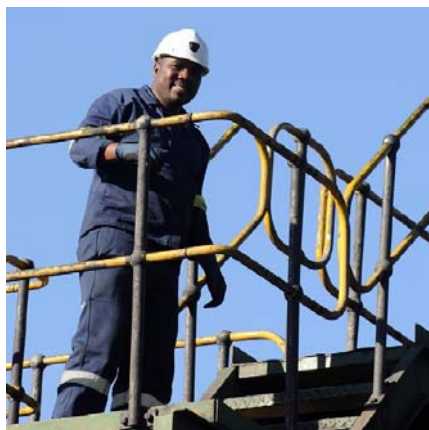


ANNUAL RESULTS PRESENTATION

FOR THE YEAR ENDED 31 MARCH 2017



28 JUNE 2017

IMPORTANT NOTICE



This document has been prepared by Wescoal Holdings Limited (the "Company"). For the purposes of this notice, the presentation that follows (the "Presentation") shall mean and include the slides that follow, the oral presentation of the slides by the Company, any question-and-answer session that follows that oral presentation, hard copies of this document and any materials distributed at, or in connection with, that presentation. By attending the meeting at which the Presentation is made, or by reading the Presentation slides, you will be deemed to have (i) agreed to all of the following restrictions and made the following undertakings and (ii) acknowledged that you understand the legal and regulatory sanctions attached to the misuse, disclosure or improper circulation of the Presentation.

The Presentation is has been furnished to you solely for your information and may not be reproduced, redistributed or disclosed in any way, in whole or in part, directly or indirectly, to any other person without the prior written consent of the Company. Your obligations as set out in this notice will continue in respect of the information contained in the Presentation until such time as, and then only to the extent that, any such information is made available to the public. The Company may not be making the information contained herein public, except to the extent required by law or regulation. If this is not acceptable to you, you should not receive the information contained in the Presentation.

The information contained in the Presentation, including market information from third parties, has not been independently verified and no representation or warranty, express or implied, is made as to, and no reliance should be placed, on the fairness, accuracy, completeness or correctness of the information or opinions expressed herein. The information and opinions contained in this Presentation do not purport to be comprehensive, are provided as at the date of the document and are subject to change without notice. The Company is not under any obligation to update or keep current the information contained in the Presentation. The Company, its subsidiaries, or any of their respective affiliates, directors, officers, employees, agents, JSE Sponsors, Singular Systems or any other person shall have no liability whatsoever (in negligence or otherwise) for any loss howsoever arising from any use of the Presentation or its contents or otherwise arising in connection with the Presentation. Singular Systems is acting for the Company in connection with the Presentation and will not be responsible to anyone other than the Company for providing the protections afforded to clients.

Statements in the Presentation, including those regarding the possible or assumed future or other performance of the Company or its industry or other trend projections, constitute forward-looking statements. By their nature, forward-looking statements involve known and un-known risks, uncertainties, assumptions and other factors because they relate to events and depend on circumstances that will occur in the future whether or not outside the control of the Company. Such factors may cause actual results, performance or developments to differ materially from those expressed or implied by such forward-looking statements. Accordingly, no assurance is given that such forward-looking statements will prove to have been correct. They speak only as at the date of the Presentation and the Company undertakes no obligation to update these forward-looking statements.

CONTENTS

- 1 Strategic update
- 2 Operational review
- 3 Financial performance
- 4 The road ahead
- 5 Investment case and relative performance indicators

WESCOAL

STRATEGIC UPDATE



STRATEGIC PRIORITIES

- To sustainably grow the business by playing an active role as a consolidator in the coal sector and continuing to consider value enhancing opportunities
- To strive for safe production
- To deliver solid and predictable operational and financial performances

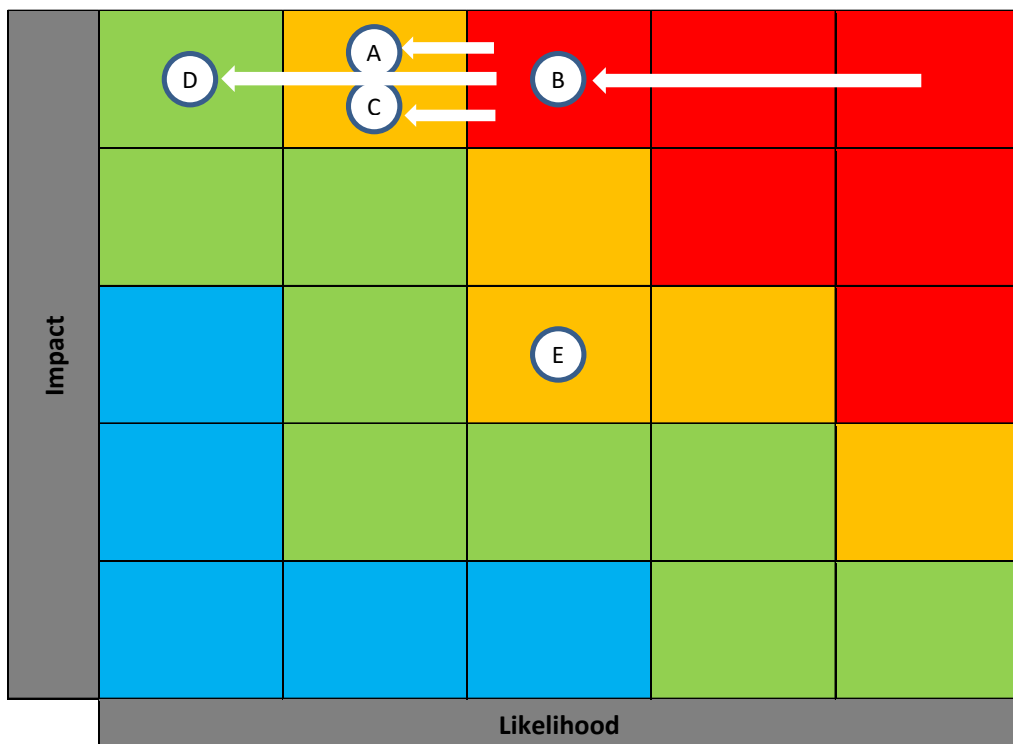
MILESTONE ACHIEVEMENTS

- Multiple coal supply contracts concluded:
 - › Eskom – 7.8 million tons of coal over a 5 year period
 - › Exports – 3 million tons of coal over a 3 year period
 - › Increased revenue from other domestic coal sales and business initiatives as we continue to diversify revenue streams
- Transformation agenda spearheaded by BEE transaction concluded:
 - › Guaranteed black shareholding in excess of 50% for the next 5 years
 - › c.R176m in equity injected into the business
- Keaton acquisition now unconditional – enlarged group to benefit from:
 - › Diverse asset and shareholder base
 - › Economies of scale and synergies
 - › Scale of production and resource size
 - › Balance sheet and free cash generation

