thungela

Integrated Annual Report 2023

THUNGELA'S 2023 REPORTING SUITE

This report forms part of our overall suite of reporting documents for the year ended 31 December 2023. Our reporting suite enables our stakeholders to assess our financial, business and sustainability performance, and includes the documents detailed below.

Environmental, social and governance (ESG) metrics related to the Ensham Mine have not been included in our 2023 reporting. This information will be included in the next annual reporting cycle.

ANNUAL FINANCIAL STATEMENTS*

- Detailed understanding of the Group's financial and operational performance
- Prepared in accordance with IFRS Accounting Standards, the Companies Act of South Africa, King IV, the JSE Listings Requirements, the UK Listing Rules, and the UK Disclosure Guidance and Transparency Rules

INTEGRATED ANNUAL REPORT

- Primary communication to our stakeholders of our approach to creating and sustaining value
- Detailed assessment of our Resources and Reserves in line with the various reporting standards
- Developed in line with the International <IR> Framework, the Companies Act of South Africa, King IV, the JSE Listings Requirements, the UK Listing Rules, and the UK Disclosure Guidance and Transparency Rules

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

- Detailed disclosure of the key ESG elements that could have a material impact on our business performance, environment and stakeholders, if not effectively managed
- Prepared in accordance with the core requirements of the Global Reporting Initiative (GRI) Reporting Standards, specifically the GRI 12: Coal Sector 2022 Standard, as well as internal safety and sustainable development indicators

CLIMATE CHANGE REPORT

- Disclosure of Thungela's approach to climate change, including risks and related management, compiled in accordance with the recommendations of the Task Force on Climate-Related Financial Disclosures

*Available from 18 March 2024.

FORWARD-LOOKING STATEMENTS DISCLAIMER AND THIRD-PARTY INFORMATION

This document includes forward-looking statements. All statements included in this document (other than statements of historical facts) are, or may be deemed to be, forward-looking statements, including, without limitation, those regarding Thungela's financial position, business, acquisition and divestment strategy, dividend policy, plans and objectives of management for future operations (including development plans and objectives relating to Thungela's products, production forecasts and resource and reserve positions). By their nature, such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Thungela, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Thungela therefore cautions that forward-looking statements are not guarantees of future performance.

Any forward-looking statement made in this document or elsewhere is applicable only at the date on which such forward-looking statement is made. New factors that could cause Thungela's business not to develop as expected may emerge from time to time and it is not possible to predict all of them. Further, the extent to which any factor or combination of factors may cause actual results to differ materially from those contained in any forward-looking statement is not known. Thungela has no duty to, and does not intend to, update or revise the forward-looking statements contained in this document after the date of this document, except as may be required by law. Any forward-looking statements included in this document have not been reviewed or reported on by the Group's independent external auditor.

The information contained within this report is deemed by the Group to constitute inside information as stipulated under the market abuse regulation (EU) No. 596/2014 as amended by the market abuse (amendment) (UK MAR) regulations 2019. Upon the publication of this announcement, this inside information is now considered to be in the public domain.

ALTERNATIVE PERFORMANCE MEASURES

The directors consider additional financial and operational measures to assess the results of the operations of the Group, referred to as alternative performance measures (APMs). These APMs can be identified throughout this document using the △ symbol, and are fully described in Annexure 1 of the Annual Financial Statements for the year ended 31 December 2023.

Responsibly creating value together for a shared future

CONTENTS

ABOUT THIS REPORT

REPORTING SCOPE AND BOUNDARY

Our Integrated Annual Report provides information on the performance of Thungela Resources Limited (the Company), its subsidiaries, joint operations and associates (collectively, Thungela or the Group) for the year ended 31 December 2023. Throughout this report, our approach is to provide concise information on value creation and preservation in the short, medium and long term. It includes information on our performance, strategy, business model, material matters, approach to environmental, social and governance (ESG), stakeholder engagement, business risks and opportunities, remuneration practices and 2024 operational outlook, among other matters.

