on the number of boreholes 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 borehole cores of the individual intersections. Classification was guided by the following:

- Borehole density;
- Geological and grade continuity;
- Geological structure and its influence on mining; and
- Complexity of the geology.

The borehole density and spatial distribution of cored boreholes, sampled and analysed, should be sufficient to allow for confident extrapolation of physical and quality parameters between boreholes. It also allows for the Coal Resources to be adequately categorised into Inferred, Indicated and Measured Coal Resources as per the SAMREC Code.

Coal Resource classification based on core borehole density (points of observation supported by analytical data) is as follows:

- Measured: 16 core boreholes per 100ha (350m x 350m grid),
- Indicated: four core boreholes per 100ha (500m x 500m grid spacing); and
- Inferred: one core borehole per 100ha (approximately 1km x 1km grid).

Geological losses of 10% for Measured, 15% for Indicated and 20% for Inferred Coal Resources are universally applied.

Under the SAMREC Code, particular reference is made to the South African Guide to the Systematic Evaluation of Coal Resources and Coal Reserves – South African National Standard (SANS 10320:2004). Reporting is also in accordance with section 12.11 of the JSE Listings Requirements.

Coal Reserves *JSE 12.11 (iii) 7*

The Coal Reserve Estimates have been compiled by Mr. Leon Raaths of Miptec and the Coal Reserve estimation methodology is described below.

It is important that the geological and mining modelling packages provide the primary order-of-magnitude cross-checks of the in-situ volumes, relative densities and tonnages. Runge Pincock Minarco (RPM) Global's Open Cut and underground Coal XPac package as the pit design and scheduling software was used, which provides this first GTIS reconciliation on the basis of the primary exploration inputs, both structural and quality. With an excellent correlation on GTIS estimates the XPac model is deemed an appropriate and reasonable representation of the geological model. A LOM schedule model is then set up, with modifying factors determined from the mining conditions present at the various Wescoal operations, from both a pit planning and coal processing point of view. Modifying factors applied in the reserving process are listed in the respective sections of this report. In-pit seam losses and practical coal processing plant yields are the key parameters which are constantly monitored and modified in the forward-looking models to inform realistic expectations of future production.

Only Indicated and Measured Coal Resources are included for LOM scheduling model purposes. In the event that an Indicated or Measured Coal Resource block is geographically isolated and cannot be accessed without including Inferred Coal Resources into the schedule, that block is excluded. In this instance, additional drilling will be recommended in order to upgrade the appropriate coal blocks to at least an Indicated Coal Resource categorisation before the isolated block could be considered in LOM and Coal Reserve scheduling. In general terms, resource blocks for which an Indicated Coal Resource categorisation has been applied qualify as a Probable Coal Reserve, and blocks for which a Measured Coal Resource categorisation has been applied qualify as Proved Coal Reserve.

Exploration activities and expenditure

JSE 12.9 (e) (i – iii), JSE 12.9 (h) VI), JSE 12.11 (iii) 1

Of the total Coal Resources estimated at 233.6 Mt, approximately 44% is in the Measured category. Wescoal manages an ongoing drilling program as part of their short-term technical control processes to validate the mining and coal quality parameters on the operating assets. All operating assets have Coal Resources in excess of 93% in the Measured category.

Both Leeuw Braakfontein Colliery and Sterkfontein projects contain no Coal Resources in the measured category.

Figure 2 indicates actual expenditure for the last reporting period whereas Figure 3 details the planned exploration budget for the ensuing periods.

Figure 2. Exploration expenditure FY19

MINE	DESCRIPTION / PIT	ZAR (Mil)
Vanggatfontein	VG5	2.23
Vanggatfontein	VG6	1.96
Moabsvelden	Boxcut and West	1.75
Khanyisa		-
Elandspruit		-
TOTAL		**5.94**

Figure 3. Planned Exploration expenditure FY20

MINE	DESCRIPTION / PIT	ZAR (Mil)
Vanggatfontein (ERB)	No drilling planned	-
Vanggatfontein (WRB)	UG Infill VG7	0.61
Vanggatfontein Extension	Infill Exploration	0.80
Moabsvelden	Boxcut drilling	0.80
Elandspruit	Infill Exploration	1.50
Khanyisa	Infill – Triangle North	1.45
Sterkfontein	No drilling planned	-
Braakfontein	No drilling planned	-
TOTAL		**5.16**

Elandspruit Complex

The Elandspruit Complex comprises both opencast and underground operations and is 100% owned by Wescoal. It is located approximately 8 km west of the town of Middelburg on the farm Elandspruit 291 JS and encompasses an area of 538 hectares. Location 25.80982°S latitude and 29.38474°E longitude.

JSE 12.9 (h)(iii)

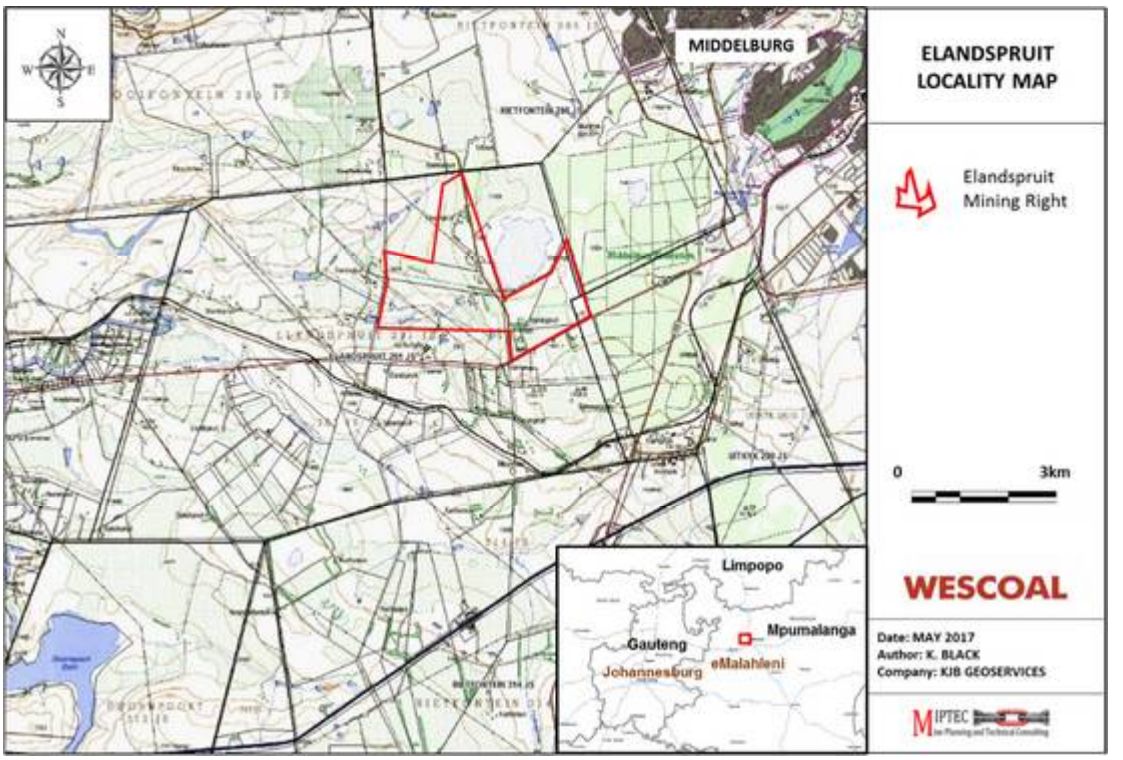

Figure 4. Elandspruit Locality Map

Wescoal hold the Mining Right that was granted in October 2010 for 16 years. A WUL was granted in May 2015. The LOM plan for Elandspruit is in line with the current mining strategy regarding both opencast and underground operations.

Coal Resources *JSE 12.9 (h)vii)*

Currently all seams present within the delineated opencast areas are scheduled for mining, namely the No. 4 Lower Coal Seam, No. 3 Coal Seam, No. 2 Upper and Lower Coal Seams and the No. 1 Coal Seam. Within the underground mining area, only the No. 1 Coal Seam is targeted for mining. As such, all other seams have been excluded from the UG estimations. This decision was made based on the principal that all seams should have the potential for economic extraction.

Cut-offs Applied:

- Minimum Seam thickness cut-off of 0.5m for opencast and 1.2m for underground;
- Raw Ash cut-off < 50% (adb);
- Raw Volatile Matter Content >18% (adb);
- Seam thickness is true thickness;
- Coal within mining license boundary only;
    - A 9m buffer was excluded along the license boundary
- Coal Under the wetlands buffer excluded (with the exception of the area to the north of the neighbouring Yoctolux Colliery where the wetland has been destroyed); and
- Geological losses are applied to cover unforeseen losses due to dolerites and faults.
    - Measured: 10%

MTIS Modifying Factors

- Minimum mineable seam thickness of 0.5 m applied to the opencast areas; and
- Minimum mineable seam thickness of 1.2 m was applied to the underground areas and a theoretical maximum mining height of 4.8 m was applied to the underground resource estimates.

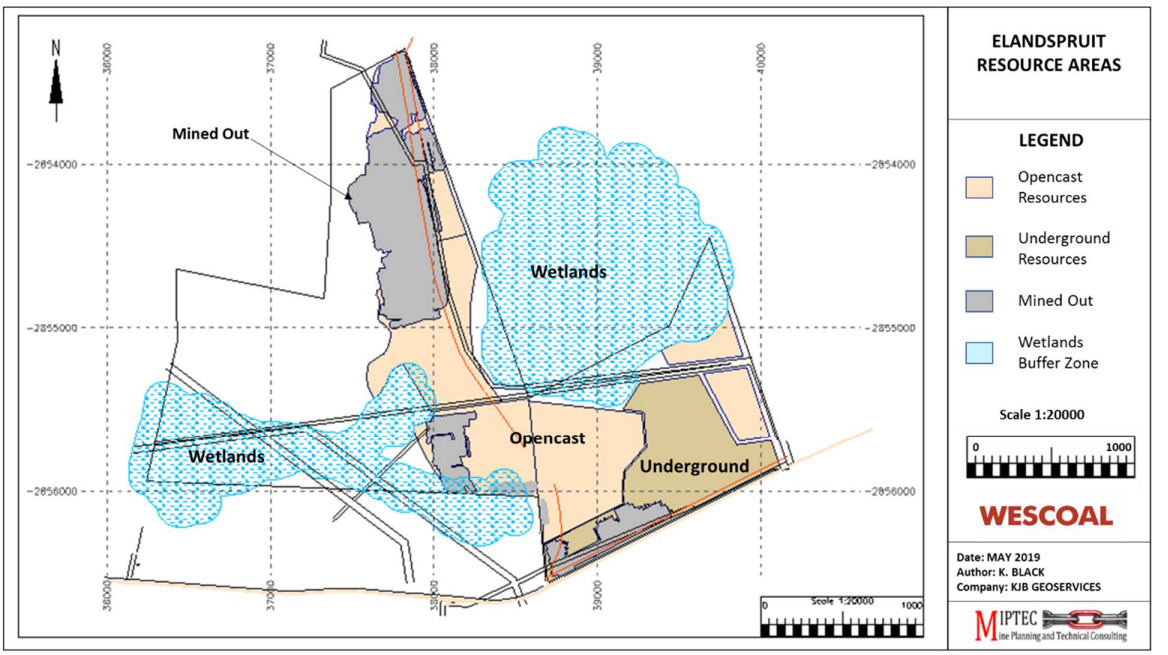

Figure 5. Elandspruit plan indicating resource blocks utilised for the 31 March 2019 estimation

Table 4. Elandspruit Resource Estimation Summary as at 31 March 2019 *JSE 12.9 (h) (ix)*

Elandspruit Resource Summary as at 31 March 2019 (100% Attributable)								
	Coal Resource Estimate (ADB)				Raw Coal Qualities (ADB)			
	Inferred Mt	Indicated Mt	Measured Mt	Total Mt	CV (MJ/kg)	ASH (%)	VM (%)	TS (%)
Elandspruit Colliery Total			**16.71**	**16.71**	**21.37**	**29.56**	**22.04**	**0.98**
Opencast Total	-	-	**14.69**	**14.69**	**21.39**	**29.30**	**21.92**	**0.99**
4L Seam			1.23	1.23	25.25	17.60	21.50	1.06
3 Seam			0.49	0.49	27.44	15.55	30.85	2.96
2U Seam			2.04	2.04	18.86	34.67	21.11	1.18
2L Seam			4.60	4.60	21.43	28.69	20.97	0.87
1 Seam			6.34	6.34	20.97	31.34	22.27	0.84
Underground Total			**2.02**	**2.02**	**21.21**	**31.45**	**22.94**	**0.95**
1 Seam			2.02	2.02	21.21	31.45	22.94	0.95

Reconciliation

Table 5. Elandspruit comparison of Resource Estimates 2018 and 2019 *JSE 12.11 (iii) 4, JSE 12.11 (iii) 8*

Reconciliation Mar'18 to Mar'19 Estimates					
	Coal Resource Estimate (ADB)			FY19 Actual Mining	
	Mar' 18 Mt	Mar' 19 Mt	Variance Mt	ROM (AR) Mt	Loss/Gain (Mt)
Elandspruit Colliery Total	**19.10**	**16.70**	**2.40**	**2.58**	**0.18**
Opencast Total	**16.99**	**14.69**	**2.30**	**2.48**	**0.18**
4L Seam	1.40	1.23	0.17	0.24	0.07
3 Seam	0.53	0.49	0.04	0.05	0.01
2U Seam	2.54	2.04	0.50	0.14	-0.36
2L Seam	5.20	4.60	0.60	1.02	0.42
1 Seam	7.32	6.34	0.98	1.03	0.05
Underground Total	**2.12**	**2.02**	**0.10**	**0.1**	**0.00**
1 Seam	2.12	2.02	0.10	0.1	0.00

Table 4 reflects the March 2019 Coal Resource Estimates, and Table 5 compares the 2018 to 2019 Estimates, as well as the actual surveyed ROM tonnes (AR). The total change in Coal Resources is 2.4 Mt (this includes an additional 0.53 Mt added to Coal Resources due to the relocation of the powerline). Gains on the No. 4L and No. 3 Seams are predominantly due to mining of the seams close to subcrop (the model will always produce a more conservative estimate). The losses on the No. 2U Seam and gains on the No. 2L Seam, even-out when combined. This is due to the seams being mined and surveyed as one seam as it is difficult to determine when the 2U stops and the 2L starts – meaning that there may be interpretation inconsistencies in the survey numbers.