OPERATIONS ON A SOLID PLATFORM

- Disciplined capital allocation programme resulting in:
 - › Elandspruit operations maturing into the stable, predictable flagship operation originally contemplated
 - › Innovative improvements at the Processing Plant – ROM feed capacity consistently above 200ktpm
 - › Intibane production averaging 75ktpm in line with expectations
- Consummation of JV at Kanyisa complex coupled with regulatory consents now in place for mining:
 - › Production expected to ramp up safely to c.290kt for H1 FY18.
- Trading division right-sizing successes:
 - › Reduced operational gearing
 - › Improved collections
 - › Margins stable
- Employment equity plans bearing fruit:
 - › Appointment of senior managers from designated groups included the transition of a new CEO for the mining business
- Continued investment in our communities:
 - › c.R2 million allocated to enterprise development
 - › c.R6 million in local economic development initiatives
 - › Community upliftment projects, renovation of primary school facilities, housing initiatives, learnerships and higher education bursaries
 - › Establishment of road infrastructure

RISKS AND MITIGATIONS



NOTES:

- A. HDSA status
Key strategic objective of HDSA control was achieved reducing the significance of this risk which remains an ongoing area of focus.
- B. Life of Mine
Reduced risk via acquisitions and extending existing operations.
- C. Funding and capital structure
Key to growth objective the level of risk has declined through stable operations, improved financial performance and equity raised.
- D. Long term offtake agreements
The Eskom and export contracts have lowered the overall risk exposure.
- E. Revenue diversification
Additional off take agreements diversified revenue to the point where no single customer exceeds 50% of revenue.

OPERATIONAL REVIEW



OPERATING STRUCTURE

WESCOAL

WESCOAL
HOLDINGS LIMITED



Waheed Sulaiman
CEO



Bothwell Mazarura
CFO



Vikesh Dhanooklal
Head Legal



Bongani Hlope
Head HR



Dutch Botes
Projects

WESCOAL MINING (PTY) LTD

WESCOAL TRADING (PTY) LTD



Thivha Tshithavhane
CEO Mining



Bonani Siko
General Manager Mining



Jaap Kruger
Plant Manager



Izak van der Walt
GM Operations Finance



Mike Berry
CEO Trading

First mining activity started in 2009

Mining operations:

Khanyisa Colliery, Intibane Colliery,
Elandspruit Colliery

Processing plant:

20km from Elandspruit

Annualised production:

~3.5 million tons of coal growing to +8
million tons per annum

Mining division is base for future
growth and positioned to become a
significant local producer

First trading activity started in 2005

Trading operations:

National distribution

Multiple sourcing

Annual sales:

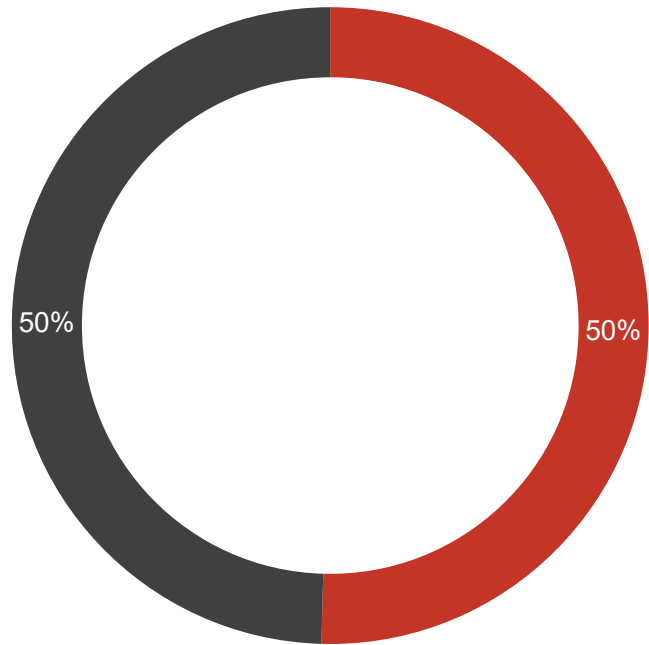
1 million tons

Trading division diversifies Group
revenue stream, generates cash flow,
source of market intelligence. Conduit
for sale of mining products

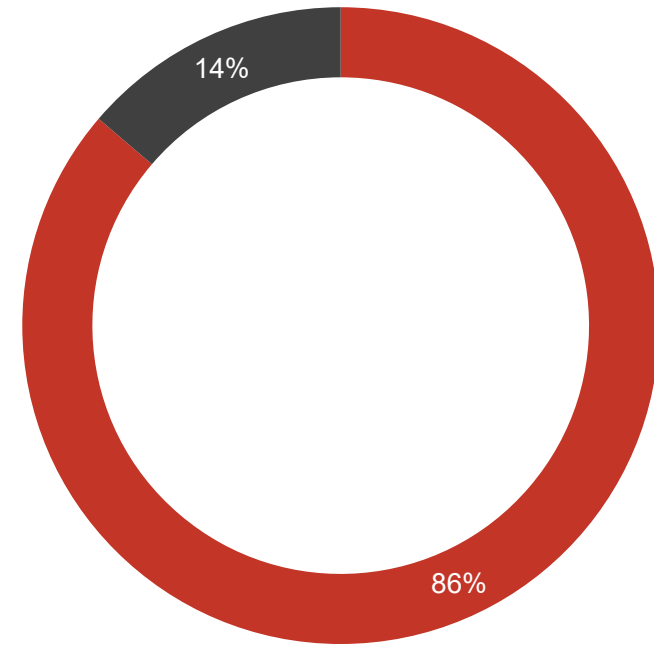
SEGMENTAL CONTRIBUTIONS (AS AT 31 MARCH 2017)