In the interest of transparency, we strive to cater to the diverse needs of our stakeholders, enhancing the understanding of our business. We address the risks, opportunities and outcomes associated with stakeholder relationships, recognising their potential to materially affect our ability to create value.

MATERIAL MATTERS

This report is informed by the principle of materiality. A matter is considered material if it can substantively affect our ability to create and sustain value over the short, medium or long term. Our board and management are of the view that the material matters published on pages 46 to 49 offer a balanced mix of information, allowing readers to assess our performance and prospects. These material matters were identified through our materiality determination workshops, risk management process, strategy deliberations and stakeholder engagements.

INTEGRATED REPORTING AND THE SIX CAPITALS

We are mindful of our impact on each of the six capitals we use when conducting our business activities. Detail on the six capitals (being financial, social and relationship, natural, manufactured, human and intellectual) and their impact on our business is provided on pages 44 and 45.

REPORTING FRAMEWORKS AND GUIDELINES

This report is aligned with relevant reporting standards, frameworks and best practice. We are guided by the principles and requirements in the following frameworks, among others:

- International Financial Reporting Standards as issued by the International Accounting Standards Board (IASB) and the IFRS Interpretations Committee (collectively, IFRS Accounting Standards)
- Companies Act 71 of 2008 as amended (the Companies Act of South Africa)
- King IV Report on Corporate Governance™ for South Africa, 2016 (King IV)[1]
- the Johannesburg Stock Exchange (JSE) Listings Requirements
- the UK Listing Rules
- the UK Disclosure Guidance and Transparency Rules
- International Integrated Reporting Framework
- United Nations Sustainable Development Goals (SDGs)
- Global Reporting Initiatives (GRI) Standards

The financial information in this report has been extracted from the Annual Financial Statements for the year ended 31 December 2023, prepared in accordance with the IFRS Accounting Standards.

The Resources and Reserves information in this report has been developed in line with the South African Code for the Reporting of Exploration Results, Mineral Resources and Mineral Reserves, 2016 (the SAMREC Code), the Reporting of Oil and Gas Resources, 2015 (the SAMOG Code) and the Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, 2012 (the JORC Code).

[1] Copyright and trademarks are owned by the Institute of Directors South Africa and all its rights are reserved.

ASSURANCE

Financial and certain non-financial information in this report and our reporting suite for the year ended 31 December 2023 are independently externally assured. The report of the independent external auditor, PricewaterhouseCoopers Incorporated (PwC), on the consolidated and separate financial statements appears on pages 52 to 58 of the Annual Financial Statements for the year ended 31 December 2023. The report of the independent external assurer, IBIS Environmental Social Governance Consulting Africa Proprietary Limited, on specific non-financial indicators appears on pages 135 to 137 of the Environmental, Social and Governance Report for the year ended 31 December 2023.

The assurance reports do not necessarily cover all of the information contained in this report, and copies of these reports should be obtained from the Thungela website at www.thungela.com to understand the nature of the assurance provided.

UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

We endorse the below United Nations SDGs that align with our commitment to advance our strategic pillar of driving our ESG aspirations through our business activities.

4 QUALITY EDUCATION	Quality education
6 CLEAN WATER AND SANITATION	Clean water and sanitation
8 DECENT WORK AND ECONOMIC GROWTH	Decent work and economic growth
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	Industry, innovation and infrastructure
13 CLIMATE ACTION	Climate action
17 PARTNERSHIPS FOR THE GOALS	Partnership for the goals

BOARD RESPONSIBILITY STATEMENT

Thungela's Integrated Annual Report is driven by our purpose and demonstrates our execution of strategic priorities, guiding our integrated approach to value creation and informing our stakeholder engagement.

The Thungela board of directors, supported by the audit committee and other board subcommittees, acknowledges its responsibility to ensure the integrity of the Integrated Annual Report for the year ended 31 December 2023. In our opinion, as the board, this Integrated Annual Report addresses all material matters and presents a balanced and fair account of the Group's performance in 2023. We are confident that it is a reasonable reflection of Thungela's strategy and how this relates to our ability to create and preserve value in the short, medium and long term.