Coal Reserves *JSE 12.11 (iii) 3*

Coal Reserves for Elandspruit are based on the current mining strategy with regards to both opencast and underground operations. Opencast operations are based on the standard strip mining and roll over methodology, with underground being based on standard bord and pillar methodology with no secondary extraction. This complex was visited in May 2019 by Mr. L Raaths, accompanied by Mr. B. Leonard who is responsible for managing the mine. The LOMP is envisaged to be 5 years.

Elandspruit commenced mining in June 2015, total ROM extracted for the life to 31 March 2019 was 9.4 Mt, with FY19 amounting to 2.58 Mt.

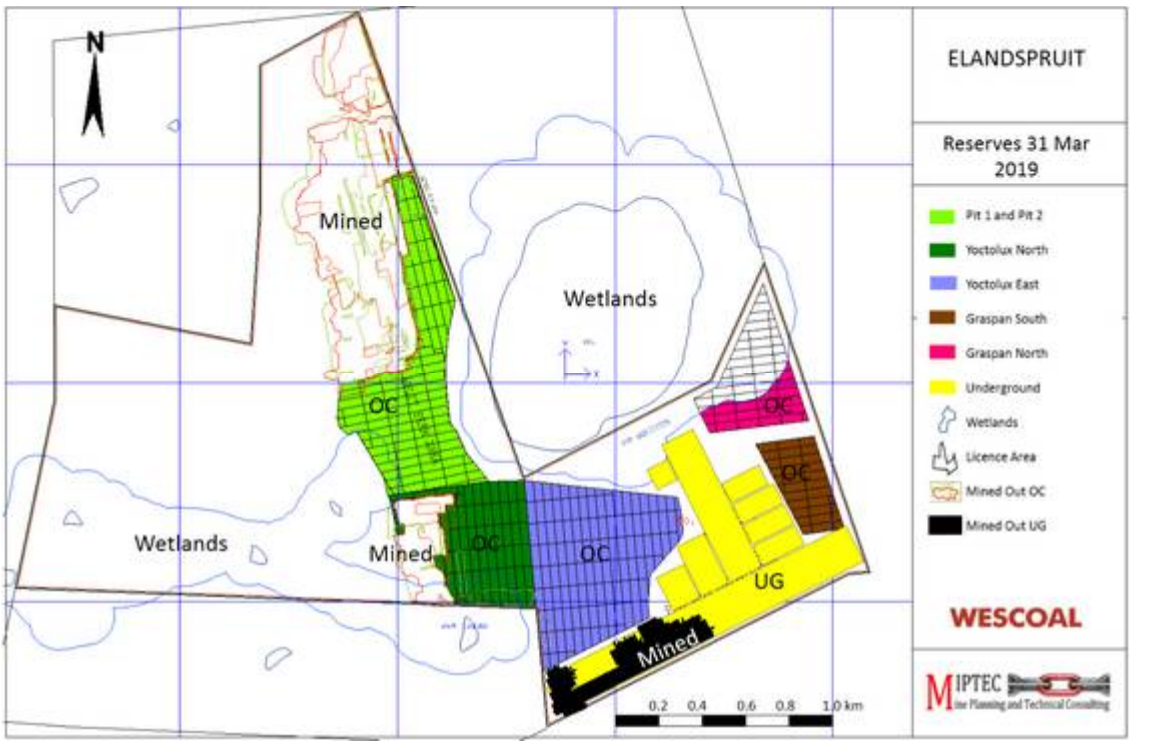

Figure 6. Elandspruit plan detailing the remaining Reserves at 31 March 2019

Table 6. Elandspruit Reserve Estimate as at 31 March 2019 *JSE 12.9 (h) (ix)1.18*

ELANDSPRUIT RESERVE ESTIMATE 31 Mar 2019 (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)
		S4L	Pit2	0.05	0.06	0.06	98%	25.94	17.41	21.69	0.91
			Yoc. N	0.15	0.16	0.16	98%	25.22	17.76	21.74	0.99
			Yoc. E	0.62	0.67	0.65	98%	25.49	17.35	21.87	1.12
			GrasP S	0.13	0.14	0.13	98%	27.42	15.00	31.10	1.91
		TOTAL 4L Seam		0.94	1.02	1.00	98%	25.73	17.10	23.07	1.19
		S3	Pit2	0.09	0.09	0.09	98%	27.31	15.03	29.93	3.40
			Yoc. N	0.10	0.11	0.10	98%	27.80	14.15	31.29	2.60
			Yoc. E	0.25	0.27	0.26	98%	27.57	16.79	31.01	3.06
			GrasP S	0.05	0.05	0.05	98%	26.76	16.92	30.82	2.62
		TOTAL 3 Seam		0.48	0.51	0.50	98%	27.50	15.94	30.85	2.98
		S2U	Pit2	0.48	0.52	0.36	70%	20.50	30.54	19.80	0.55
			Yoc. N	0.19	0.21	0.13	62%	20.50	30.21	20.58	0.35
			Yoc. E	1.09	1.18	0.82	69%	20.50	29.99	21.80	0.97
			GrasP S	0.24	0.26	0.21	82%	20.50	27.29	22.29	1.93
		TOTAL 2U Seam		2.00	2.16	1.52	70%	20.50	29.76	21.29	0.95
		S2L	Pit2	1.38	1.49	1.19	80%	22.48	25.89	20.66	0.63
			Yoc. N	0.75	0.81	0.65	81%	22.65	25.89	20.67	0.59
			Yoc. E	1.73	1.87	1.45	78%	22.68	25.88	20.95	0.61
			GrasP S	0.31	0.34	0.26	78%	23.02	25.83	22.03	0.89
		TOTAL 2L Seam		4.17	4.51	3.56	79%	22.63	25.88	20.88	0.64
		S1	Pit2	1.93	2.09	1.66	79%	22.84	25.87	22.65	0.71
			Yoc. N	1.38	1.50	1.20	80%	22.96	25.87	22.41	0.62
			Yoc. E	2.30	2.49	1.82	73%	23.16	25.90	22.88	0.54
			GrasP S	0.32	0.35	0.23	66%	23.86	25.90	26.84	0.41
		TOTAL 1 Seam		5.93	6.42	4.90	76%	23.04	25.88	22.87	0.61
	TOTAL PROVED			13.52	14.63	11.49	79%	23.01	25.20	22.41	0.82
	PROBABLE	S3	GrasP. N	0.01	0.01	0.01	98%	26.95	16.57	30.92	9.07
		S2U	GrasP. N	0.18	0.19	0.15	79%	22.41	25.92	22.87	1.26
		S2L	GrasP. N	0.18	0.20	0.15	80%	22.98	25.74	22.26	1.11
		S1	GrasP. N	0.18	0.19	0.13	69%	23.49	25.90	25.89	0.49
	TOTAL PROBABLE			0.55	0.59	0.44	73%	23.01	25.66	23.70	1.14
TOTAL / AVG ELANDSPRUIT OPENCAST				**14.07**	**15.22**	**11.92**	**78%**	**23.01**	**25.21**	**22.46**	**0.83**
ELANDSPRUIT UNDGERGROUND	PROBABLE	1 Seam	Primary Mining	1.10	1.19	0.87	73%	23.38	25.87	24.13	0.57
	TOTAL / AVG ELANDSPRUIT UNDERGROUND			**1.10**	**1.19**	**0.87**	**73%**	**23.38**	**25.87**	**24.13**	**0.57**
TOTAL /AVG ELANDSPRUIT COLLIERY RESERVES				**15.17**	**16.41**	**12.80**	**78%**	**23.03**	**25.26**	**22.57**	**0.81**

Table 6 details the updated Coal Reserve Estimate for Elandspruit with Table 7 showing the Coal Reserve reconciliation to that reported for the previous year. During FY19 Elandspruit mined a pillar after agreement with the neighbouring Graspan Colliery. A total of 87 000t was extracted from the No. 2L and No. 1 Seams. Work on moving the powerline which separates Pit2 from the Yoctolux North Pit is in the advanced stages, and therefore the previously sterilized Coal Reserve of 0.34 Mt ROM was added to the FY19 Coal Reserve Estimate.

The reconciliation on the opencast Coal Reserves indicates a gain of 0.8 Mt on the No. 4 seam ROM, which is expected as the modelling was based on holes intersecting the No. 4 Seam with a conservative approach, based on the close proximity to sub outcrop. The same is valid for the No. 3 seam, which showed a gain of 0.1 Mt ROM. The No. 2U and 2L Seams are mined either as separate units or together depending on the presence of an inter-seam parting.

During the modelling process, a substantial amount of No. 2U Seam was excluded from Coal Resources based on quality cut-offs applied. Mining has however extracted more No. 2U Seam as there is difficulty in distinguishing between the No. 2U and No. 2L Seams, where there is no inter-seam or intra-seam partings. As a combined unit the No. 2U and 2L Seams show a net gain of 0.27 Mt ROM. The No. 1 Seam was fully accounted for with no losses or gains. A nett gain of 0.29 Mt estimated as per the reconciliation in Table 7. The underground 1 seam reserve show a nett gain of 0.02 Mt.

Table 7. Elandspruit Reserve reconciliation

ELANDSPRUIT RESERVE RECONCILIATION OPENCAST							
DATE / PERIOD	AREA	Seam 4	Seam 3	Seam 2U	Seam 2L	Seam 1	TOTAL
31 March 2018		1.18	0.56	2.57	5.21	7.46	16.98
31 March 2019		1.02	0.52	2.36	4.71	6.61	15.22
Net Change	Pit2, Yoc N, Yoc E,	(0.16)	(0.04)	(0.21)	(0.50)	(0.85)	(1.76)
Mining Depletion	GrasP N, Grasp S	(0.24)	(0.05)	(0.14)	(1.02)	(1.03)	(2.48)
Graspan Pillar	Opencast				0.05	0.03	0.09
Adjusted Reserve depletion		(0.24)	(0.05)	(0.14)	(0.96)	(1.00)	(2.39)
Reserve increase (Poweline)			0.00		0.15	0.19	0.34
Net loss / gain		0.08	0.01	(0.07)	0.32	(0.04)	0.29

ELANDSPRUIT RESERVE RECONCILIATION UNDERGROUND							
DATE / PERIOD	AREA	Seam 4	Seam 3	Seam 2U	Seam 2L	Seam 1	TOTAL
31 March 2018						1.27	1.27
31 March 2019						1.19	1.19
Net Change						(0.08)	(0.08)
Mining Depletion						(0.10)	(0.10)
Net loss / gain						0.02	0.02

JSE 12.9 (h)vii),

ROM modifying factors opencast

Cut-offs Applied:

- Minimum seam thickness for OC areas – 0.5m (all seams except for the No. 3 seam, 0.4m);
- Minimum volatile content – 18% (adb); and
- Maximum Ash Content - 50% (adb).

Layout losses

- Layout off set from wetland buffer zones and exclusion zones; and
- Layout off set from boundary pillars with regard to pit final void and end wall positions.

Loss and contamination

- A total of 14% losses inclusive of the 10% geological loss;
- 4% contamination; and
- 4% additional moisture. Inherent + 4% surface moisture represent total moisture.

Reserve boundaries/ identified infrastructure

- Mining Right area excluding the 9m legal boundary pillar;
- 11KV Powerlines on the eastern boundary;
- Previously mined out areas; and
- Wetlands and exclusion zones.

The following calculations defined:

- Model tons = reserved tons adjusted by seam cut offs within the economical reserve footprint;
- MTIS(AD) = Model tons – geological losses; and
- ROM (AR) = Model tons – total losses + contamination + surface moisture.

ROM modifying factors for underground

Seam cut-off

- Minimum 1.2m; and
- Minimum Volatiles 18%.

Losses, contamination, moisture

- 10% geological loss;
- Maximum mineable seam height – 4m;
- Contamination – 0.1m of roof/floor; and
- Surface moisture – 4%.

Layout losses

- Barrier pillar between underground and opencast;
- Barrier pillars between panels; and

- Areas under wetland and buffer.

Mining

- In panel extraction of 62%.

Marketing

Elandspruit Colliery has a processing facility some 18km, eastwards, from the mine with a monthly capacity of 210 000 feed tons. ROM coal is trucked from the mine and processed at this processing facility from where the product is again trucked to clients. Elandspruit is providing thermal coal to Eskom and to Inland clients.

Environmental management and closure funding *JSE 12.9 (h) (viii), JSE 11.11 (iii) 13*

The Elandspruit Mine Environmental Liability was assessed by Jaco Kleynhans (Jaco-K Consulting) as at April 2019. The report reflects the DMR guideline assessment of R78.8 Mil incl. VAT, an increase of R20 Mil on an equivalent base from the 2018 assessment. Ongoing rehabilitation will ensure that the current rehabilitation liability is at least maintained.

Environmental guarantees are in place at 31 March 2019 to the value of ZAR 58.8 m and is in process of being updated to the revised assessment value

Future work

- Completion of the Environmental applications relating to the relaxation of the pan buffer and exclusion zones. On approval, the coal resources and coal reserves could potentially increase; and
- As an additional option, permission to undermine the wetlands within the licence area.

Risks

Table 8. Elandspruit Risks *JSE 12.9 (h) (x), SE 12.11 (iii) 10*

TYPE OF RISK	RISK	MITIGATION	LEVEL OF RISK
Profitability	Increase in strip ratio	Mining to an average strip ratio	Medium

Khanyisa Complex

The Khanyisa Complex comprises the Triangle Resource Area and the Catwalk Resource Area, which Wescoal effectively now owns 100%.

This complex is located some 10km west of the town of Ogies in Mpumalanga. It comprises portions of the farm Heuvelfontein 215 IR. The location of the complex is 26.042950°S latitude and 28.973325°E longitude.