WESCOAL

REVENUE



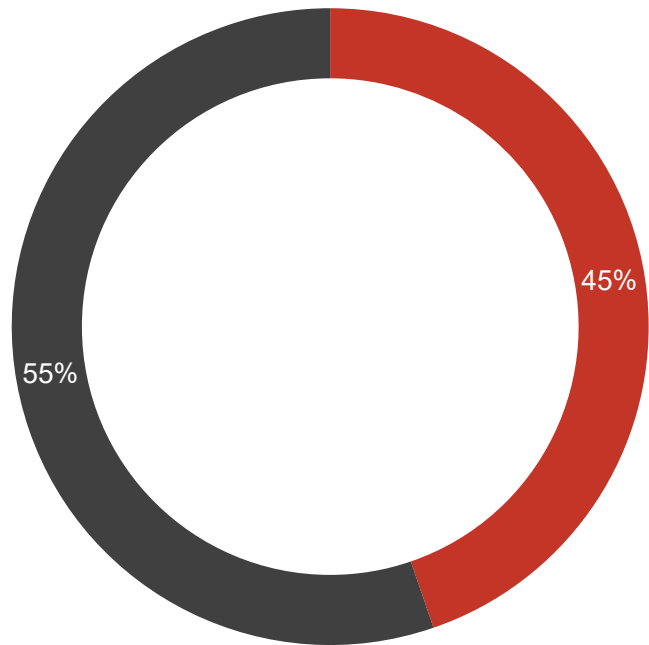
OPERATIONAL EBITDA



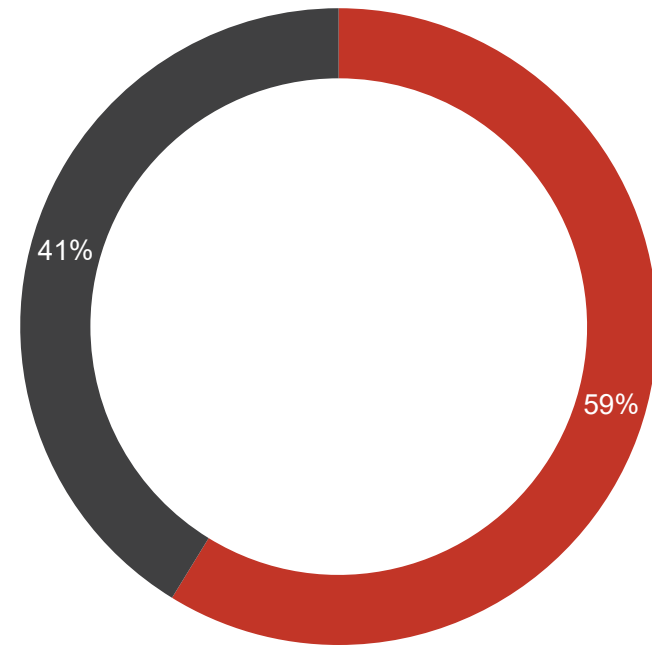
■ Mining
■ Trading

REVENUE DIVERSITY (AS AT 31 MARCH 2017)

2017 FY



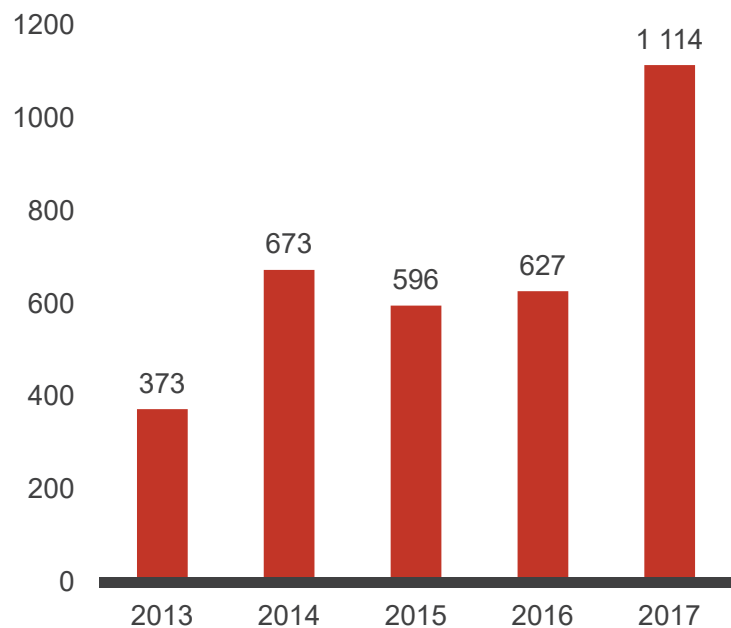
2016 FY



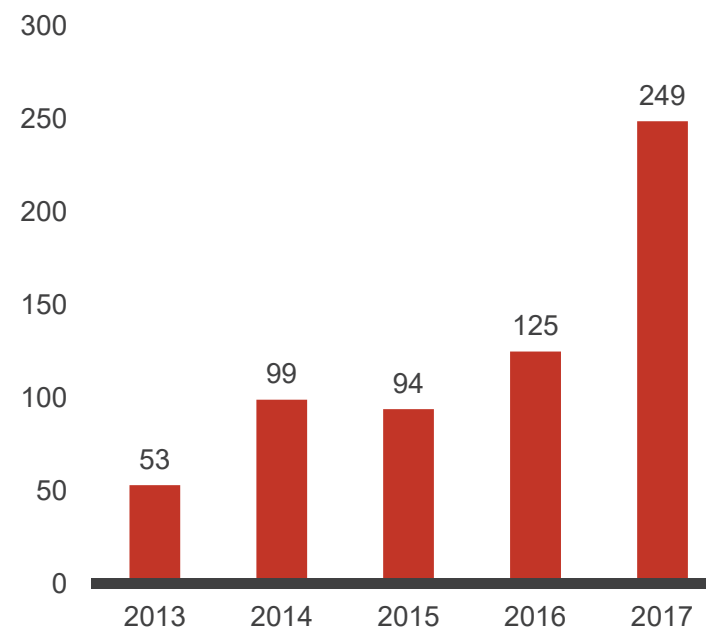
■ Eskom
■ Other

MINING DIVISION

**MINING DIVISION REVENUE
5 YEAR TRACK RECORD**



**MINING DIVISION EBITDA
5 YEAR TRACK RECORD**



Proven track record of operating existing mines, developing greenfield projects in a manner which is value accretive and responsible