The report adequately addresses the use of, effects on, and availability of the six capitals as well as how these impact the Group's strategy and business model, and has been prepared in accordance with the International Integrated Reporting Framework, along with other relevant guidelines.

This Integrated Annual Report, which is the responsibility of the board, is prepared under the supervision of senior management, and is subject to a robust internal and external review process.

Sango Ntsaluba
Chairman

July Ndlovu
Chief executive officer

24 April 2024

GROUP PERFORMANCE IN 2023

Delivering on our purpose of **responsibly creating value together for a shared future**

SAFETY

Fatality
One
(2022: None)

TRCFR[1] South Africa
1.40
(2022: 1.41)

CREATING SHARED VALUE

Nkulo Community Partnership Trust
R156 million contribution
(2022: R448 million)

Sisonke Employee Empowerment Scheme[2]
R156 million contribution
(2022: R448 million)

FINANCIAL

Adjusted EBITDA△
R8.5 billion
(2022: R29.5 billion)

Dividends
R2.8 billion
(2022: R13.8 billion)

Share buyback
Up to R500 million
(2022: Rnil)

Earnings per share
R37.66
(2022: R127.08)

Headline earnings per share
R34.97
(2022: R130.82)

OPERATIONAL SOUTH AFRICA

Export saleable production
12.2Mt
(2022: 13.1Mt)

Export equity sales
11.9Mt
(2022: 12.2Mt)

OPERATIONAL AUSTRALIA

Export saleable production[3]
0.9Mt
(85% basis)

Export equity sales[3]
0.9Mt
(100% basis)

1 Total recordable case frequency rate.
2 Sisonke Employee Empowerment Scheme Trust.
3 For the four months since completion.

CHAIRMAN'S LETTER

I am pleased to present this report, covering another year of continued resilience, strategic progress and commitment to sustainable value creation for our stakeholders.

While we felt the strain caused by softer coal prices and Transnet Freight Rail's (TFR) poor performance, we achieved solid results and made significant strides towards becoming the world-class independent pure-play thermal coal producer we set out to be since the demerger in 2021.

Shareholder returns remain a central focus of our capital allocation framework and our strong cash generation and balance sheet position enabled the return of R3.3 billion to our shareholders. This represents 49% of adjusted operating free cash flow△ for the full year, above our stated dividend policy of a minimum of 30%, and includes a maiden share buyback announcement of up to R500 million which emphasises our commitment to creating value. The combination of dividends and the share buyback provides flexibility for the diverse preferences of our shareholders.

SAFETY

Safety has always been our first value. We have reinforced its primacy by establishing safety as a dedicated pillar in our strategic priorities framework. This reflects our unconditional commitment to operating a business free from fatalities and injuries. We previously reported on the tragic loss of our colleague Breeze Mahlangu in February 2023, following an injury sustained in December 2022. While we are demonstrably progressing in our safety initiatives, the loss of a team member underscores the absolute necessity of our unwavering commitment to ensuring everyone's safe return home every day.

UNPACKING ESG

Environment

Our commitment to accountability extends beyond safety to encompass environmental stewardship. As a responsible coal miner, Thungela recognises its responsibility to the environment and we align ourselves with the goals of global citizens in making a positive change.

Our commitment to responsible environmental stewardship is based on climate risk management, promoting biodiversity, land stewardship and the efficient use of resources, including renewable energy solutions and advanced water treatment systems.

In our 2022 Integrated Annual Report, we described in detail the uncontrolled release of mine affected water from our Kromdraai site at Khwezela in February 2022. We continue to fulfil our commitment to remediating the impact of this incident and we have commenced with work aimed at repopulating the Wilge and Olifants river systems with 16 species of fish as part of the remediation efforts.

In addition to the construction of a fish breeding facility, we have constructed a new water treatment plant and are also actively restoring wetlands. Restoring the environment to its original condition, or even better is part of the legacy we want to leave. Our dedication to this commitment has also helped us achieve sustainable outcomes for the communities in which we operate.