JSE 12.9 (h)(iii)

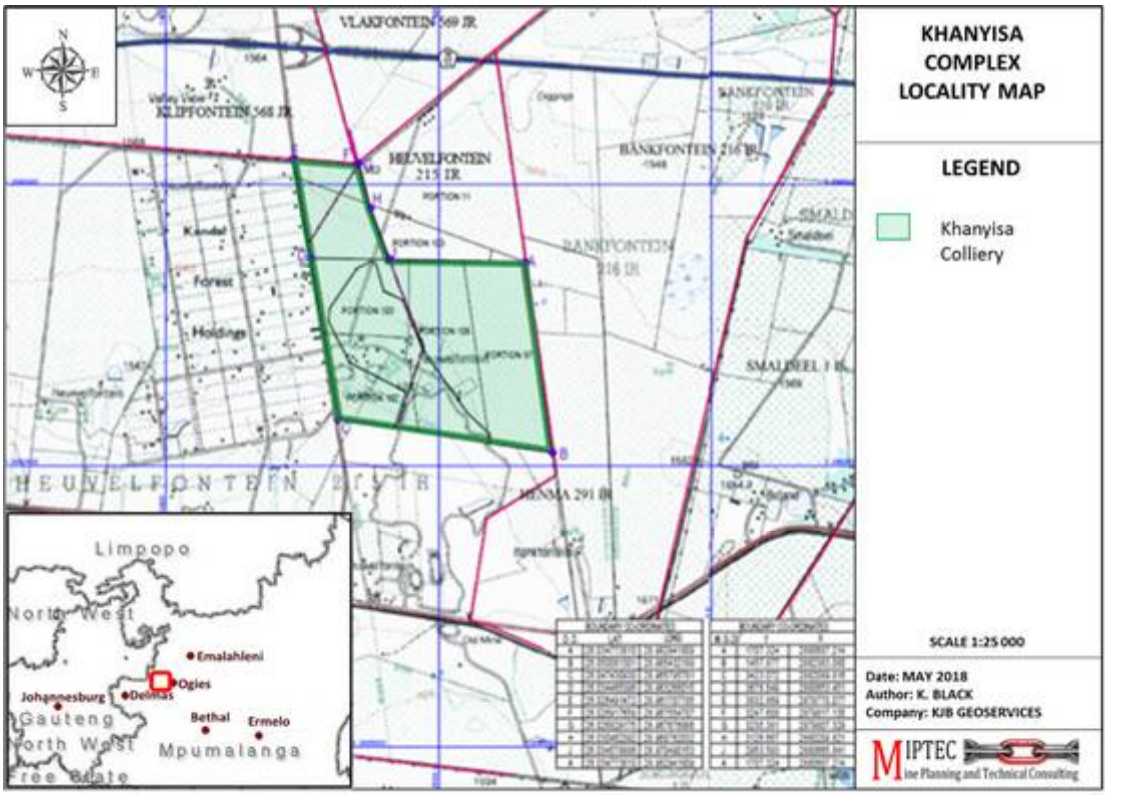

Figure 7. Khanyisa Com plex locality map

A WUL for the total integrated mining area was awarded in May 2016. The consolidated Mining right was awarded in March 2017.

Both Triangle and Catwalk Areas are mined opencast, with the difference that Catwalk extract mainly 2 seam pillars and roof coal left by previous underground mining.

Coal Resources

As per the decision in 2018, the underground Coal Resources within the Triangle Resource Area, have not been included in the Coal Resource Estimation, as permission to undermine the pipeline has not been granted. Current mining in Triangle, is taking place in Block 3 (No. 4 and No. 2 Seams).

The Catwalk area to the south of the Triangle Resource Area, has been divided into opencast in-situ areas where the coal has not been historically mined (Blocks 7, 9 and 10), as well as opencast Coal Resources comprising roof and pillar coal in the previously underground mined out areas (Block 12). As per the diagram below, blocks 8 and 11 were completely mined out as at 31 March 2018. Current mining is taking place in Block 7 (No. 4 and No. 2 Seam), and Block 12 (No. 2 Seam Roof and Pillar Coal).

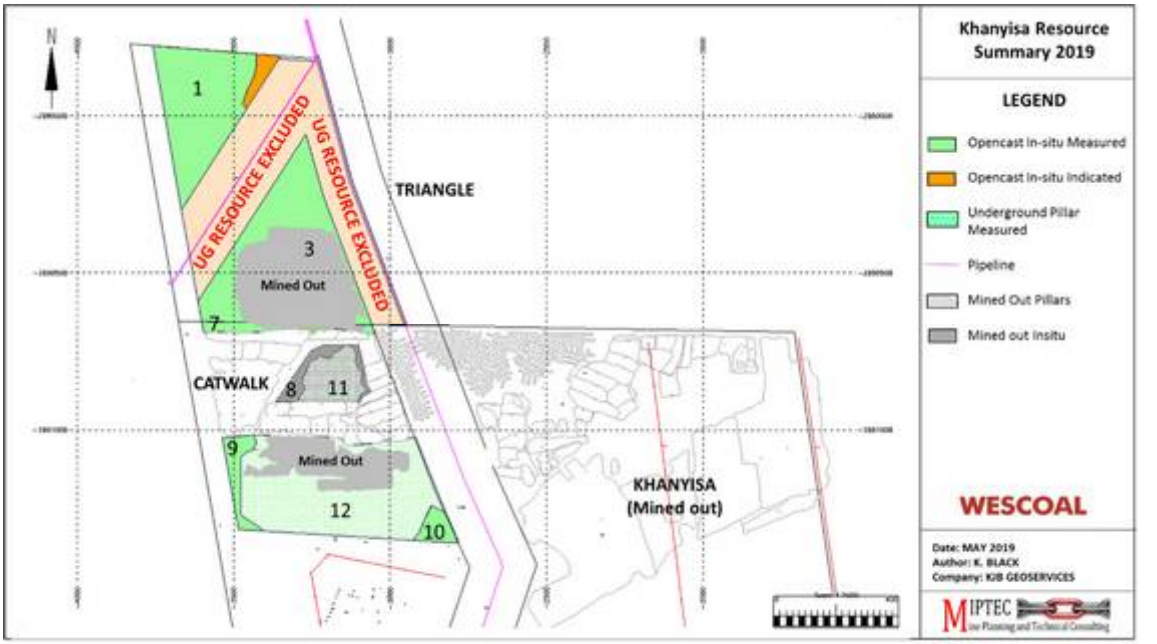

Figure 8. Khanyisa resource areas inclusive of mined out areas.

Table 9. Khanyisa Resource Estimate Summary as at 31 March 2019 *JSE 12.9 (h) (ix), JSE 12.11 (iii) 8*

Khanyisa Resource Summary as at 31 March 2019							
	Coal Resource Estimate (ADB)			Raw Coal Qualities (ADB)			
	Indicated Mt	Measured Mt	Total Mt	CV (MJ/kg)	ASH (%)	VM (%)	TS (%)
Khanyisa Colliery Total	**0.12**	**3.81**	**3.93**	**20.33**	**29.47**	**21.34**	**1.02**
Triangle Total	**0.12**	**3.17**	**3.29**	**20.03**	**30.09**	**21.48**	**1.01**
Triangle Opencast	**0.12**	**3.17**	**3.29**	**20.03**	**30.09**	**21.48**	**1.01**
4U Seam	0.03	0.44	0.46	16.86	38.69	18.49	1.10
4L Seam	0.04	0.85	0.89	21.95	24.41	23.54	1.31
2 Seam	0.06	1.88	1.94	19.91	30.63	21.25	0.85
Triangle Underground	-	-	-	-	-	-	-
4L Seam	-	-	-	-	-	-	-
2 Seam	-	-	-	-	-	-	-
Catwalk Total	-	**0.65**	**0.65**	**21.84**	**26.34**	**20.65**	**1.10**
2 Seam	-	0.65	0.65	21.84	26.34	20.65	1.10

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MTIS Modifying Factors

The following factors were applied in order to determine the MTIS resource estimations:

- Minimum Seam thickness cut-off 0.5m opencast, 1.2 m underground;
- Raw Ash cut-off < 50% (adb);
- Raw Volatile Matter Content >18% (adb);
- Seam thickness is true thickness; and
- Coal within mining licence boundary only.

Geological losses are applied to cover unforeseen losses due to dolerites and faults.

- Measured: 10%; and
- Indicated 15%.

Opencast Coal Resources were delineated based on the proximity of the coal seams to surface and the favourable strip ratio of less than 1:4 (bcm/ton) overburden to coal tones in the Triangle Area and 1:6 (bcm/ton) in the previously mined areas within Catwalk. Minimum mineable seam thickness of 0.5 m applied to the opencast areas, and no maximum mining height was applied. Within the previously mined out areas in the Catwalk Coal Resource area, Coal Resources from pillars were determined based on an estimated 65% underground extraction at an estimated mining height of 2.8m. Roof coal was calculated at the remaining modelled seam height. Previous opencast mining provided an indication of minimum safe distance between the public road and opencast excavations hence a 50m zone was excluded on the western boundary from Coal Resources.

Reconciliation

Table 10. Khanyisa Triangle Resource reconciliation *JSE 12.11 (iii) 8*

Reconciliation Mar'18 to Mar'19 Estimates					
	Coal Resource Estimate (ADB)			FY19 Actual Mining	
	Mar' 18 Mt	Mar' 19 Mt	Variance Mt	ROM (AR) Mt	Loss/gain (Mt)
Khanyisa Colliery Total	**4.75**	**3.93**	**0.81**	**0.99**	**0.18**
Triangle Total	**3.87**	**3.29**	**0.58**	**0.85**	**0.27**
Triangle Opencast	**3.87**	**3.29**	**0.58**	**0.85**	**0.27**
4U Seam	0.52	0.46	0.06	-	-0.06
4L Seam	1.19	0.89	0.30	0.69	0.39
2 Seam	2.16	1.94	0.22	0.16	-0.06
Triangle Underground	**0.00**	**0.00**	**0.00**		**0.00**
4L Seam	-	-	-	-	-
2 Seam	-	-	-	-	-
Catwalk Total	**0.87**	**0.65**	**0.23**	**0.14**	**-0.09**
2 Seam	0.87	0.65	0.23	0.14	-0.09

Table 10 indicates a change in the Triangle Resource of 0.58 Mt (MTIS), which is less than the mined-out total of 0.85 Mt, indicating a gain of 0.27 Mt, which is predominantly due to the mining of the low-quality No. 4 Upper Seam, not included as resources (resources were cut-off of on a volatile content less than 18%). The losses on the No. 2 Seam (0.06 Mt) is potentially due to coal being left in the floor, however, may also be due to thinning of the seam in places.

Within the Catwalk area, there is a mining loss of 0.09 Mt. The loss is due to the poor recovery of the No. 2 Seam roof coal. It is suggested that the contaminated roof coal is loaded from amongst the pillars and processed at a washing plant, as the pillars are only crushed and screened for the saleable product.

Coal Reserves JSE 12.11 (iii) 3

Coal Reserves for the Khanyisa complex were based on the proven opencast strip and pillar mining strategies, and operations were executed as such throughout FY19. Mining focused on the Triangle South Block and the Catwalk South pillar mining area.

Fixed infrastructure is utilised with all major mining activities contracted out, together with the crushing and screening plants. Additional mining contractor infrastructure was established to provide for the full service.

Figure 9 below illustrates the remaining reserves for both the Triangle and Catwalk areas.

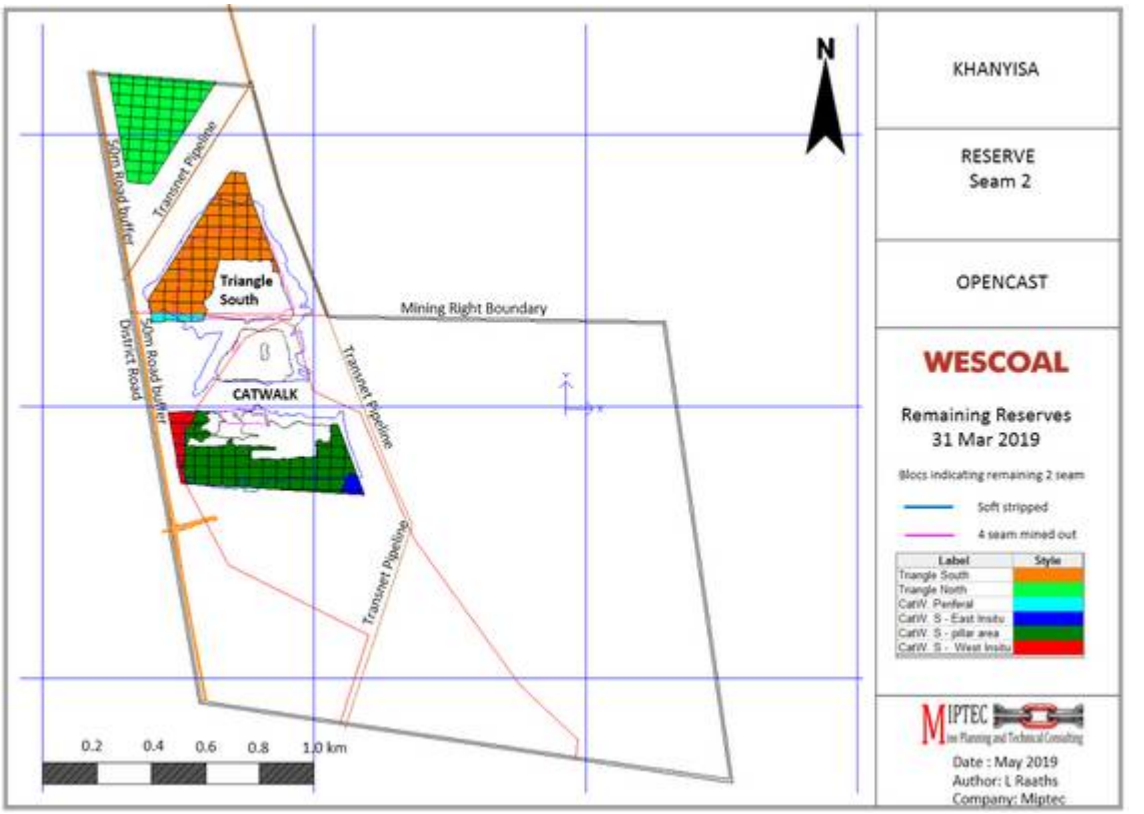

Figure 9. Khanyisa Remaining Reserve plan as at 31 March 2019

Table 11. Khanyisa Reserve Estimate Summary as at 31 March 2019 *JSE 12.9 (h) (ix)*