PERFORMANCE	Elandspruit		Intibane		Khanyisa		Total	
	FY17	FY16	FY17	FY16	FY17	FY16	FY17	FY16
Safety - Lost-time injuries (LTIs)	3	1	-	-	-	-	3	1
Production (ROM '000)	2,516	1,214	855	561	-	76	3,371	1,851
Processing Plant Feed ('000)	2,403	1,283	845	205	-	100	3,248	1,588
Sales ('000)	2,063	1,112	853	522	-	100	2,917	1,734

SAFETY

- No LTIs at Khanyisa and Intibane for the last 2 financial years.
- Corrective controls put in place following Elandspruit and Processing LTIs.

PRODUCTION

- Elandspruit at steady state for entire FY17 almost doubling production from FY16. Underground operation introduced.
- Intibane at steady state from Q2 FY17 averaging 75ktpm.
- Khanyisa was on care & maintenance during FY17. Preparation for full production underway – 290kt target for H1 FY18.

SALES

- Sales tons up by 68% on the back of increased production from Elandspruit
- Eskom and export customer contracts concluded
- Diversity of revenue streams – Eskom sales contribution decreasing from 59% of total revenue in FY16 to 45% in FY17

PROJECTS

- Water management systems and road infrastructure
- Purchase of an adjacent mining void at Elandspruit for improved access to our reserves and increase operational flexibility
- XRT technology introduced at Intibane to improve product qualities

TRADING DIVISION UPDATE

RIGHT SIZING EXERCISE COMPLETE

- Right sizing has been successful:
 - › Objective – to reduce our exposure to low margin, high risk business and to optimize our fixed cost infrastructure. This has had the effect of making the business more robust and reducing operational gearing.
 - › Port Elizabeth and Worcester facilities closed.
 - › Relocation of our seasonal inland bagging operation from Isando to our own property based in Benoni.
 - › Notice to terminate the provision of services in Stanger.
- Stable performance:
 - › Tonnes sold increase from 1 million to 1.1 million in FY17
 - › Revenue increased from R1 billion to R1.1 billion in FY17
 - › Margins stable at 11%
 - › Improved debtor collections

- The division's national footprint continues to be a key differentiator and source of value
- Close working relationship with mining division creates operational flexibility/optionality
- Right-sizing exercise has yielded positive results

WESCOAL

FINANCIAL PERFORMANCE



FINANCIAL HIGHLIGHTS

WESCOAL

	2017	2016	Increase/ (decrease)
Mining ROM production	3.371kt	1.851kt	82% ▲
Revenue	R2 118m	R1 590m	33% ▲
Group margin	17.4%	15.8%	10% ▲
Operational EBITDA before the impact of non-recurring costs	R294.3m	R152.1m	94% ▲
Non-recurring costs*	R90.8m	-	
Operational EBITDA	R203.5m	R152.1m	34% ▲
Total comprehensive income	R30.2m	R51.8m	(42%)
HEPS before the impact of non-recurring costs and BEE share dilution	53.4 cps	27.1 cps	97% ▲
HEPS**	11.3 cps	27.1 cps	(58%)

* Made up Non-cash BEE discount of R82.3m and Keaton acquisition costs of R8.5m.

** Impacted by non-cash BEE discount (32c), BEE share dilution (7c) and once off Keaton transaction costs (3c)

Wescoal's Board has agreed to distribute R12 million to shareholders as a final dividend for the year.

The full dividend declaration will be announced on SENS in due course.

STATEMENT OF COMPREHENSIVE INCOME

WESCOAL

	March 2017 R000	March 2016 R000	% Change
Revenue	2 118 020	1 589 870	33.1
Gross profit	367 458	251 720	46.0
Gross profit margin	17.4%	15.8%	10.1
Operational EBITDA before the impact of non-recurring costs	R294 297	R152 107	93.5
Non-recurring costs	R90 780	-	
Operational EBITDA	203 518	152 107	33.8
Interest	22 850	20 919	9.2
Taxation	69 694	28 239	146.8
Total comprehensive income	30 200	51 765	(41.7)
EPS before the impact of non-recurring costs and BEE share dilution	53.8 cps	26.2 cps	105.3
EPS	11.6 cps	26.2 cps	(55.7)