In 2023, we published clear intermediate emissions reduction targets on our pathway to net zero by 2050. The commitment to achieving net zero will be upheld, notwithstanding our pursuit of geographical expansion through acquisitions such as Ensham.

Social

Positively impacting the lives of the people closest to our operations in a meaningful, authentic and sustainable way is at the core of our purpose 'to responsibly create value together for a shared future'.

"Spiking on social" is an expression that Thungela first coined in May 2021 when we defined our purpose ahead of the demerger and our primary and standard listing on the JSE and LSE respectively. Our employees and communities directly share in the value we create through the contributions that we make to the Sisonke Employee Empowerment Scheme and the Nkulo Community Partnership Trust. Contributions to the trusts since listing total R1.5 billion, including R312 million for 2023.

We are also investing R160 million into the Thungela Education Initiative, which is run in collaboration with the Mpumalanga Department of Education. This dynamic five-year initiative will be implemented in two district municipalities in Mpumalanga, where our operations are located, and seeks to deliver solutions to the national imperative of access to quality education. This initiative aims to augment the traditional approach to education, addressing multiple facets that contribute to the development of children, ensuring that they are well-rounded young individuals.

Governance

To sustain value generation and protect the interests of our stakeholders, we adhere to principles of best practice with regards to governance, ethics, and integrity.

In July 2023, as part of on-going improvements in governance, the board implemented a strengthened corporate governance structure to ensure it remains fit-for-purpose and supports the Group's long-term strategic ambitions. This involved expanding the number of committees from four to six, ensuring clear accountability for all aspects of our business. The board remains committed to continuous monitoring and action on a comprehensive set of key focus areas.

Our new corporate governance structure will assist Thungela in steering its strategic direction as it grows into an international coal miner.

We achieved solid results and made significant strides towards becoming a world-class independent pure-play thermal coal producer.

BUILDING A LONG-LIFE, COMPETITIVE, SUSTAINABLE BUSINESS

The successful execution of our strategic priorities is testament to Thungela's ambition to build a sustainable, long-life business across multiple geographies, paving the way for the Group to capitalise on the robust long-term fundamentals supporting coal globally.

We believe that maximising value from our existing assets is crucial to the future competitiveness of our business. At the time of demerger in 2021 we committed to looking at capital projects through a "Thungela lens" and I am proud that we are on track to deliver new projects at a relatively lower capital intensity.

The Elders project, which will replace volumes from Goedehoop as that mine nears the end of its life, was approved in 2022. The project is progressing well and is on budget and on time. Importantly, the project is lost-time injury free. First coal was delivered on 1 March 2024, ahead of initial estimates. The mine is expected to produce approximately 4Mt of run of mine coal per annum when it reaches steady state by the end of 2025.

The Zibulo North Shaft project was approved by the board in 2023 and will extend the life of our flagship Zibulo operation, enabling production of 8Mt run of mine coal per annum through to 2038. Construction has commenced and the project is progressing well. We anticipate completion of the project in 2026.

ENTERING NEW TERRITORIES

The acquisition of a controlling interest in the Ensham Mine in Australia demonstrates the seriousness of our intent to diversify geographically. This mitigates our reliance on a single operating geography and opens up new and diversified markets, notably Japan and Malaysia, and has the added benefit of exposure to the Newcastle coal price. We are pleased that, as targeted, Ensham has already contributed positively to Thungela's results. Our pursuit of assets continues to be guided by a rigorous set of investment evaluation criteria focused on three key pillars: responsible stewardship, strategic portfolio enhancement, and consistent shareholder value creation.

Sango Ntsaluba
Chairman

ADDRESSING RAIL PERFORMANCE

Properly functioning railways and ports are the backbone of economies across the globe, and South Africa is no exception.

Multiple factors, including crime, derailments, and shortages of parts, have contributed to the challenges that Transnet, the rail operator, is facing. Thungela, along with the broader industry, is actively collaborating with Transnet to identify solutions. However, a sustainable resolution requires urgent action to address the state of South Africa's railways. Without significant improvement, the national economy and, consequently, the South African coal mining sector, could face continued negative consequences, potentially including job losses.

