
SALUNGANO GROUP LIMITED
Incorporated in the Republic of South Africa
(Registration number 2005/006913/06)
Share code: SLG ISIN: ZAE000306890
(“**Salungano Group**” or “**the Company**”)

RENEWAL OF CAUTIONARY ANNOUNCEMENTS

Shareholders are referred to:

- the cautionary announcement released on SENS on 25 August 2023 and the subsequent renewals thereof, the last of which was dated 12 April 2024, regarding the voluntary business rescue of Wescoal Mining Proprietary Limited (“**Wescoal Mining**”) (comprising the Elandspruit and Khanyisa operations), a wholly-owned subsidiary of the Company (“**Wescoal Mining Cautionary**”). Shareholders were advised in the renewal of cautionary announcements dated 12 April 2024 that the publication of the proposed business rescue plan had been postponed until 28 June 2024; and
- the further cautionary announcement released on SENS on 27 February 2024 regarding the application to place Keaton Mining Proprietary Limited (“**Keaton Mining**”), a wholly-owned subsidiary of the Company’s wholly-owned subsidiary, Keaton Energy Holdings Limited (“**Keaton Energy Holdings**”) under supervision and to commence business rescue proceedings (“**Business Rescue Application**”) (“**Keaton Mining Cautionary**”), and the renewal thereof dated 12 April 2024.

Shareholders are hereby advised that with respect to:

- Wescoal Mining, the operations of Elandspruit and Khanyisa will predominantly be in a state of care and maintenance, with limited activity based on the discretion of the Business Rescue Practitioners (“**BRPs**”) until an alternative course of action is determined by the BRPs; and
- Keaton Mining:
 - o a hearing date for the application for leave to appeal against the judgment in terms of which the Business Rescue Application had been dismissed, as referred to in the renewal of cautionary announcements released on 12 April 2024, is still being awaited; and
 - o the Board has been informed that one of Keaton Mining’s creditors has obtained a provisional liquidation order against the company, with the liquidation hearing scheduled for 3 July 2024. In the interim, the ongoing discussions with all major creditors to reach a compromise with Keaton Mining in terms of section 155 of the Companies Act, 71 of 2008, as amended (“**section 155 compromise**”), have markedly progressed. A successful compromise proposal prior to 3 July 2024, sanctioned by the court, is envisaged. This will serve to uplift the provisional liquidation status of Keaton Mining. Currently, operations at the Vanggatfontein mine are continuing by agreement with the provisional liquidators. Shareholders will be further informed on this matter in subsequent SENS announcements.

As the outcome of the business rescue processes relating to Wescoal Mining, the appeal relating to the dismissal of the Business Rescue Application relating to Keaton Mining, as well as the provisional liquidation process and foreseen section 155 compromise may have a material effect on the price of Salungano Group’s securities, shareholders are advised to continue to exercise caution when dealing in the Company’s securities until further announcements are made.

Johannesburg
20 May 2024

Sponsor
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