SEGMENTAL REPORT

WESCOAL

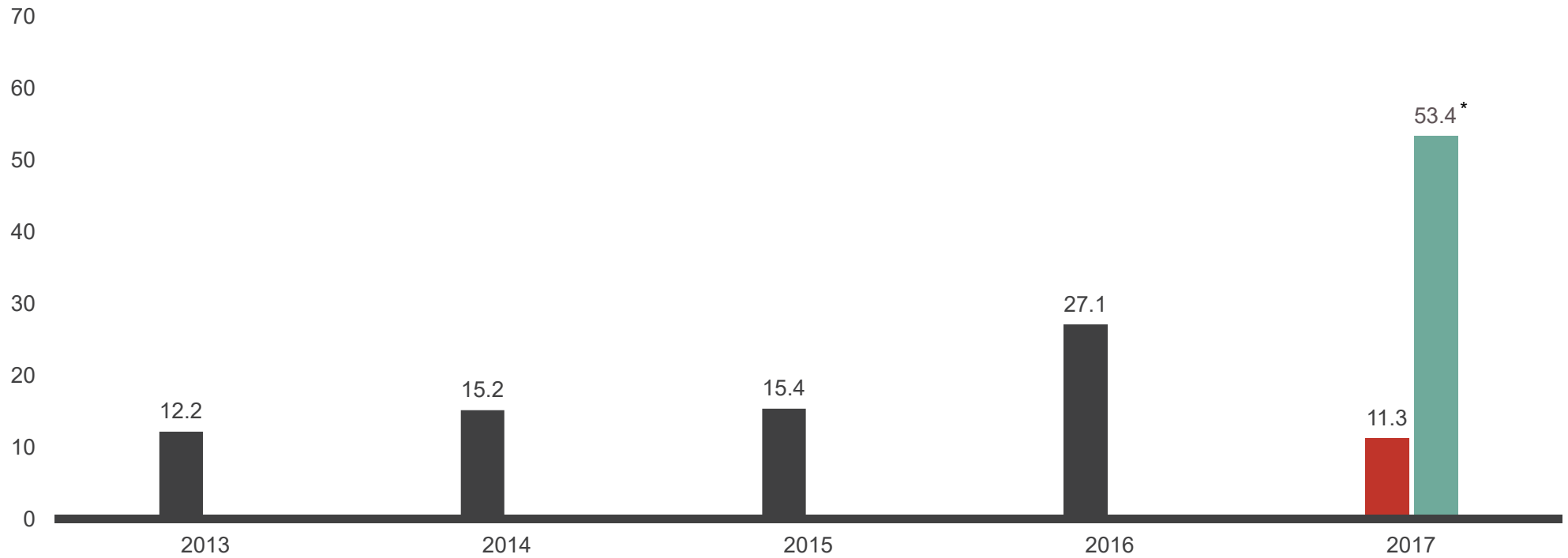
	Trading R000	Mining R000	Other R000	Total R000
31 March 2017				
Total segment revenue	1 094 265	1 113 845	(90 090)	2 118 020
Inter-segment revenue	0	(90 444)	90 044	-
External revenues	1 094 265	1 023 401	354	2 118 020
Operational EBITDA	39 734	249 265	(85 481)	203 518
Profit from operations	29 977	179 032	(86 265)	122 744
31 March 2016				
Total segment revenue	988 183	627 185	(25 498)	(1 589 870)
Inter-segment revenue	0	(26 033)	26 033	-
External revenues	988 183	601 152	535	(1 589 870)
Operational EBITDA	31 904	124 686	(4 483)	152 107
Profit from operations	19 153	88 117	(6 347)	100 923

HEADLINE EARNINGS PER SHARE

WESCOAL

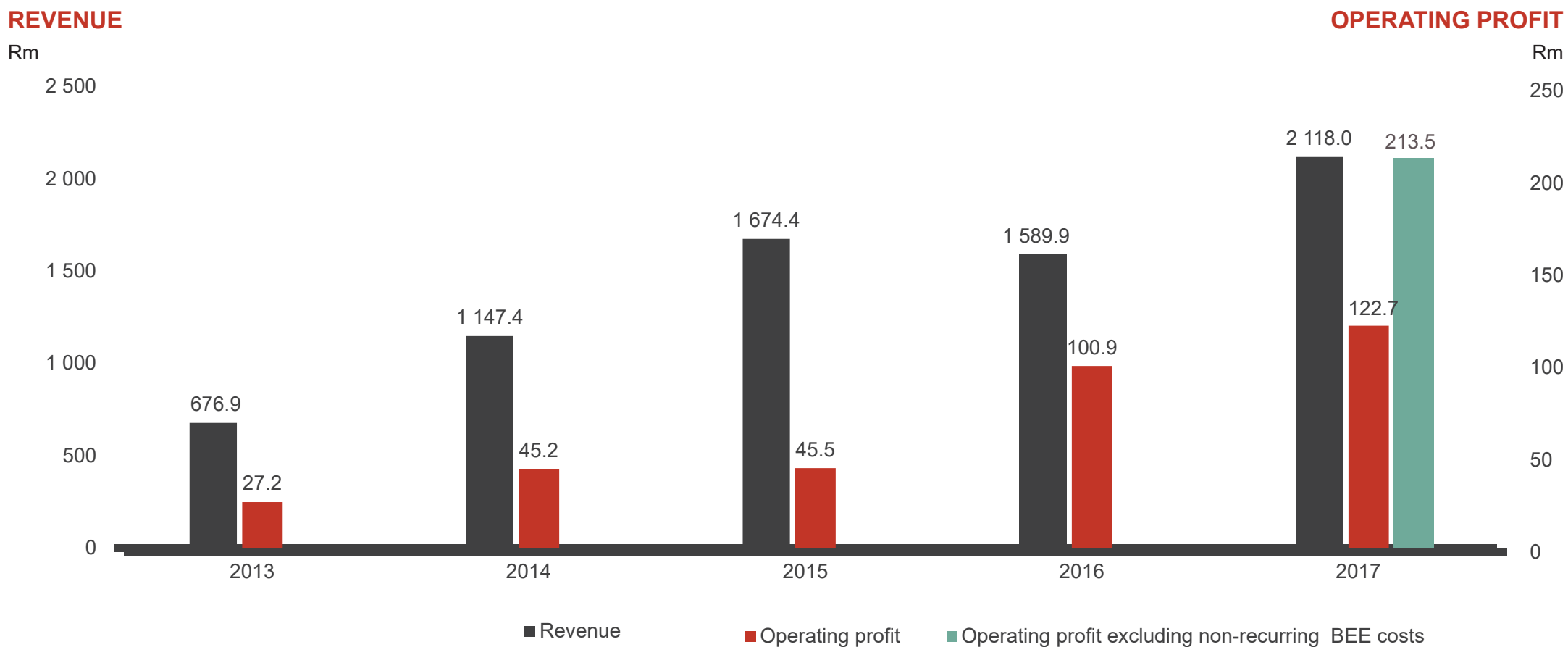
HEPS FOR THE FULL YEAR

Cps



* Excluding non-cash BEE discount (32c), BEE share dilution (7c) and once off Keaton transaction costs (3c).