KHANYISA RESERVE ESTIMATE 31 March 2019							Saleable Qualities (all seams based on contaminated raw crush and screened)				
PROJECT	RESERVE CATEGORY	RESERVE BLOCK	SEAM	MTIS (AD) Mt	ROM (AR) Mt	SALABLE (AR) Mt	YIELD (%)	CV (Mj/kg) (AD)	ASH (%) (AD)	VOL (%) (AD)	TS (%) (AD)
TRIANGLE AND CATWALK OPENCAST	PROVED	Triangle South	S4U	0.07	0.07	0.07	98%	16.68	40.15	17.84	0.66
			S4L	0.23	0.24	0.24	98%	21.91	26.21	23.00	1.25
			S2	0.88	0.92	0.90	98%	19.99	31.49	20.05	1.02
			Total	1.18	1.23	1.21	98%	20.18	30.93	20.51	1.04
		Triangle North	S4U	0.35	0.36	0.35	98%	15.87	41.69	17.71	1.17
			S4L	0.51	0.53	0.52	98%	20.43	28.40	22.42	1.27
			S2	0.85	0.89	0.87	98%	18.21	35.35	20.84	0.59
			Total	1.71	1.78	1.75	98%	18.40	34.55	20.68	0.91
		Triangle Total	S4U	0.41	0.43	0.42	98%	16.00	41.44	17.73	1.09
			S4L	0.75	0.78	0.76	98%	20.89	27.72	22.61	1.27
			S2	1.74	1.81	1.77	98%	19.11	33.39	20.44	0.81
			Total	2.90	3.01	2.95	98%	19.13	33.07	20.61	0.97
		Catwalk Periferal	S2	0.05	0.05	0.05	98%	20.29	31.39	19.92	1.00
		Catwalk South Insitu	S2	0.08	0.08	0.08	98%	21.55	28.15	19.89	0.84
		Catwalk South Pillars	S2	0.33	0.34	0.33	98%	21.24	29.34	19.80	1.10
		Catwalk Total	S2	0.45	0.47	0.46	98%	21.20	29.33	19.82	1.04
		Mine Total	S4U	0.41	0.43	0.42	98%	16.00	41.44	17.73	1.09
			S4L	0.75	0.78	0.76	98%	20.89	27.72	22.61	1.27
			S2	2.19	2.28	2.23	98%	19.55	32.55	20.31	0.86
			TOTAL	3.35	3.48	3.41	98%	19.41	32.57	20.51	0.98

Table 12. Khanyisa Reserve Reconciliation 31 March 2019

KHANYISA TRIANGLE RESERVE RECONCILIATION						
DATE / PERIOD	AREA	SEAM 4U	SEAM 4L	Seam 4	SEAM 2	TOTAL
31 March 2018		0.50	1.10	1.60	2.04	3.64
31 March 2019		0.43	0.78	1.21	1.81	3.01
Net Change	TRIANGLE South	(0.07)	(0.32)	(0.39)	(0.23)	(0.63)
Mining Depletion	and North Opencast			(0.69)	(0.16)	(0.85)
Loss / Gain				0.29	(0.07)	0.22
Net loss / gain						0.22

KHANYISA CATWALK RESERVE RECONCILIATION					
DATE / PERIOD	AREA	SEAM 5	SEAM 4	SEAM 2	TOTAL
31 March 2018				0.70	0.70
31 March 2019				0.47	0.47
Net Change	CATWALK Periferal			(0.23)	(0.23)
Mining Depletion	and South			(0.14)	(0.14)
Loss / Gain				(0.08)	(0.08)
Net loss / gain					(0.08)

Triangle ROM Coal Reserves of 3.01 Mt opencast as at 31 March 2019, will be crushed, screened and blended to achieve the average product quality of >19 MJ/kg. The yield for Raw products is conservatively based on a 98% Recovery.

The loss of 70 Kt (30 % of the potential RoM coal), of the No. 2 Seam can be attributed to either not mining the full extent of the seam or it is possible that some of the losses may be due to unforeseen thinning of the seam, which was not identified in any of the drilled boreholes. The 290 Kt gain on the No. 4 Seam is due to the mining of the No. 4 Upper Seam, which based on a volatile cut-off of 18%, poor quality has been removed from both the Coal Resource and Reserve Estimate.

0.14 Mt of ROM coal was extracted from Catwalk during FY19. The change in Coal Reserve as tabulated in Table 12 is 0.23 Mt. ROM, indicating a loss of 0.08Mt (35% of the RoM Coal). It is understood that the roof coal is blasted and not recovered, this contaminated roof coal is now stockpiled and will be transported to a processing facility.

It is imperative that losses of this magnitude (both Triangle and Catwalk) are fully understood in order to ensure that going forward the coal recoveries are improved. If it is determined that the coal extraction cannot be improved, then going forward, the coal RoM modifying factors need to be adjusted to reflect the lower rate of recovery, and a decrease in the reserve base.

At the current annual production rate, the Life of Mine is estimated at less than 3 years.

ROM modifying factors opencast *JSE 12.9 (h)vii),*

Seam cut off:

- Minimum seam thickness – 0.5m; and
- Minimum volatiles (AD) – 18%.

Layout losses:

- OC - A safety bench on the No.2 Coal Seam overburden was allowed for at final voids, and end walls;
- OC - The national road and an additional 50m off set on the western boundary for both Catwalk and Triangle. This is within the 100m road buffer and based on previous approvals and safe operations; and
- OC - Triangle northern boundary up to and inclusive of the 9m boundary pillar. The pillar will be mined jointly with the Mwelase operations and is included in Coal Reserves.

Loss and contamination:

- OC - A total of 14% losses inclusive of the 10% geological loss;
- OC - 4% contamination; and
- 4% additional moisture. Inherent + 4% surface moisture represents total moisture.

Reserve boundaries/ identified infrastructure:

- Mining Right area excluding the 9m legal boundary pillar;
- Public road on the west;
- Transnet pipelines crossing Catwalk and the Triangle Areas;
- Previously mined out areas; and
- Maximum ROM strip ratio of 4:1 for the Triangle and 6:1 for Catwalk.

The following calculations defined:

- Model tonnes = reserved tonnes adjusted by seam cut-offs within the economical reserve footprint;
- MTIS(AD) = Model tonnes – geological losses, inclusive of minimum and maximum seam height cut offs; and
- ROM (AR) = Model tonnes – total losses + contamination + surface moisture (for underground pillars are excluded).

Marketing

Khanyisa has an existing contract in place with Eskom for the Triangle Coal and markets the Catwalk Coal through coal traders to the export market.

Environmental management and closure funding *JSE 12.9 (h) (viii), JSE 11.11 (iii) 13*

An assessment update of the current rehabilitation liability was made by Jaco Kleynhans dated April 2019, it amounts to R 39.2 million including VAT, an increase of R4 Mil. on a comparative basis from the 2018 assessment. The assessment was based on the DMR guidelines.
Roll over mining will be conducted, the average opencast pit length will be maintained, ensuring that the size of the opencast voids does not increase. Catwalk north was depleted, Catwalk south will be mined out before the Triangle is depleted.

Environmental guarantees are in place at 31 March 2019 to the value of ZAR 35.1m and is in process of being updated to the revised assessment value

Future work

- Ramp up to planned production rates in both the Catwalk and the Triangle areas; and
- Triangle has coal resources in both the Inferred and Indicated categories, and as such, future drilling should focus in these areas.

Risks

Table 13. Khanyisa Risks *JSE 12.9 (h) (x), JSE 12.11 (iii) 10*

TYPE OF RISK	RISK	MITIGATION	LEVEL OF RISK
Recovery Triangle 2 seam	Excessive losses on the No. 2 seam in the floor resulting in reserve reduction and increase strip ratios – potential loss of 25% of reserves based on FY19 results.	Mine to monitor contractor operation and sign off on 2 seam areas before continuing with next mining blocks / strips. Consider drilling some infill holes and wireline logging presplit holes.	High
Water Ingress	Poor 2 Seam recovery and negative impact on production levels	Invest in a water reticulation system to dewater pits	High
Recovery Catwalk 2 seam	Only recovering pillars and losing roof coal with any scaling from pillars – potential future loss of 30% of reserves	Stockpile material cleaned between pillars and wash it.	High

Vanggatfontein Colliery

The Vanggatfontein Colliery (Vanggatfontein) is an open cast coal mining operation (100% owned by Wescoal), situated in the Witbank Coalfield of South Africa. The Colliery mines the No.5, No.4 and No.2 Coal Seams using truck and shovel rollover mining methods at an average rate of 340,000tpm run of mine (RoM). The No.5 Seam is processed through a 100tph plant for domestic metallurgical and boiler markets (No.5 Seam Plant), whilst the No.4 and No.2 Seams are processed through a 480tph plant which produces thermal coal for Eskom.

The colliery is located approximately 16km east southeast of the town of Delmas, in the Mpumalanga Province of South Africa. It is situated on the farm Vanggatfontein 251IR and covers an area of 1651.98ha. Location 26.173055 S, 28.83555E.

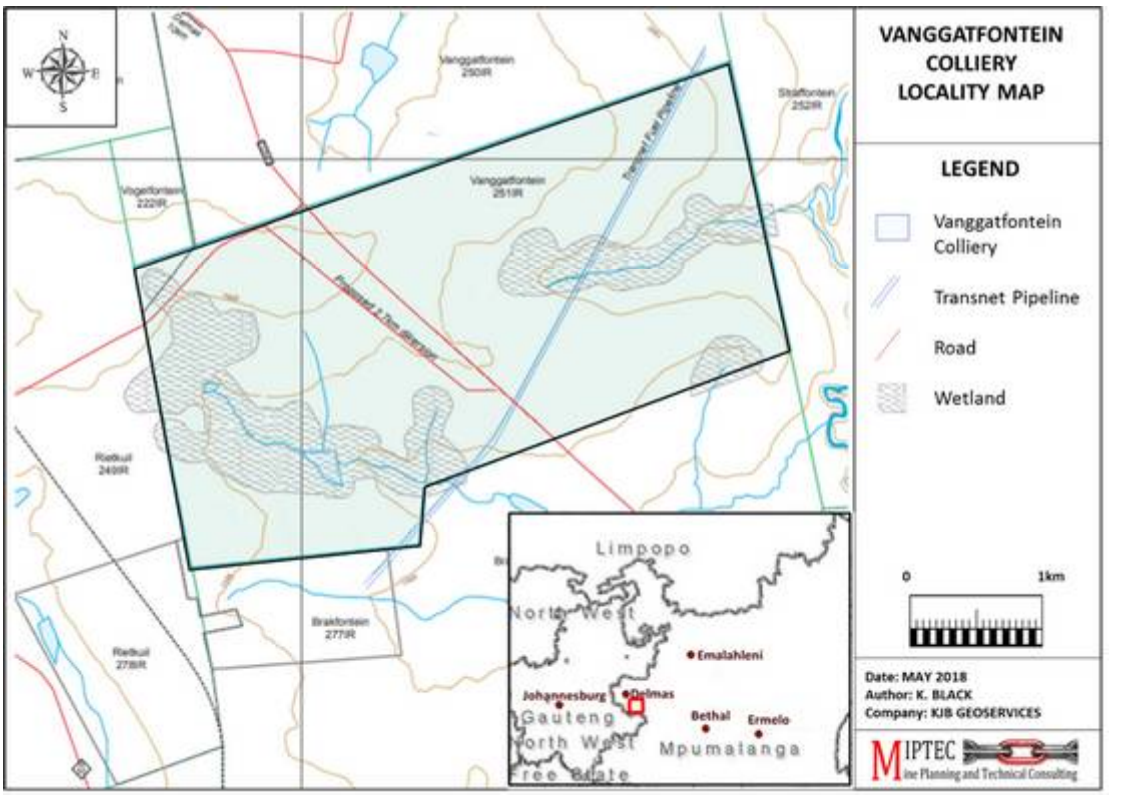

Figure 10. Vanggatfontein Colliery Locality Map

In June 2009, Prospecting Right MP/30/5/1/1/2/1/416PR was successfully converted into a 20-year Mining Right (MP/30/5/1//2/2/309MR). The Mining Right was executed on 23 February 2010 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 in force for a period of 20 years, ending on 22 February 2030.

Coal Resources

As the Eastern Resource Block (ERB) is delineated as an opencast area (strip ratio < 4 bcm waste: tonne coal), all coal seams are included for mining, namely the No. 5 Coal Seam, No. 4 Coal Seam and No. 2 Seams. The Western Resource Block (WRB), is designed as an underground area, and as such, only the No. 4 seam within VG6 and the No. 2 Seam within VG7 are included as Coal Resources.

The coal seams within the Vanggatfontein Project area are defined as multiple seam type as per SANS10320:2004. Coal Resources are declared for the No.2, No.4 and No.5 Seams.

JSE 12.9 (h)vii),

Cut-offs Applied:

- Minimum Seam thickness cut-off of 0.5m (opencast), 1.2m underground;
- Raw Ash cut-off < 50% (adb);
- Cumulative Float 1.8g/cm^3 Volatile Matter Content >16%;
- Seam thickness is true thickness;
- Coal within mining license boundary only;
    - A 9m buffer was excluded along the license boundary
- Coal Under the wetlands buffer excluded; and
- Geological losses are applied to cover unforeseen losses due to dolerites and faults.
    - Measured: 10%, Indicated 15% and Inferred 20%

MTIS Modifying Factors:

- Minimum mineable seam thickness of 0.5 m applied to the opencast areas; and
- A maximum mining height of 4.8m was applied to the underground Coal Resource estimations (VG6 and VG7 Pits).