We are concerned that the recent R47 billion government guarantee, while a positive step, may not be sufficient for a long-term solution to Transnet's challenges. Thungela believes that either government recapitalisation or effective private sector participation is necessary to ensure Transnet's long-term viability. As highlighted by the International Monetary Fund's recent downgrade of South Africa's growth forecast, logistical constraints present a critical hurdle for regional economic activity. We urge the government to prioritise addressing these challenges.

CLOSING REFLECTIONS

Thungela is well poised to take advantage of mining investment opportunities across the globe, leveraging our existing footprint and expertise. In pursuit of these opportunities, we will continue to be guided by our purpose - to responsibly create value together for a shared future.

Our strong track record of operational excellence, financial discipline, and commitment to rigorous environmental, social and governance practices has allowed us to deliver on the promise of our purpose.

In order for us to continue to meaningfully deliver on this promise and to take advantage of mining opportunities, it is important that certain fundamentals are in place, including regulatory certainty, stable governments and effective crime prevention. In South Africa, the regulatory and administrative challenges relating to overlapping mining rights pose a serious challenge to mining companies, as does the rise of illegal mining. We call on government to address these issues as a matter of urgency.

The general national and provincial elections will be held in South Africa on 29 May 2024, demonstrating the stability of the state of democracy in the country. We have no doubt that these elections will be free and fair.

Thungela enters 2024 as an international, long-life business with a robust financial position which will allow us to take advantage of attractive coal market fundamentals. We are confident that this position, together with a continued commitment to good governance, will deliver consistent returns to shareholders in the long-term.

On behalf of the board, I extend my sincere gratitude to our stakeholders for your continued trust and support. My appreciation also goes out to my fellow board members, management, and everyone at Thungela for working together to shape a future that we can all be proud of.

Sango Ntsaluba
Chairman

24 April 2024

SAFETY REMAINS OUR NUMBER ONE VALUE THEREFORE WE ARE COMMITTED TO OPERATING A BUSINESS FREE FROM FATALITIES AND INJURIES.

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THUNGELA AT A GLANCE

ABOUT THUNGELA

Thungela, which means 'to ignite' in isiZulu, is a large, pure-play producer and exporter of thermal coal, operating in South Africa and Australia.

The Group owns interests in, and produces its thermal coal from seven mining operations located in the Mpumalanga province of South Africa, which consist of both underground and opencast mines, namely Goedehoop, Greenside, Isibonelo, Khwezela, Anglo American Inyosi Coal (operating the Zibulo Colliery), Mafube Coal Mining (operating the Mafube Colliery) and Butsanani Energy (owning the independently operated Rietvlei Colliery).

In 2023, Thungela, through its newly registered subsidiary Sungela Holdings, acquired 85% of the Ensham Mine in Queensland, Australia, marking a significant move towards executing one of the Group's strategic pillars of geographic diversification. Ensham is an underground operation and it is the latest addition to Thungela's portfolio.

The establishment of Thungela Marketing International in the United Arab Emirates underscores Thungela's commitment to capturing the full margin on our products and engaging with the global commodities market as a global coal producer.

In other parts of the value chain, Thungela holds a 50% interest in the Phola Coal Processing Plant, and a 23.56% indirect interest in the Richards Bay Coal Terminal. The terminal is one of the world's leading coal export terminals, with an advanced 24-hour operation and a design capacity of 91Mtpa.

Thungela is committed to operating in a responsible way to ignite value for a shared future. We want to ensure that our mining activities positively impact our employees, shareholders and the communities where we operate.

WHO WE ARE

Who we are

We are a future-oriented, pure-play producer and exporter of thermal coal with an expanding global footprint.

Our culture

Our people are the heartbeat of our organisation. Our high-performance culture values excellence, agility and accountability.

Ambition

To create and deliver value for all our stakeholders.

VALUES

SAFETY

We are unconditional about protecting the lives of all our people – at work and at home – in health and wellbeing.

CARE AND RESPECT

We show humanity to all through our commitment to make a positive impact where we can.