REVENUE AND OPERATING PROFIT 5 YEAR TRACK RECORD EXCLUDING PROFIT ON SALE OF PPE



STATEMENT OF FINANCIAL POSITION

WESCOAL

	March 2017 R000	March 2016 R000
Non-current assets	818 273	631 121
Property, plant and equipment	641 198	496 350
Investment property	709	709
Investments	17 909	22 023
Goodwill and intangible assets	95 989	96 301
Other receivables	52 935	11 366
Deferred taxation	9 533	4 372
Current assets	773 584	388 848
Inventories and work in progress	56 861	57 668
Trade and other receivables	281 919	225 601
Cash and cash equivalents	84 411	101 179
Restricted cash	350 393	-
Non-current assets held for sale	-	4 400
Total assets	1 591 857	1 019 969

NOTES:

- Invested R113m during the year on capital and development. A further R107m is allocated to the change in rehabilitation provision estimate (see next slide).
- Restricted cash is cash set aside for the Keaton purchase consideration.

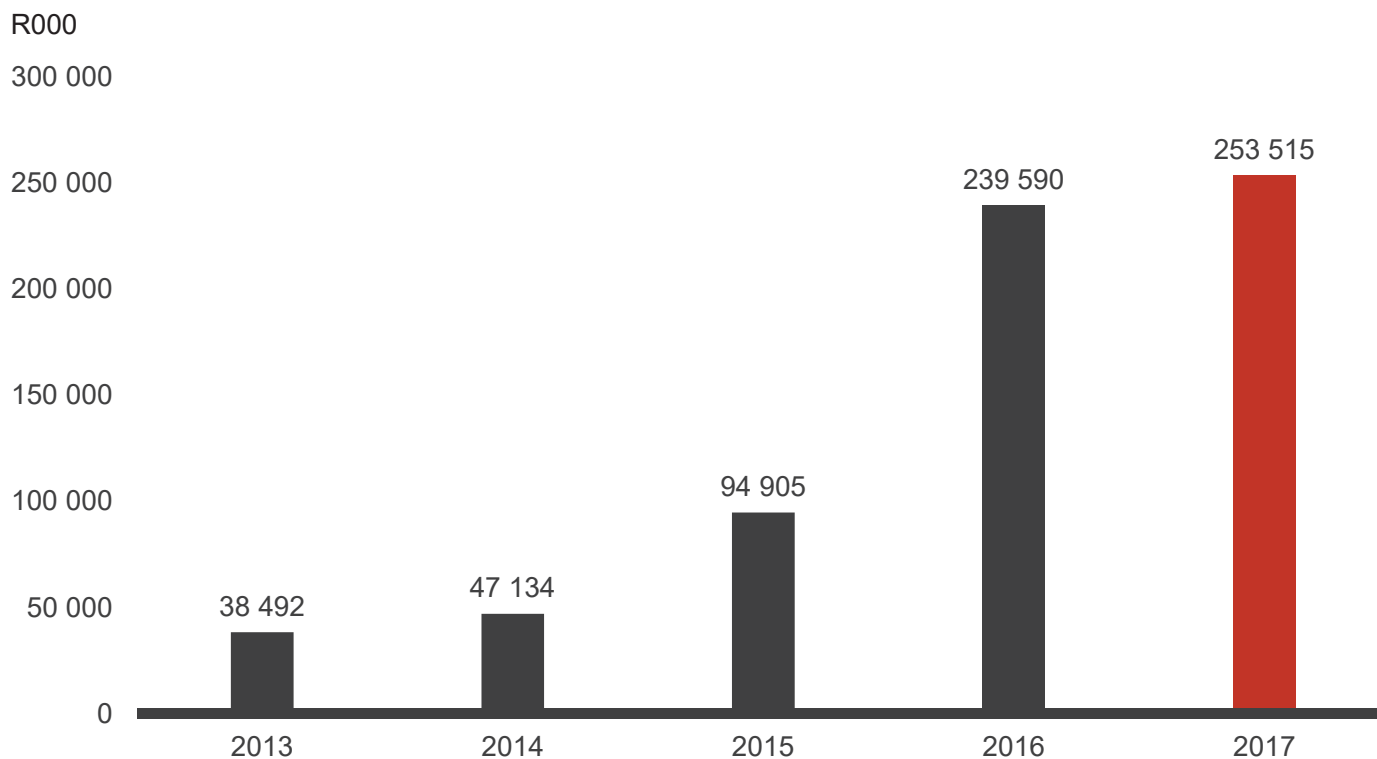
STATEMENT OF FINANCIAL POSITION

WESCOAL

	Audited March 2017 R000	Audited March 2016 R000
Total shareholders' funds	(684 632)	(385 061)
Non-current liabilities	(277 918)	(86 932)
Interest bearing loans	(67 599)	(21 440)
Rehabilitation provision	(148 206)	(46 186)
Deferred tax	(62 113)	(19 306)
Current liabilities	(629 307)	(547 976)
Trade and other payables	(331 863)	(272 578)
Rehabilitation provision	(9 365)	(13 890)
Bank overdraft	(17 098)	(15 781)
Taxation payable	(13 486)	(27 585)
Interest bearing loans	(257 495)	(218 142)
Total equities and liabilities	(1 591 857)	(1 019 969)

- Increase profitability and BEE transaction equity injection has seen an increase in total shareholders' funds.
- Interest bearing loans increased as we set aside funds for the Keaton transaction.
- Trade and other payables increased as a result of increased production levels and projects underway at year end.
- Rehabilitation provision increased significantly in line with the Elandspruit mine development. The Group's method of calculation of estimated rehabilitation costs has continued to evolve in line with current developments in legislation.

STRONG CASH FLOW GENERATION MAINTAINED



PERFORMANCE

- Strong cash generation on the back of improved underlying profitability
- Cash generated from operations applied to:
 - › Capex – R99m
 - › Tax payments – R46m
 - › Dividends – R19m
 - › Keaton acquisition – R350m (alongside BEE proceeds and drawn debt facilities)

WESCOAL

THE ROAD AHEAD



LOOKING AHEAD

WESCOAL

- The integration of the Keaton business into the Wescoal Group and the realisation of value from this transaction is a key priority.
- Wescoal remains intent on playing an active role as a consolidator in the coal sector and will continue to consider value enhancing opportunities.
- Wescoal's resource base has been expanded significantly to support the objective of 8Mtpa ROM production.
- Operating in a safe, responsible, sustainable manner remains a top priority.