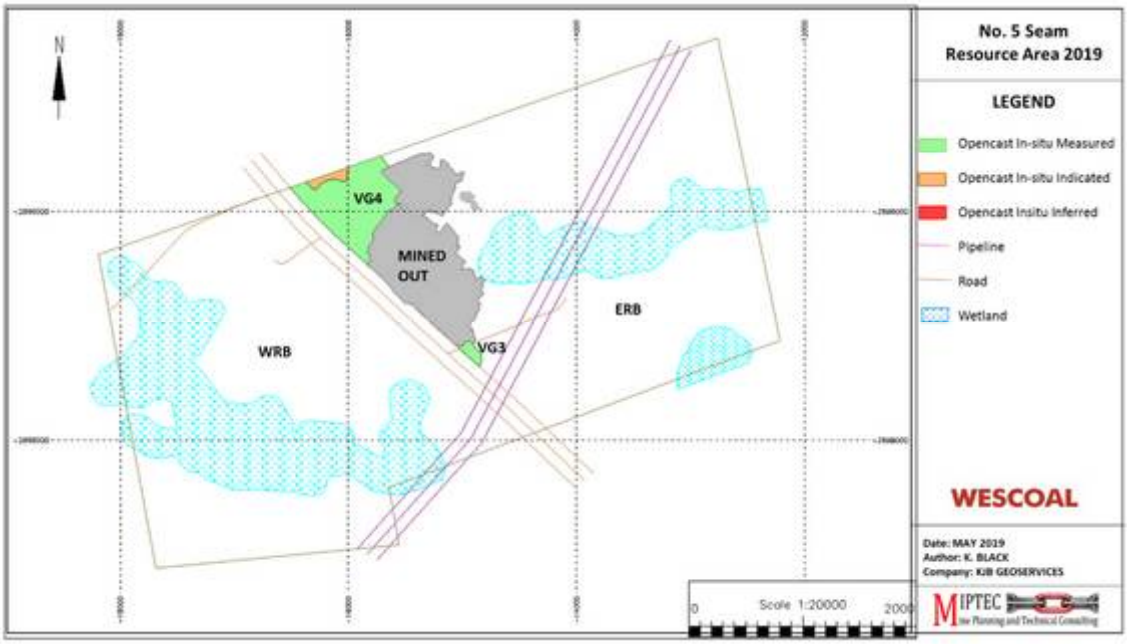

Figure 11. Vanggatfontein Colliery No. 5 Seam Resource Plan

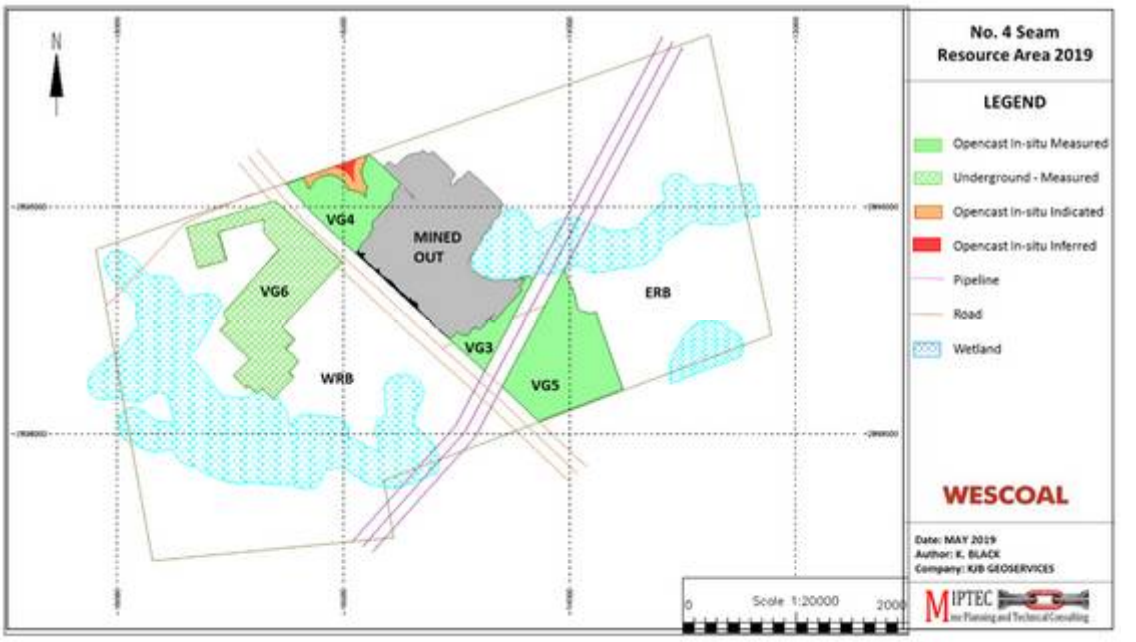

Figure 12. Vanggatfontein Colliery No. 4 Sea m Resource Plan

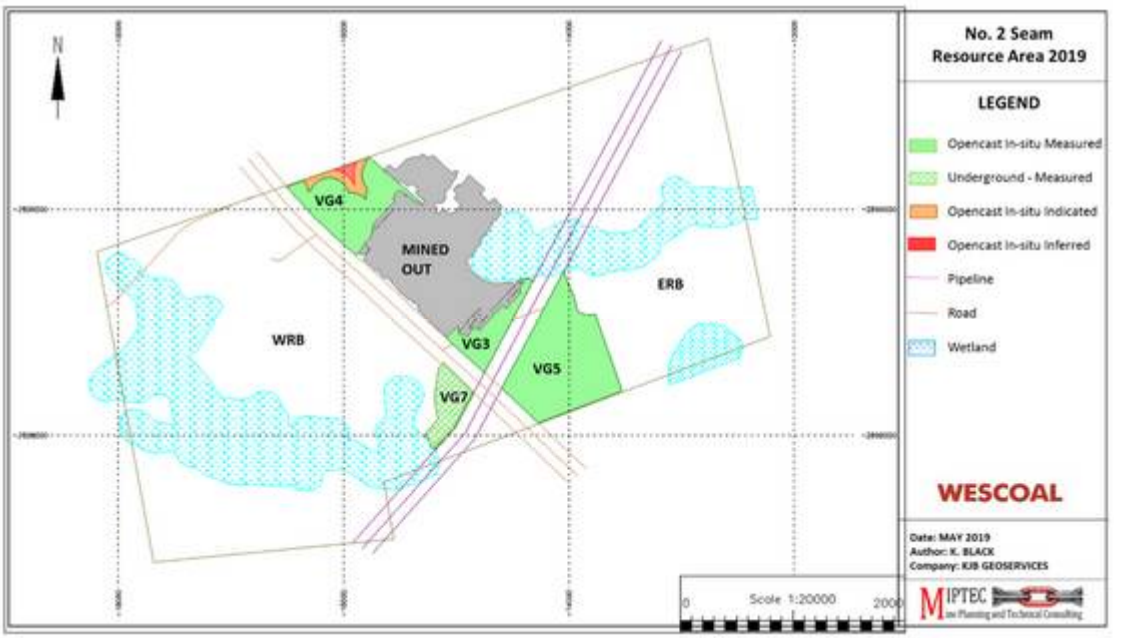

Figure 13. Vanggat fontein Colliery No. 2 Seam Resource Plan

Table 14. Vanggatfontein Resource Estimate as at 31 March 2019

Vanggatfontein Resource Summary as at 31 March 2019 (100% Attributable)								
	Coal Resource Estimate (ADB)				Raw Coal Qualities (ADB)			
	Inferred Mt	Indicated Mt	Measured Mt	Total Mt	CV (MJ/kg)	ASH (%)	VM (%)	TS (%)
Vanggatfontein Total	**0.34**	**1.64**	**29.13**	**31.11**	**18.45**	**35.15**	**19.90**	**1.16**
Eastern Resource Block (ERB)	**0.34**	**1.64**	**23.87**	**25.85**	**17.99**	**36.31**	**19.79**	**1.16**
5 Seam	-	0.04	0.86	0.91	21.52	27.46	25.50	3.13
4 Seam	0.18	0.82	10.32	11.32	16.59	39.96	17.83	1.12
2 Seam	0.16	0.78	12.69	13.62	18.93	33.86	21.03	1.07
Western Resource Block (WRB)	**-**	**-**	**5.26**	**5.26**	**20.71**	**29.40**	**20.44**	**1.16**
5 Seam	-	-	-	-	-	-	-	-
4 Seam	-	-	4.67	4.67	20.43	29.99	20.28	1.16
2 Seam	-	-	0.59	0.59	22.88	24.75	21.74	1.22

Reconciliation

Table 15. Vang gatfontein Resource Reconciliation

Reconciliation Mar'18 to Mar'19 Estimates					
	Coal Resource Estimate (ADB)			FY18 Actual Mining	
	Mar' 18 Mt	Mar' 19 Mt	Variance Mt	MTIS (AD) Mt	Loss/Gain Mt
Vanggatfontein Total	**84.79**	**31.11**	**53.69**	**2.69**	
Eastern Resource Block (ERB)	**30.20**	**25.85**	**4.35**	**2.69**	**-1.66**
5 Seam	0.91	0.91	0.00	0.1	0.10
4 Seam	14.98	11.32	3.66	1.52	-2.14
2 Seam	14.31	13.62	0.69	1.07	0.38
Western Resource Block (WRB)	**54.6**	**5.26**	**49.34**	-	-
5 Seam	3.11	-	3.11	-	-
4 Seam	30.12	4.67	25.45	-	-
2 Seam	21.37	0.59	20.78	-	-

The large change in Coal Resource Estimates between FY18 (84.79 Mt) and FY19 (31.11 Mt), is predominantly due to the decision that the Western Resource Block (WRB) is only suitable for underground mining, therefore completely removing the No. 5, No. 2 and poor quality No. 4 Seam band estimates, as well as a large portion of the No. 4 Seam from the VG6 and VG7 estimates (~ 32 Mt). It was also determined that the road which transects the licence area will not be moved, and therefore the Coal Resources previously declared under the road (13.Mt) were removed from the current estimate. The addition of 42 newly drilled boreholes to the model has also accounted for a small change in the Coal Resource Estimates.

Marketing

Wescoal has an offtake agreement with Eskom to supply a minimum of 160,000tpm at 21.5 MJ/kg CV, 21 % VM product delivered to a designated power station. The metallurgical coal produced is sold on an ad-hoc basis to various domestic metallurgical customers.

Coal Reserves

Vanggatfontein Colliery is currently operated as an opencast mining operation based on contractor truck and shovel strip mining and roll over methodology. Opencast mining at Vanggatfontein contributed to the 2.68 Mt ROM being extracted during FY19. The mine was visited on regular monthly basis by Mr. L Raaths. Mining operations are focussed in the VG3 and VG4 mining areas for FY19 with the commencement of VG5 planned for FY20.

Production is planned to fully utilise the plant capacity of 330 kt., of which 280 kt. is planned for the Eskom plant and 50kt for the 5 Seam Plant.

The current remaining Coal Reserves of 27.23 Mt ROM at the planned production rate provides for a 6 year Life of Mine at Vanggatfontein.

Current projects are focused on increasing the ROM Coal Reserves by focusing on low quality thermal coal markets and additional underground mining potential.

Table 16. Vanggatfontein Reserve estimates 31 March 2019

VANGGATFONTEIN RESERVE ESTIMATE 31 Mar 2019										
PROJECT	RESERVE CATEGORY	SEAM	MTIS (AD) Mt	ROM (AR) Mt	SALEABLE (AR) Mt	YIELD (%)	CV (Mj/kg) (AD)	ASH (%) AD	VOL (%) AD	TS (%) AD
VANGGATFONTEIN OPENCAST PROVEN	VG3	S5	0.02	0.02	0.01	80%	21.71	27.18	24.18	0.98
		S4	1.27	1.32	0.81	61%	21.50	27.57	18.57	1.18
		S2	1.35	1.40	0.96	68%	21.50	27.20	21.89	0.81
		TOTAL	2.64	2.74	1.78	65%	21.50	27.37	20.40	0.98
	VG4	S5	0.69	0.72	0.58	80%	21.71	27.24	23.48	1.29
		S4	5.64	5.87	3.03	52%	21.50	26.38	22.29	0.62
		S2	4.77	4.96	2.91	59%	21.50	26.80	21.93	0.62
		TOTAL	11.10	11.54	6.52	56%	21.52	26.65	22.24	0.68
	VG5	S5	-							
		S4	4.74	4.92	2.95	60%	21.50	27.59	17.74	1.17
		S2	5.61	5.84	4.12	71%	21.50	27.30	22.42	1.01
		TOTAL	10.35	10.76	7.08	66%	21.50	27.42	20.47	1.08
	VANGGAT OPENCAST	S5	0.71	0.74	0.59	80%	21.71	27.24	23.50	1.28
		S4	11.65	12.12	6.79	56%	21.50	27.05	19.87	0.93
		S2	11.72	12.19	7.99	66%	21.50	27.11	22.18	0.85
		TOTAL	24.08	25.05	15.38	61%	21.51	27.09	21.21	0.90
	VG6 UG Probable	S4	2.10	2.18	2.18	100%	20.41	29.97	20.47	1.14
TOTAL MINE			26.18	27.23	17.56	64%	21.37	27.45	21.12	0.93

Table 17. Vanggatfontein Reserve reconciliation on 31 May 2019

VANGGATFONTEIN RESERVE RECONCILIATION					
DATE / PERIOD	AREA	SEAM 5	SEAM 4	SEAM 2	TOTAL
31 March 2018		0.89	14.51	12.56	27.96
31 March 2019		0.74	12.12	12.19	25.05
Net Change	VG3, VG4 & VG5	(0.15)	(2.39)	(0.37)	(2.91)
Mining Depletion	OC	(0.10)	(1.52)	(1.07)	(2.68)
Loss / Gain		(0.05)	(0.88)	0.70	(0.23)
Plant scales to Survey					0.14
Net loss / gain					(0.09)

VANGGATFOENTEIN RESERVE RECONCILIATION					
DATE / PERIOD	AREA	SEAM 5	SEAM 4	SEAM 2	TOTAL
31 March 2018	VG6 OC	0.47	3.33	3.77	7.57
31 March 2019	VG6 UG		2.18		2.18
Net Change					(5.39)

Table 17 details the results of the reserve reconciliation from the 2018 estimate to the current FY19 estimate. A Nett loss of 90 Kt ROM is indicated on the (ERB) after also incorporating the plant scales to survey adjustment. Middindi Consulting completed an updated highwall design for both VG5 and the VG3/VG4 mining areas. This requires the addition of offset benches that will also affect the end-wall pit shell. The full impact of this change will be evaluated in the next LOM planning cycle. VG6 show a nett loss of 5.39 Mt, this is due to the change from opencast to underground.