ACCOUNTABILITY

We take responsibility for our decisions, actions and performance, to grow in success and learn in failure.

EXCELLENCE

We are passionate about being the best at what we do and always seek to raise the bar.

AGILITY

We stay well-informed, ensuring our ability to be responsive, keep things simple and make quick decisions.

ENTREPRENEURSHIP

We have an owner's mindset because we know that every small change adds to greater impact.

OUR PURPOSE

TO RESPONSIBLY

We are uncompromising in our commitment to safety. This means working to the highest health and safety standards to make sure that no person comes to harm while earning a living for their family.

We hold ourselves to the highest governance principles across our operations and work with people who care about positive outcomes.

We carefully manage our impacts – now and once our operations reach the end of their lives. The land we mine today must be put to sustainable and productive use tomorrow.

Being a responsible miner means being a responsible neighbour. We want our communities to thrive and for the impacts we leave on them to be positive ones.

CREATE VALUE

We want everyone close to our business to share in the real and unique opportunities for economic and social development that mining brings. This is in our very DNA as our employees and communities share a stake in our business.

We create this value for our investors and all our stakeholders by focusing on our strategic ambition and related priorities.

TOGETHER

We believe that everyone has a role to play in creating value. That is why we are committed to collaborating, engaging and building meaningful relationships with our stakeholders.

Our shareholders, employees, business and social partners all help us to generate value and in turn, they share in this value.

FOR A SHARED FUTURE

The value we create contributes to a brighter future for all of us. By achieving our mutual objectives, we – together with all our stakeholders – can look forward to a future worth sharing.

OUR CULTURE

Our business is built by our people, for our people. That is why we are passionate about giving them a working environment that supports their personal aspirations and professional goals.

We Enrich

We offer an enriching world of work in which employees are encouraged to fulfil their potential. Individual development plans, exciting career paths and opportunities to stretch and develop themselves are the tools we give our employees to do this.

We Energise

We are bold, ambitious and driven by an owner mindset. This creates an engaged workforce that drives our high-performance culture.

We Embrace

Being a good employer means creating a sense of belonging where people can bring their whole selves to work. We believe in embracing the differences that make our people, and our business, unique.

We Empower

We empower our employees with the trust and autonomy they need to achieve results. Where possible, we have flexible productive working arrangements. We also support a healthy work-life balance.