INVESTMENT CASE AND RELATIVE PERFORMANCE INDICATORS



INVESTMENT CASE

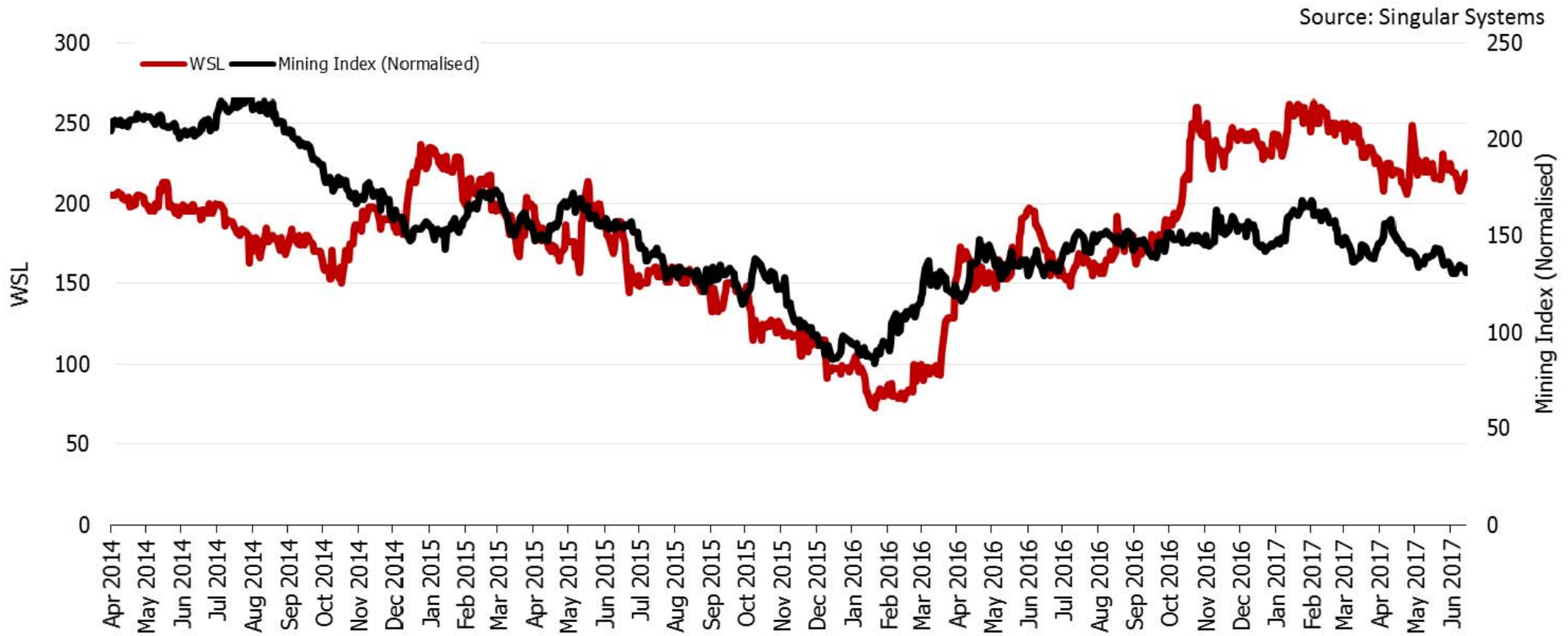
WESCOAL

- Key player in the consolidation of the local coal markets
- Class leading HDSA ownership
- Eskom strategy has secured long term revenue base
- Diversified revenue streams – other domestic and export customers
- Strong focus on cost and cash management
- Leadership team focused on sustainable operational delivery as an enabler for expansion
- Responsible business behaviour which impacts positively on all stakeholders and increases long term shareholder value