Figure 14 illustrates the Coal Reserve plan for the Vanggatfontein mining areas, indicating the remaining Coal Reserve areas on the No.2 seam horizon for opencast and the No. 4 seam horizon for underground.

The WRB has changed from opencast to underground mining. The underground section is planned on the standard bord and pillar methodology with no secondary extraction. The decision to change to an underground mine was based on recent drilling results as well as quality requirements for new coal sales agreements. The results indicated that the extent of the No. 2 Seam devolatilisation was greater than previously modelled, and as such, the majority of the No. 2 Seam did not meet the minimum specifications as required by Eskom. The result of the removal of the devolatilised No. 2 Seam from reserves, together with the fact that the road separating the VG4 and VG6 pits will not be diverted, meant that the opencast option is not viable for most of the WRB.

Mining of the No. 4 Seam underground was analysed as alternative. Information obtained from the last two drill campaigns included geotechnical work and rock engineering work related to underground mining of the No. 4 seam. The planned underground was based on a minimum height of 2 metres and maximum mining height of 4.8 metres, targeting the No. 4 Seam Select only as a raw crush and screen ROM feed to Eskom. The underground design was based on rock engineering designs provided by Associated Rock Mechanics Services (ARMS).

Environmental work to obtain permission to undermine the wetlands will be done to increase the underground No. 4 Seam reserve.

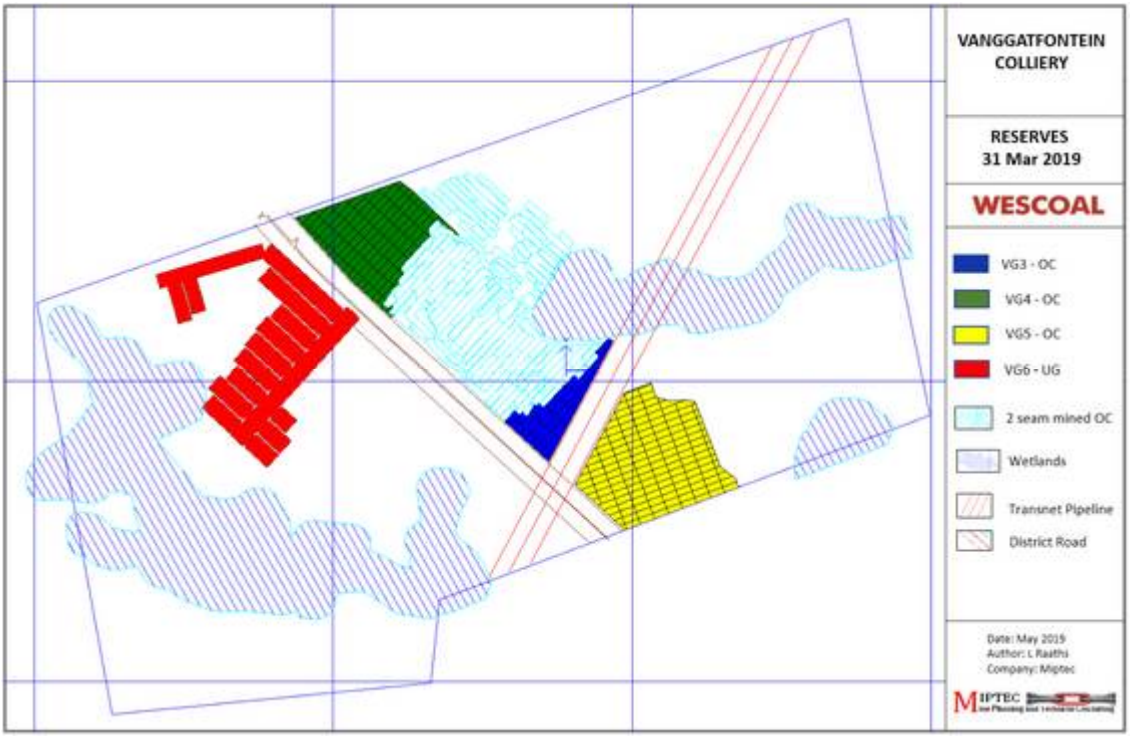

Figure 14. Vanggatfontein Reserve Plan 31 March 2019

ROM modifying factors opencast

Cut-offs Applied:

- Minimum seam thickness for OC areas – 0.5m;

Layout losses

- Layout off set from wetland buffer zones and exclusion zones; and
- Layout off set from boundary pillars with regard to pit final void and end wall positions.

Loss and contamination

- A total of 15% losses inclusive of the 10% geological loss;
- 4% contamination; and
- 4% additional moisture. Inherent + 4% surface moisture represent total moisture.

Reserve boundaries/ identified infrastructure

- Mining Right area excluding the 9m legal boundary pillar;
- Previously mined out areas; and
- Wetlands and exclusion zones.

The following calculations defined:

- Model tons = reserved tons adjusted by seam cut offs within the economical reserve footprint;
- MTIS(AD) = Model tons – geological losses; and
- ROM (AR) = Model tons – total losses + contamination + surface moisture.

ROM modifying factors for underground

Seam cut-off

- Minimum 2m; and
- Minimum Volatiles 18%.

Losses, contamination, moisture

- 10% geological loss;
- Maximum mineable seam height – 4.8m;
- Surface moisture – 4%.

Layout losses

- Barrier pillar between underground and opencast;
- Barrier pillars between panels; and

Future work:

- VG5 Start-up:
    - Acquiring surface rights or access to surface;
    - Timeous completion of Boxcut.

- VG4 pit re-design
    - Increase work in progress;
    - Implement rock engineering off sets; and

- Relocation of contractor infrastructure.

- Project work at VG7 to include the following:
  - Completion of Rock engineering and geotechnical analysis;
  - Underground mine model and schedule;
  - Underground access design;
  - Ventilation study;
- Project work at VG6
  - Permission to undermine the wetland
- Vanggatfontein extension (Braakfontein)
  - Exploration drilling

Environmental management and closure funding

In April 2019, Jaco K Consulting provided an updated closure assessment for Vanggatfontein Colliery.

The current financial closure liability associated with Vanggatfontein is ZAR153.7 m (including VAT), an increase of ZAR44m from 2018 estimate.

Keaton has a financial guarantee in place to provide for the current closure liability quantum for Vanggatfontein in the event of unscheduled closure. The guarantee is provided by Centriq Insurance Innovation (Centriq) and is valued at ZAR 109.7m as at end of March 2019. The guarantee is in the process of being updated to the new quantum.

Vanggatfontein manages an ongoing environmental monitoring, auditing and management process to ensure that the requirements as set out in the approved environmental management programme are met, and that any audit findings are addressed to ensure that no material aspects develop.

Risks

Table 18. Vanggatfontein Risks

TYPE OF RISK	RISK	MITIGATION	LEVEL OF RISK
Operational - safety	Highwall failures	Implementation of the design off sets as established by the appointed rock engineer	Low

Reserves – coal recovery	Not extracting end wall reserves to planned extends	Plan establishment of upper benches to allow for extraction at lower 2 seam level	Low
Reserves – coal recovery	Additional off set benches as per the Rock engineer updated high wall designs will impact final void design and reduce reserves	Finalise final void design to adjust reserves, investigate and pursue possible alternatives to mitigate	Medium
Reserves – Coal recovery	Low 2 seam recovery	Plan to minimise pillars, floor and roof losses	Medium

Moabsvelden

Moabsvelden is a Development property situated in the Witbank Coalfield of South Africa. It is planned to be operated as a satellite pit of the neighbouring Vanggatfontein Colliery approximately 4km to the south along the district road. Moabsvelden ROM will be processed through a dedicated coal handling and processing plant to be constructed on the WRB. This processing facility will also process the planned future production from the Vanggatfontein Extension.

Moabsvelden is located approximately 55km southwest of Emalahleni and approximately 77km east of Johannesburg. More specifically it is located approximately 15km east of the town of Delmas in the Mpumalanga province of South Africa. Location 26.15166S, 28.81833E.

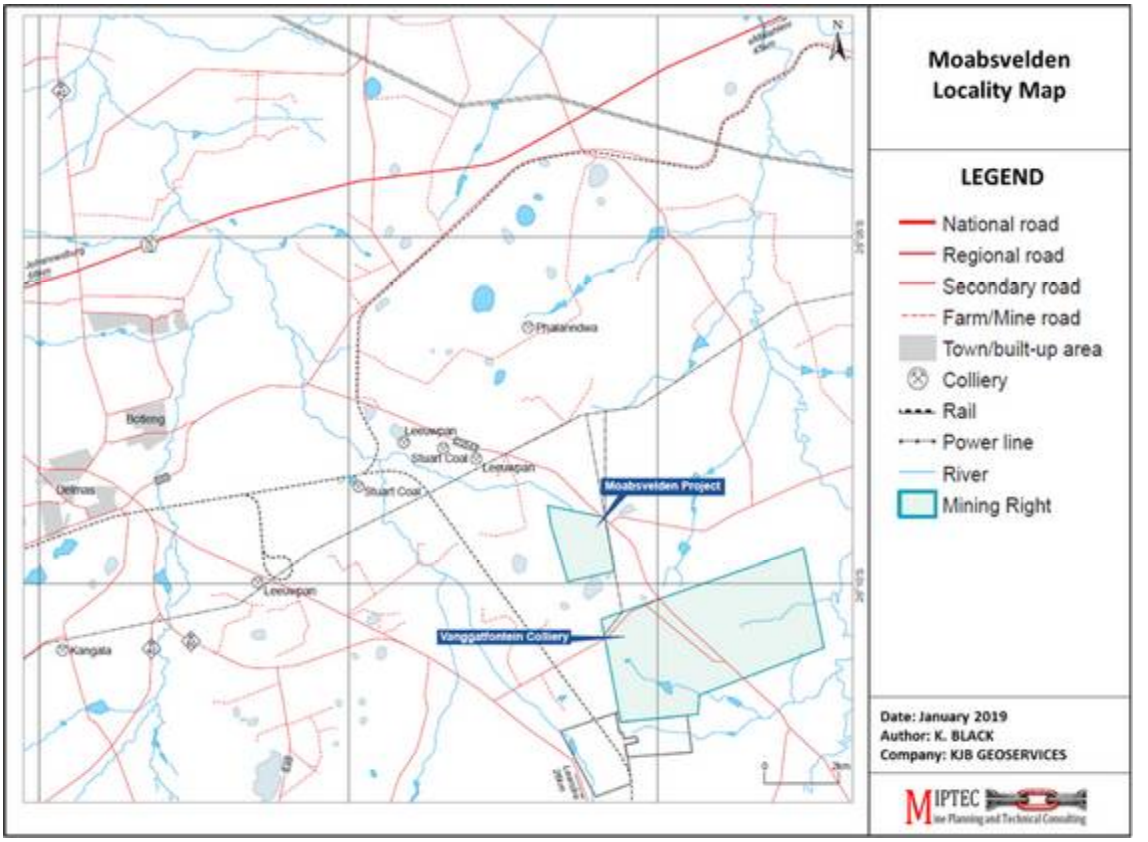

Figure 15. Moabsvelden Locality Map

On 23 April 2013, the Moabsvelden prospecting right (No. F 2008/07/14/006) was successfully converted into an 18-year mining right (No. 10025 MR) when it was issued in the name of Neosho Trading, 86 (Pty) Limited (Neosho) (registration No. 2008/010470/07). The mining right covers an area of 249.4ha and was issued in terms of Section 23(1) of the Mineral and Petroleum Resources Development Act, 2002 (Act 28 of 2002) with an effective date of 16 October 2013, expiring on 15 October 2031.

Coal Resources

Locally, three coal seams are developed across the licence area – namely the No. 5 Seam, No. 4 Seam and the No. 2 Seam. The No. 2 and No. 4 Seams are the primary economic targets, with the addition of the No. 5 Seam where the thickness, quality and continuity allow. The No. 3 Seam is not developed at all.

The No. 4 Seam is divided into the No. 4 Lower (4L) and No. 4 Upper (4U) Coal seams, based on the presence of a mudstone parting, which is on average 0.4m thick. The 4U is the poorer portion of the seam and requires beneficiation to produce an Eskom product. The 4L is the better, lower portion of the seam and is suitable for crushing and screening to produce an Eskom product. The parting between the 4 Seam and the 2 Seam ranges from less than 0.5m in the north to almost 10m in the south. It also changes in nature from a carbonaceous mudstone in the north, to a predominantly sandstone horizon in the south.

As per the No. 4 Seam, the No. 2 Seam is also split into a No. 2 Upper (2U) and No. 2 Lower (2L) Seam when there is the presence of a mudstone parting. The 2P parting which separates the 2U from the 2L is on average 0.4m thick. The 2U is the poorer top portion of the seam and requires washing in order to make an Eskom product, whereas the 2L is the higher quality lower half of the seam and is suitable for crushing and screening to produce an Eskom product.There is a palaeo-high identified in the south-west of the licence area, and this has had a direct impact on the nature and quality of the coal seams. In close proximity to this basement high, both the No. 4 and No. 2 Seams display thinner seams, with higher ash contents.