We Engage

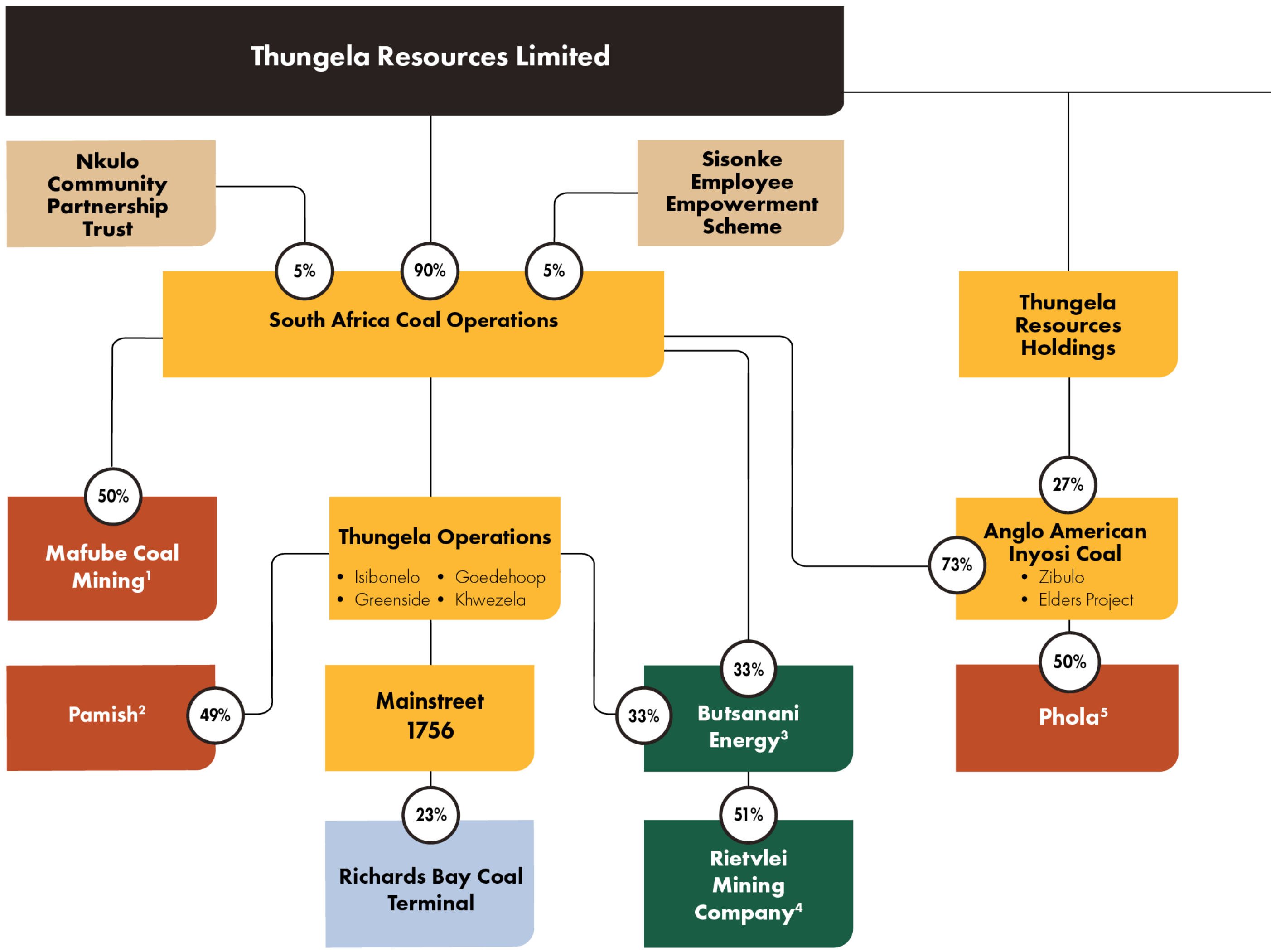
We support agile decision-making and honest open communication. Our leaders strive to always be engaged and open to ideas, including dissenting views. This is how we grow together.