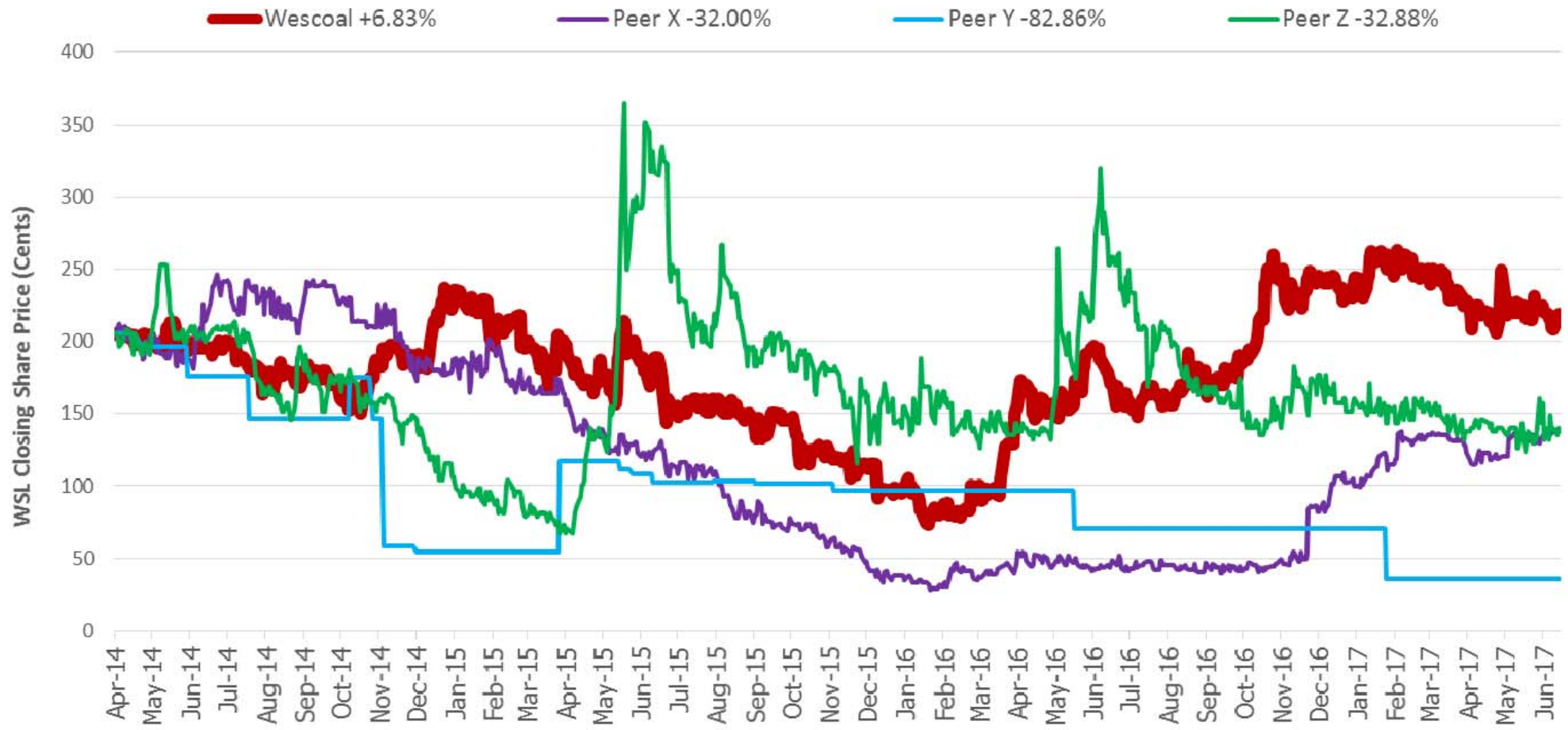


WSL VS MINING INDEX | RELATIVE PERFORMANCE

WESCOAL



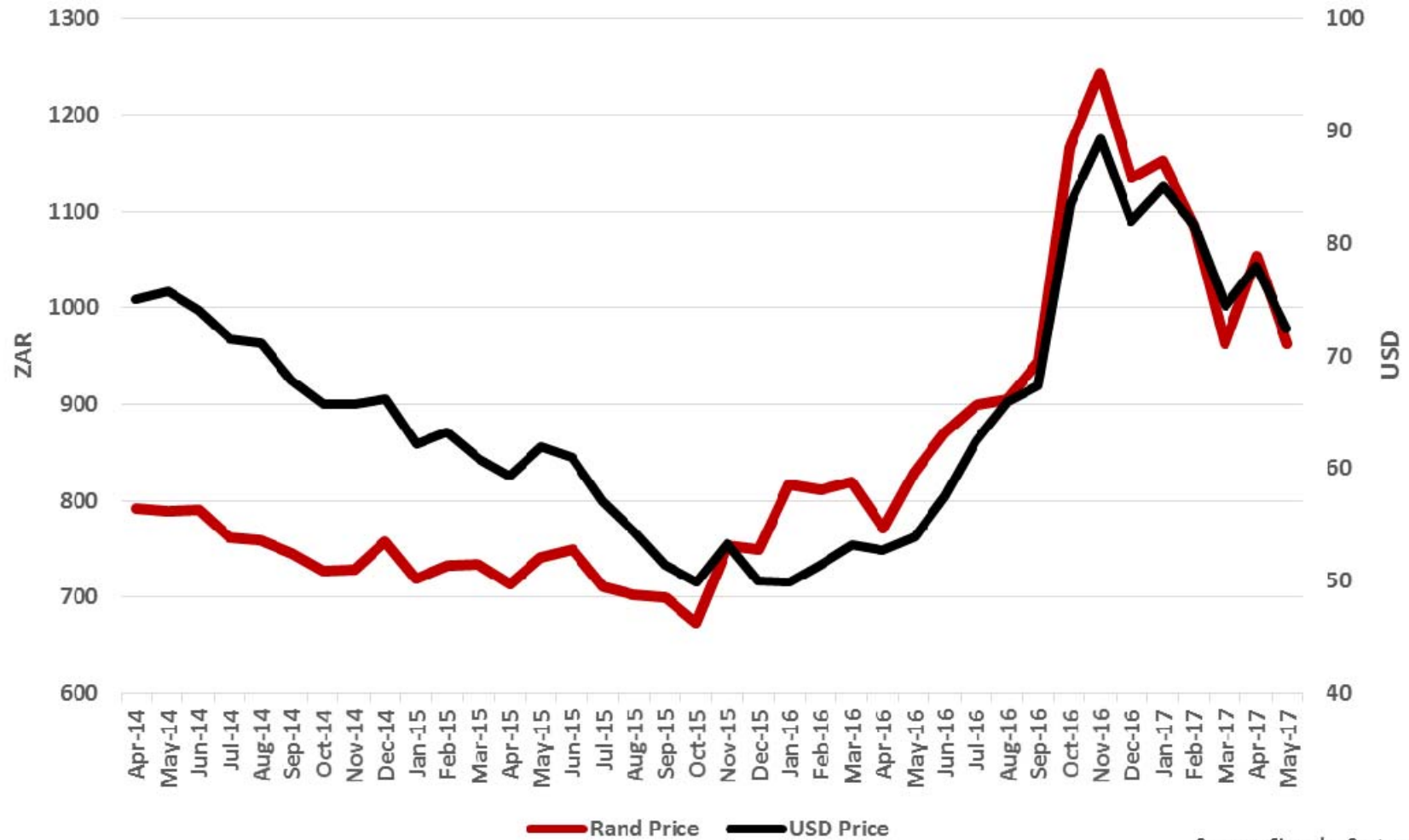
WSL VS DOMESTIC JUNIOR COAL PEERS



Source: Singular Systems

* Peers have been normalised

COAL, SOUTH AFRICAN EXPORT PRICE | ZAR & USD



Source: Singular Systems

“I am excited and optimistic about Wescoal’s future. We have a solid operational platform, blossoming track record of repeatable financial outcomes, de-risked business model and excellent growth options, all overseen by a highly skilled and motivated management team.”

Waheed Sulaiman, Wescoal CEO

WESCOAL

QUESTIONS?