Structurally notable as well, is the presence of a transgressive sill along the western and northern extents of the mining footprint. The coal seams in these areas are uplifted by as much as 20m. At this point, it is difficult to determine whether the uplift is a direct result from actual faulting, or as a result from the intrusion of another (un-intersected) sill. The sill that is present is located above the coal seams and therefore cannot be responsible for the uplift. As such, a proposed fault was modelled in this area, with the assumption that the sill may have intruded along zones of weakness caused by the fault. Additional operational drilling will assist in further understanding the structure in this area.

Currently all seams present within the delineated opencast areas (strip ratio < 4 bcm waste: tonne coal) are included for mining, namely the No. 5 Coal Seam, No. 4 Coal Seam and No. 2 Seams. The coal seams within the Moabsvelden Project area are defined as multiple seam type as per SANS10320:2004. Coal Resources are declared for the No.2, No.4 and No.5 Seams.

JSE 12.9 (h)vii),

Cut-offs Applied:

- Minimum Seam thickness cut-off of 0.5m (opencast);
- Raw Ash cut-off > 45% (adb) applied to the 4L and 2L Seams (crush and screen);
- DAF Volatile Content < 27.5% excluded;
- Seam thickness is true thickness;
- Coal within mining license boundary only (9m boundary pillars excluded);
- Coal Under the wetlands buffer excluded ; and
- Geological losses are applied to cover unforeseen losses due to dolerites and faults.
    - Measured: 10%, Indicated 15% and Inferred 20%

MTIS Modifying Factors:

- Minimum mineable seam thickness of 0.5 m applied to the opencast areas; and
- No maximum mining height applied for opencast resource estimates.

The average borehole spacing across the Moabsvelden Project area is approximately 142m. 92 % of the Coal Resource falls within the Measured Category, 2% within the Indicated Category and 6% in the Inferred Category.

The Coal Resource Estimates were conducted in accordance with the South African Code for Reporting of Mineral Resources and Mineral Reserves Code (SAMREC 2016)1, as well as the South African guide to the Systematic Evaluation of Coal Resources and Coal Reserves (SANS10320:2004).

The Coal Resource Estimate has been independently estimated and signed off by Ms. K. Black of KJB GeoServices, and are declared as at 31 January. The Moabsvelden Opencast Coal Resource Estimates comprise 28.85 Mt (94%) Measured and 2.0 Mt (6%) Indicated Coal Resource Estimates, for a Total Resource Estimate of 30.84 Mt (MTIS).

All Coal Resources are reported as at 31 January 2019, and 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 are:

- Measured Resource - 13%;
- Indicated Resource - 17%; and
- Inferred Resource - 20%.

Table 19. Moabsvelden Resource Estimate as at 31 March 2019

Moabsvelden Resource Summary as at 31 March 2019 (74% Attributable)								
	Coal Resource Estimate (ADB)				Raw Coal Qualities (ADB)			
	Inferred Mt	Indicated Mt	Measured Mt	Total Mt	CV (MJ/kg)	ASH (%)	VM (%)	TS (%)
Moabsvelden 74% Attributable		**1.48**	**21.35**	**22.82**	**18.97**	**37.71**	**22.22**	**0.90**
Opencast Total	-	**2.00**	**28.85**	**30.84**	**18.97**	**37.71**	**22.22**	**0.90**
5 Seam		0.16	2.44	2.59	16.22	41.22	22.54	1.14
4UU Seam		0.00	0.11	0.50	14.00	45.56	19.36	1.10
4U Seam		0.39	6.08	6.55	12.90	47.44	17.52	0.54
4L Seam		0.47	6.99	7.46	20.91	26.64	22.51	1.06
2U Seam		0.66	3.86	4.51	15.80	40.31	19.18	0.58
2L Seam		0.32	9.37	9.69	19.84	30.81	22.01	0.88

Table 20. Moabsvelden Resource Reconciliation

Reconciliation Mar'18 to Mar'19 Estimates			
Coal Resource Estimate (ADB)			
	Venmyn Estimate Mar' 17 Mt	KJB (Miptec) Estimate Mar' 19 Mt	Variance Mt
Moabsvelden 74% Attributable	35.36	22.82	12.53
Opencast Total	47.78	30.84	16.94
5 Seam	2.77	2.59	0.18
4UU Seam	1.02	0.11	0.91
4U Seam	8.46	6.48	1.98
4L Seam	11.49	7.46	4.03
2U Seam	9.97	4.51	5.46
2L Seam	10.21	9.69	0.52
1 Seam	3.86	0.00	3.86

The difference in Coal Resource Estimates between the 2018 and 2019 can be explained by the fact that a new geological model was built – the constraints of which were guided by the mining engineer and quality requirements as stipulated by the client (Eskom) in order to produce a realistic Coal Resource Estimate, with emphasis on the potential for economic extraction. The cut-offs applied to the 2018 resource estimate were also slightly higher than the 2017 cut-offs applied.

Coal Reserves

Moabsvelden is designed as an opencast mine and satellite pit to the adjacent Vanggatfontein Colliery. It will employ the roll over methodology after the initial boxcut, similar to the adjacent Vanggatfontein Colliery. The Coal Reserves for Moabsvelden, as at 31 January 2019, were independently estimated, classified and signed off by Mr L Raaths, currently in the employ of Miptec. No further changes were applied to the geological model during the update on the Moabsvelden Coal Resources which underpinned the update to the Coal Reserves in accordance with the SAMREC Code as of 31 January 2019 by Miptec, and therefore the reserve estimate remains unchanged. The Moabsvelden Coal Reserves have been declared on an AR basis. The current Coal Reserve statement is presented in Table 21, and shown in Figure 16.

Table 21. Moabsvelden Reserve estimate 31 March 2019

MOABSVELDEN RESERVE ESTIMATE 31 Mar 2019 (74% Wescoal 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 PROJECT OPENCAST	PROVEN	S5	2.40	2.45	1.77	72%	19.03	34.33	24.84	0.93
		S4UU	0.39	0.40	0.40	100%	21.10	30.61	28.94	2.84
		S4U	2.78	2.84	1.03	36%	19.00	32.11	20.06	0.54
		S4L	6.63	6.78	6.78	100%	20.95	26.25	22.84	1.04
		S2U	3.34	3.42	2.18	64%	19.00	31.99	20.56	0.43
		S2L	7.97	8.15	8.15	100%	20.34	29.41	22.80	0.83
		TOTAL	**23.51**	**24.04**	**20.31**	**84%**	**20.23**	**29.22**	**22.73**	**0.89**
	PROBABLE	S5	0.30	0.31	0.21	69%	19.00	34.31	23.75	0.79
		S4UU	0.10	0.11	0.10	99%	22.55	26.17	29.86	4.28
		S4U	0.83	0.84	0.35	42%	19.00	31.88	18.82	0.52
		S4L	1.45	1.48	1.48	100%	20.78	26.18	21.52	1.14
		S2U	0.65	0.67	0.44	66%	19.00	32.14	19.55	0.53
		S2L	1.54	1.57	1.57	100%	19.44	31.70	20.89	0.86
		TOTAL	**4.87**	**4.98**	**4.16**	**84%**	**19.89**	**29.79**	**21.17**	**0.98**
	100% basis	**MINE**	**28.38**	**29.01**	**24.47**	**84%**	**20.18**	**29.32**	**22.47**	**0.90**
	74% Basis	**MINE**	**21.00**	**21.47**	**18.11**	**84%**	**20.18**	**29.32**	**22.47**	**0.90**

Figure 16. Moabsvelden Reserves as at 31 March 2019

Modifying Factors

The Mineable Coal Resources on Moabsvelden were limited largely by the extent of the buffer zone surrounding the wetland in the north of the Moabsvelden licence area. Planning has been based on a 150m buffer between the nearest workings and the wetland delineation, informed by the conditions set out in the IWUL. Coal cut-offs on 0.5m seam thickness, 24% DAFV except for 4U and 2U seams, which have a 20% DAFV cut-off applied as these seams will be washed. Total losses of 15%, 3% contamination and 4% additional moisture for the As Received calculation were applied.

Marketing

The integration of Moabsvelden into the Vanggatfontein complex has been designed to take advantage of existing management and infrastructure, as well as to supply existing consumer segments. The No.5 Seam, No. 4U Seam and No. 2U Seam will be selectively processed in a dense medium processing plant with the remainder of the ROM only crushed and screened after which the two products will be blended and send to the client. ROM will be processed at a planned new processing facility to be constructed on the WRB at Vanggatfontein.
Wescoal currently plans to produce a low-quality Eskom product with an indicator calorific value of 18.8 MJ/kg, a volatile matter content of 19% and an ash percentage not exceeding 35%. The coal supply agreement process with Eskom is at an advanced staged.

Environmental

As no mining activities have commenced as at the date of this report – there are no associated environmental risks or liabilities apart from what could result from exploration. For that a guarantee is in place with Centriq. To the value of ZAR 11.7 m as at 31 March 2019.

Risks

TYPE OF RISK	RISK	MITIGATION	LEVEL OF RISK
Operational	Waste Dump space	Investigating use of neighbouring surface area	Medium
Dolerite Intrusions	Although the sill has been extensively surveyed (aeromag) and drilled, there may be additional intrusive features that have not been identified. This may have an impact on reserves, mining and coal qualities.	Careful analysis and wireline logging of the pre-split holes. Regular sampling of the ROM coal.	Low

Sterkfontein

The Sterkfontein Project (Sterkfontein) is situated in the Highveld Coalfield of South Africa. It extends over portions of ten farms and covers a footprint measuring approximately 16km in a north south direction, and approximately 9km in an east west direction for a total area of 7,926ha. Exploration at Sterkfontein targets the No.4 Lower (No.4L) and No.4 Upper (No.4U) Seams of the Highveld Coalfield. It is planned for the Sterkfontein coal to be mined using an underground bord and pillar method with the use of continuous miners. The coal is intended to be processed using a double-stage circuit to produce a primary export thermal product and a middlings product for potential sale to Eskom.

The northern edge of the Sterkfontein Project is located approximately 5km southwest of the town of Bethal (Figure ES 22) in the Mpumalanga Province of South Africa, approximately 149km east southeast of Johannesburg. The nearest main centre is the town of Ermelo, approximately 56km east of Bethal. Location 26 degrees 31 minutes South, 29 degrees 24 Minutes East.

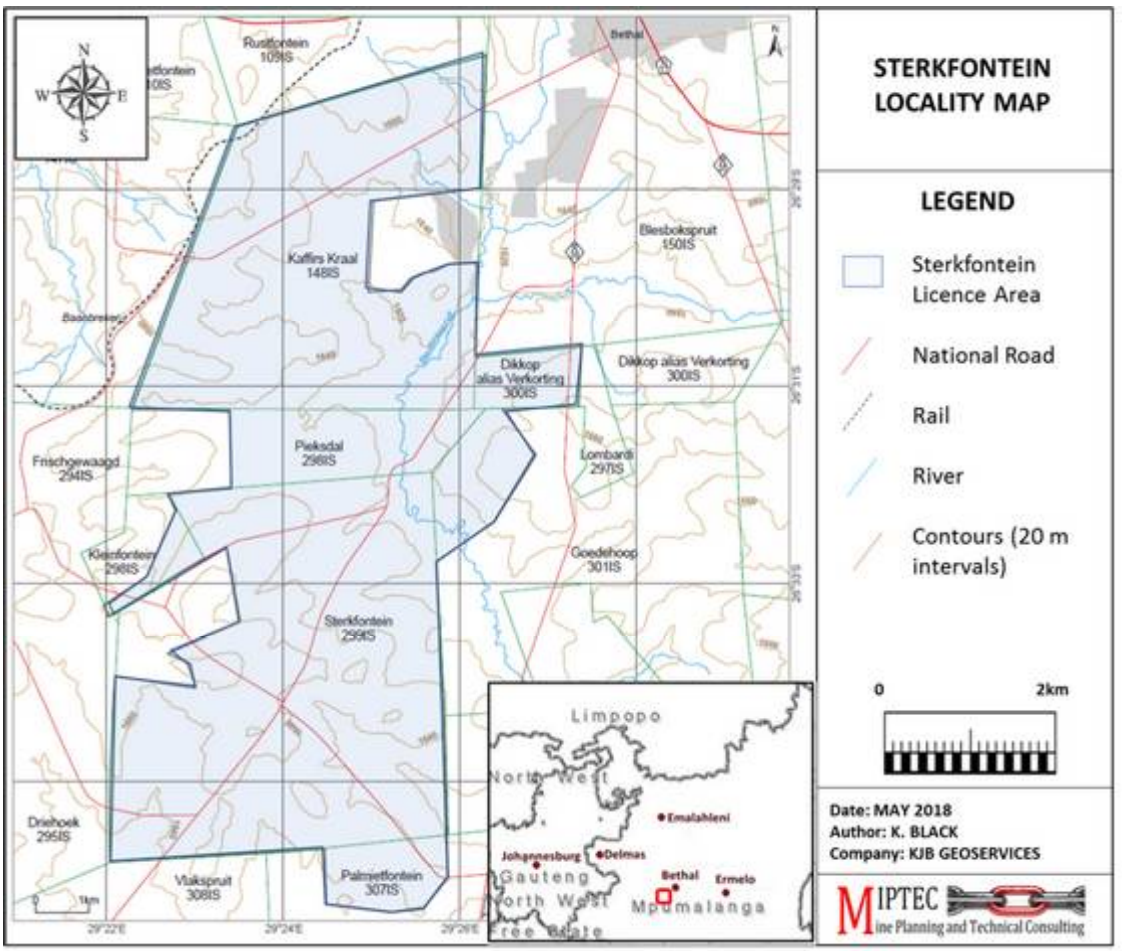

Figure 17. Sterkfontein Locality Map

The Sterkfontein project comprises five Prospecting Rights held in the names of Keaton Mining and Labohlano Trading 46 (Pty) Limited (Labohlano).

