

WESCOAL HOLDINGS LIMITED
Incorporated in the Republic of South Africa
(Registration number 2005/006913/06)
Share code: WSL
ISIN: ZAE000069639
(“Wescoal” or the “Company”)

Wescoal delivers first own coal sales from Moabsvelden

Shareholders are referred to the voluntary SENS update of 25 January 2021, in terms of which, Wescoal indicated that production from the Moabsvelden mine was anticipated in Q4'FY21. Wescoal is proud to inform shareholders that it successfully performed first coal blast at Moabsvelden which led to first own coal sales delivery to Eskom Holdings SOC Limited (“Eskom”) on Friday, 12 March 2021.

“The operationalisation of the Moabsvelden project under a difficult operating economic environment represents a significant milestone in the history of Wescoal, since the acquisition of Keaton Energy Holdings Limited in 2017. The first truck load to the power utility was a momentous event for everyone involved in the project implementation”, said Mr Thivha Tshithavhane, the CEO of Wescoal Mining.

The project development work commenced in June 2020 pursuant to the 10-year coal supply offtake award by Eskom in July 2019. An owners’ team comprising of internal and external multi-disciplined resources was tasked with operationalising the project, with the first major task involving the appointment of a contract miner for the boxcut development. The team, under the leadership of Mr. Enos Lentsoane, the Executive Head of Commercial and Investments, designed and ran a competitive bidding process for the contract miner selection and other contractors for the auxiliary infrastructure development work.

Wescoal values its relationship with the communities where it mines. Moabsvelden is in Delmas and falls under the Victor Khanye Local Municipality (“VKLM”). All the early-works infrastructure development workstreams were earmarked for suitably qualified VKLM contractors. In addition, a tripartite forum was set up between VKLM community structures, Moabsvelden and the boxcut contract miner to specifically deal with project development issues and community participation.

Moabsvelden is expected to contribute three (3) million tonnes per annum of mined coal towards Wescoal's production capacity and presents a new growth opportunity for all our key stakeholders, namely shareholders, employees, and communities.

The early-works auxiliary infrastructure projects have been completed and the construction of a pollution control dam is currently underway. Additional development workstreams planned for the next few months include a road intersection, weighbridge, workshop, and office prefabs construction. These will support the ramp-up plan to 160 000 tonnes a month of saleable product by July 2021.

“The operationalisation of Moabsvelden is in line with the scalability strategic pillar of the business. Management’s priorities also remain to strive for safe and reliable operations, solid and predictable financial performance and to maximise value from the existing asset base.

Planning and executing projects in a conservative, risk-based manner will continue to form the basis on which Wescoal will manage and realise value from its growth plans.”, added Mr Robinson Ramaite, the Interim Group Chief Executive Officer.

Shareholders can visit the Wescoal website at www.wescoal.com to view pictures and videos of Moabsvelden project development.

Shareholders are advised that the financial information included in any forecasts made, has not been reviewed or reported on the Company’s auditors.

18 March 2021

Sponsor
Nedbank Corporate and Investment Banking

IR Advisor
Singular IR