- The farm properties which constitute Sterkfontein are illustrated in Figure 17 above. Prospecting Rights, MP 30/5/1/1/2/443 PR and MP 30/5/1/1/2/444 PR, held by Keaton Mining, were both renewed on 26 November 2014 and now expire in November 2017;
- Prospecting Right number MP 30/5/1/1/2/1827 PR, held by Keaton Mining, remains valid until December 2017. Prospecting Right number MP 30/5/1/1/2/2053 PR, also held by Keaton Mining, expired in December 2015. The application for renewal was submitted to the DMR timeously and remained in process at the date of this report; and
- Prospecting Right MP 30/5/1/1/2/1720 PR is held by Labohlano (Table 1). The Prospecting Right was renewed in 2014 and will now expire in November 2017. KEHL applied for 2 mining rights in December 2017 with a simultaneous Section 102 that will consolidate the Mining right into one Mining right once granted.

Coal Resources

The Coal Resource Estimates for Sterkfontein were most recently compiled by Dr EA Schneiderhan of CCIC Coal and included in the 31 January 2017 CPR compiled by Venmyn Deloitte entitled “Independent Competent Persons Report on the Coal Assets of Keaton Energy Holdings Limited”. As no recent work has been conducted on the Sterkfontein Project, the Coal Resource Estimates contained in this report, are as per the 2017 Venmyn Deloitte CPR.

The coal seams within the Sterkfontein Project area are defined as multiple seam type as per SANS10320:2004. Whilst both the No.5 and No.4 Seams of the Highveld Coalfield are present, the main economic target is however only the No.4 (Upper and Lower) Seam.

For the Coal Resource Estimate, a minimum seam thickness of 1.4m has been used as a minimum practical mining height of a Joy 14HM15 continuous miner and / or conventional drill and blast mining.
A minimum cut-off of 50% ash and 24% DAFVOL (to account for devolatilised coal as per the SANS10320:2004 guidelines) has been applied to all estimated Coal Resources. In order to convert GTIS to TTIS geological losses of 10% and 15% have been applied to account for unexpected projected losses due to dolerite intrusions, geological structure and geological complexity. No modelling error was applied. The application of a 1.4m mining height was used to estimate the MTIS.

Table 22. Sterkfontein Project Resource Estimation as at 31 March 2019 (as per 2017 Venmyn CPR))

At 31 March 2018 (100% attributable)									
		Coal Resource (MTIS) (AD)				Raw Coal Quality (AD)			
		Inferred Mt	Indicated Mt	Measured Mt	Total Mt	CV (AD) MJ/kg	ASH (AD) %	VM (AD) %	TS (AD) %
STERKFONTEIN PROJECT UNDERGROUND		**40.64**	**50.29**	**-**	**90.93**	**19.86**	**31.32**	**25.66**	**1.33**
Block 3		**-**	**50.29**	**-**	**50.29**	**20.79**	**29.31**	**26.13**	**1.42**
	4U Seam		0.99		0.99	18.89	33.23	21.13	1.80
	4L Seam		49.30		49.30	20.83	29.23	26.23	1.41
Block 2A		**22.87**	**-**	**-**	**22.87**	**19.82**	**31.05**	**26.09**	**1.23**
	4U Seam	0.12			0.12	20.68	28.48	25.93	1.59
	4L Seam	22.75			22.75	19.82	31.06	26.09	1.23
Block 2B		**10.65**	**-**	**-**	**10.65**	**18.95**	**33.30**	**24.61**	**1.50**
	4U Seam				-				
	4L Seam	10.65			10.65	18.95	33.30	24.61	1.50
Block 1		**7.12**	**-**	**-**	**7.12**	**14.74**	**43.39**	**22.53**	**0.71**
	4U Seam				-				
	4L Seam	7.12			7.12	14.74	43.39	22.53	0.71

Coal Reserves

No Coal Reserves have been declared for Sterkfontein.

Coal market

Wescoal currently does not have an offtake agreement for saleable product at Sterkfontein but the coal quality lends itself to a product for both the export and domestic thermal markets.

Leeuw Braakfontein Colliery

The Leeuw Braakfontein Colliery Project (LBC) is an Advanced-stage exploration property. LBC is situated on the Klip River Coalfield in South Africa. It extends over portions of three farms and covers a total area of 1,951.66ha. LBC targets the Top and Bottom Seams of the Klip River Coalfield. It is planned for the LBC coal to be mined using predominantly underground mining methods, making use of the bord and pillar mining method, with the use of continuous miners. Shallow coal on the flanks of the Coal Resource area have the potential to be extracted using open cast methods. The coal is planned to be processed using a double-stage process targeting a primary export thermal product and a middlings product for potential sale to Eskom.

LBC is located approximately 10km east-southeast of the town of Newcastle (Figure 18) in the KwaZulu-Natal province of South Africa. The project is situated approximately 30km southwest of Utrecht, approximately 80km south of Volksrust, approximately 120km west of Vryheid and approximately 60km north of the coal mining town of Dundee. Location 26.2047S, 28.8325E.

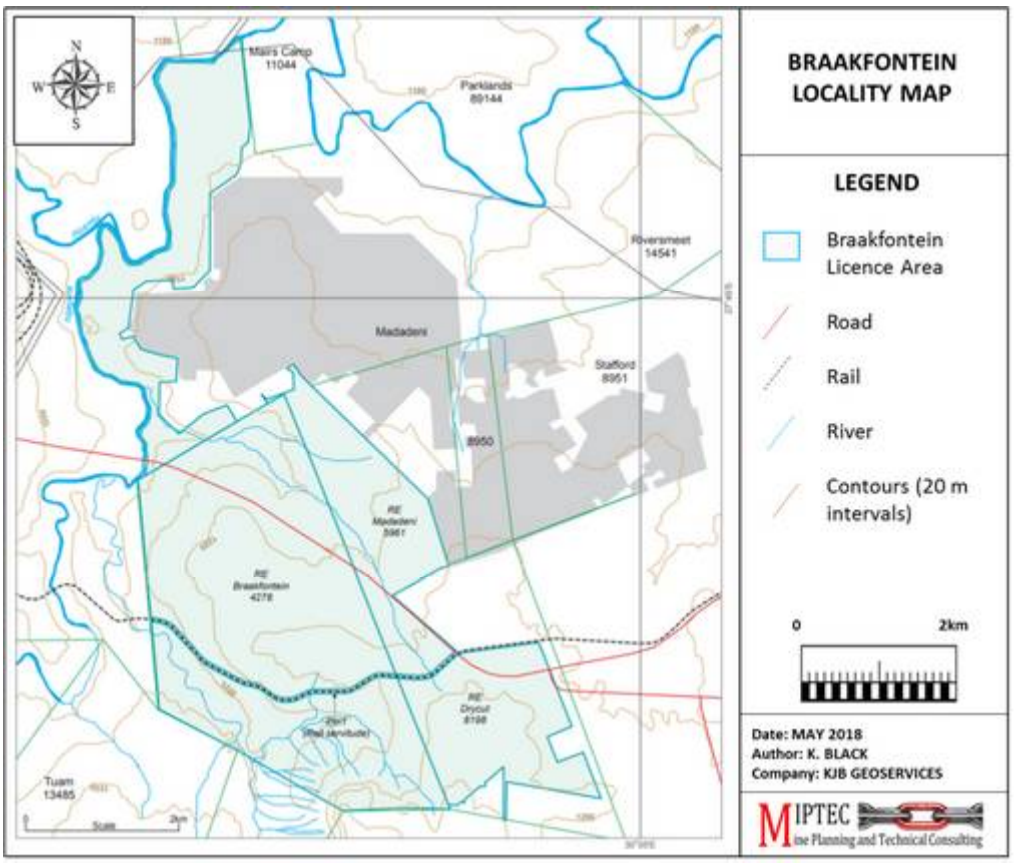

Figure 18. Braakfontein Locality Map

LBC is 100% owned by KEHL and comprises a single Mining Right (KZN 30/5/1/2/2/143 MR) issued to LBC. Venmyn Deloitte has reviewed a copy of this Mining Right. The Mining Right was executed on 29 August 2007 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 in force for a period of 30 years, ending on 28 August 2037.

KEHL holds an approved EMP (dated 29 August 2007) and Mining Right (Ref No. KZN 30/5/1/2/2/143 MR), which was awarded to LBC on 29 August 2007. This Mining Right will continue in force for a period of 30 years. However, operations at Braakfontein have not yet recommenced since the first box-cut excavation in 2008. An EMP amendment will have to be conducted should KEHL plan to proceed with activities.

KEHL does not have an Environmental Authorisation at this stage. The EMP amendment process will have to run concurrently with the NEMA EIA in line with the One Environmental System through the DMR.

The current financial closure liability associated with Braakfontein is ZAR4,1m.

Coal Resources

The Coal Resource Estimates for LBC were most recently compiled by Dr EA Schneiderhan of CCIC Coal and included in the 31 January 2017 CPR compiled by Venmyn Deloitte entitled “Independent Competent Persons Report on the Coal Assets of Keaton Energy Holdings Limited”. As no recent work has been conducted on the LBC Project, the Coal Resource Estimates contained in this report, are as per the 2017 Venmyn Deloitte CPR.

Table 23. Braakfontein Resource estimate 31 March 2019 (No change from Venmyn 2017)

At 31 March 2018 (100% attributable)	Coal Resource (MTIS) (AD)				Raw Coal Quality (AD)			
	Inferred	Indicated	Measured	Total	CV (AD)	ASH (AD)	VM (AD)	TS (AD)
	Mt	Mt	Mt	Mt	MJ/kg	%	%	%
BRAAKFONTEIN PROJECT	**-**	**60.06**	**-**	**60.06**	**23.01**	**28.74**	**22.34**	**1.62**
Top Seam Opencast	**-**	**6.90**	**-**	**6.90**	**21.96**	**31.21**	**20.76**	**1.95**
BFN		4.65		4.65	21.53	31.52	21.11	1.85
SWT		0.37		0.37	22.96	30.02	21.29	2.13
DCT		1.89		1.89	22.83	30.69	19.81	2.17
Top Seam Underground	**-**	**29.73**	**-**	**29.73**	**22.86**	**29.56**	**22.17**	**1.86**
BFN		24.61		24.61	22.87	29.57	22.29	1.81
SWT		3.38		3.38	22.66	29.99	21.21	2.04
DCT		1.75		1.75	23.15	28.57	22.29	2.14
Bottom Seam Opencast	**-**	**4.53**	**-**	**4.53**	**23.15**	**28.00**	**22.68**	**1.28**
BFN		3.01		3.01	23.19	27.30	23.86	1.40
SWT		0.49		0.49	21.83	32.16	21.45	1.17
DCT		1.04		1.04	23.68	28.07	19.82	1.00
Bottom Seam Underground	**-**	**18.90**	**-**	**18.90**	**23.59**	**26.73**	**23.12**	**1.22**
BFN		15.00		15.00	23.59	26.60	23.43	1.23
SWT		2.78		2.78	23.51	27.15	22.21	1.31
DCT		1.12		1.12	23.84	27.36	21.22	0.92

For the Coal Resource Estimate, a minimum seam thickness of 1.4m has been used as a minimum practical mining height of a Joy 14HM15 continuous miner and / or conventional drill and blast mining. A minimum seam thickness of > 0.5m was used for the opencast resources, and a strip ratio of < 6:1 was applied.

A minimum cut-off of 50% ash and 24% DAFVOL (to account for devolatilised coal as per the SANS10320:2004 guidelines) has been applied to all estimated Coal Resources. In order to convert GTIS to TTIS geological losses of 20% have been applied to account for unexpected projected losses due to dolerite intrusions, geological structure and geological complexity. No modelling error was applied. The application of a 1.4m mining height was used to estimate the MTIS.

Coal Reserves

No Coal Reserves have been declared for LBC.

CERTIFICATES OF COMPETENT PERSONS

JSE 12.9 (c), JSE 12.9 (d), JSE 12.11 (i) (6), JSE 12.11 (i) 5, JSE 12.11 (i) 6,

1.1 Certificate of Competent Person Leonardt Raaths and Consent

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. B.Tech. in Mining Engineering, BSc. Operations research and MBL
4. More than 25 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 and SAMVAL code.
6. I have undertaken to compile the combined Resource and Reserve update statement for Wescoal on their current coal assets 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 resources and reserves and to oversee the compilation of the R&R update as lead CP.
7. I have personally visited and inspected the Elandspruit, Khanyisa and Vanggatfontein sites during 2019.
8. I am responsible for the reserve estimations on Elandspruit, Khanyisa, Vanggatfontein and Moabsvelden as well as being overall responsible for the update report as lead CP.
9. 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 Wescoal Mining and Wescoal Holdings.
12. I have read the SAMREC and SAMVAL code (2016) and the R&R update report has been prepared partially in accordance with the guidelines of the SAMREC code with the restriction on the disclosure of business intelligence and confidential information.
13. I do not have, nor do I expect to receive, a direct or indirect interest in Wescoal Holdings
14. At the effective date of the report, to the best of my knowledge, information and belief, the report contains sufficient scientific and technical information that is required to be disclosed to not make the report misleading.
15. I hereby provide written approval for my contribution to this report to be issued into a Public Report in the form, content and context in which it appears herein.

Signed at Witbank on this 21st day of June 2019

Leonardt Raaths

1.2 Certificate of Competent Person Katherine Black and Consent

As a contributing author to the report titled, Independent Competent Persons Report on the coal assets of Wescoal Holdings Limited, I hereby state:

1. My name is Katherine Black and I am a Director of KJB GeoServices, located at 60 Curvy Road, 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 Elandspruit, Khanyisa, Moabsvelden and Vanggatfontein Geological Sections of the report. Geological sections for Braakfontein and Sterkfontein were extracted from the Venmyn Deloitte 2017 CPR with consent from Venmyn Deloitte.
7. I am responsible for the transparent and material reporting of coal assets in this report.
8. I am independent of Wescoal Holdings Limited.
9. 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;
10. I have read the SAMREC Code (2016) and the R&R update Report has been prepared partially in accordance with the guidelines of the SAMREC Code.
11. I do not have nor do I expect to receive a direct or indirect interest in any of Wescoal Holdings assets contained in the Report.
12. At the effective date of the Report, 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.
13. I hereby provide written approval for my contribution to this report to be issued into a Public Report in the form, content and context in which it appears herein.

Signed at Randburg on this 21st day of June 2019

Katherine Black