We Care

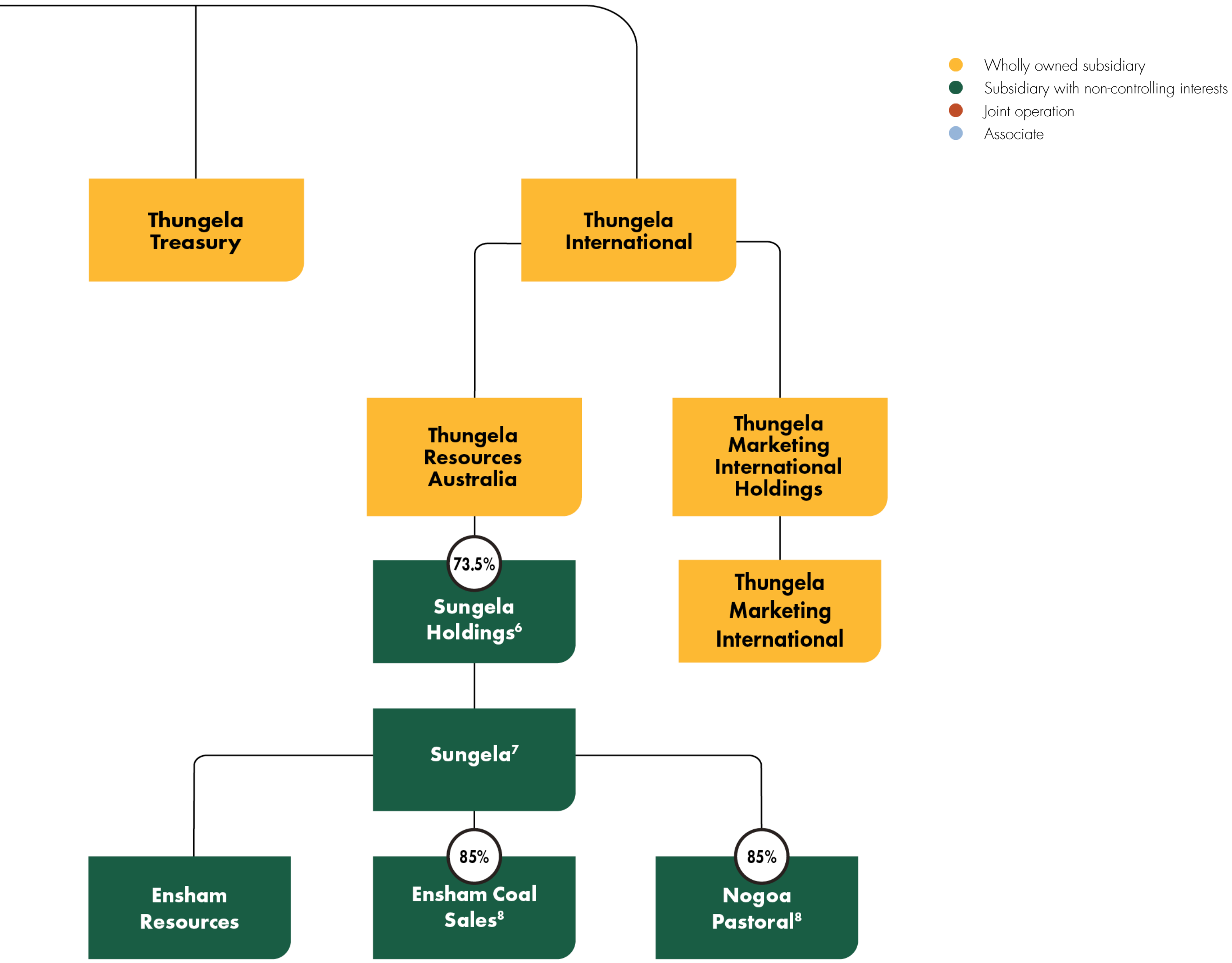
Core to our culture is the Thungela value of Care and Respect. Beyond caring for our people's safety and overall wellbeing, we care for our environment and the communities in which we operate.

OWNERSHIP STRUCTURE

Organisational structure of the Group



[1] Exxaro Coal Mpumalanga Proprietary Limited holds the remaining 50% interest in Mafube Coal Mining Proprietary Limited.
[2] Nasonti Technical Services Proprietary Limited holds the remaining 51% interest in Pamish Investments No. 66 Proprietary Limited.
[3] Vunani Mining Proprietary Limited holds the remaining 33% of Butsanani Energy.
[4] eMalahleni Mining Resources Proprietary Limited and Mwelase Group of Companies Proprietary Limited hold 34% and 15% of RMC, respectively.
[5] Seriti Power Proprietary Limited holds the remaining 50% interest in Phola Coal Processing Plant Proprietary Limited.



[6] Audley Energy Limited and Mayfair Corporations Group Proprietary Limited hold the remaining 26.5% in Sungela Holdings Pty Ltd in equal proportions.
[7] Sungela Pty Ltd holds an 85% interest in the Ensham joint venture and Nogoa joint venture, both of which are unincorporated joint ventures.
[8] Bowen Investment (Australia) Proprietary Limited holds the remaining 15% interest in Ensham Coal Sales Pty. Ltd. and Nogoa Pastoral Pty. Ltd.

OUR SOUTH AFRICAN OPERATIONS

GREENSIDE COLLIERY

Market: export and domestic

Coal Resources
- Measured: 8.5Mt
- Indicated: 4.0Mt

Coal Reserves
- Proved: 15.0Mt
- Probable: 2.1Mt

Mining method: underground – bord and pillar

LOM: 5 years

KHWEZELA COLLIERY

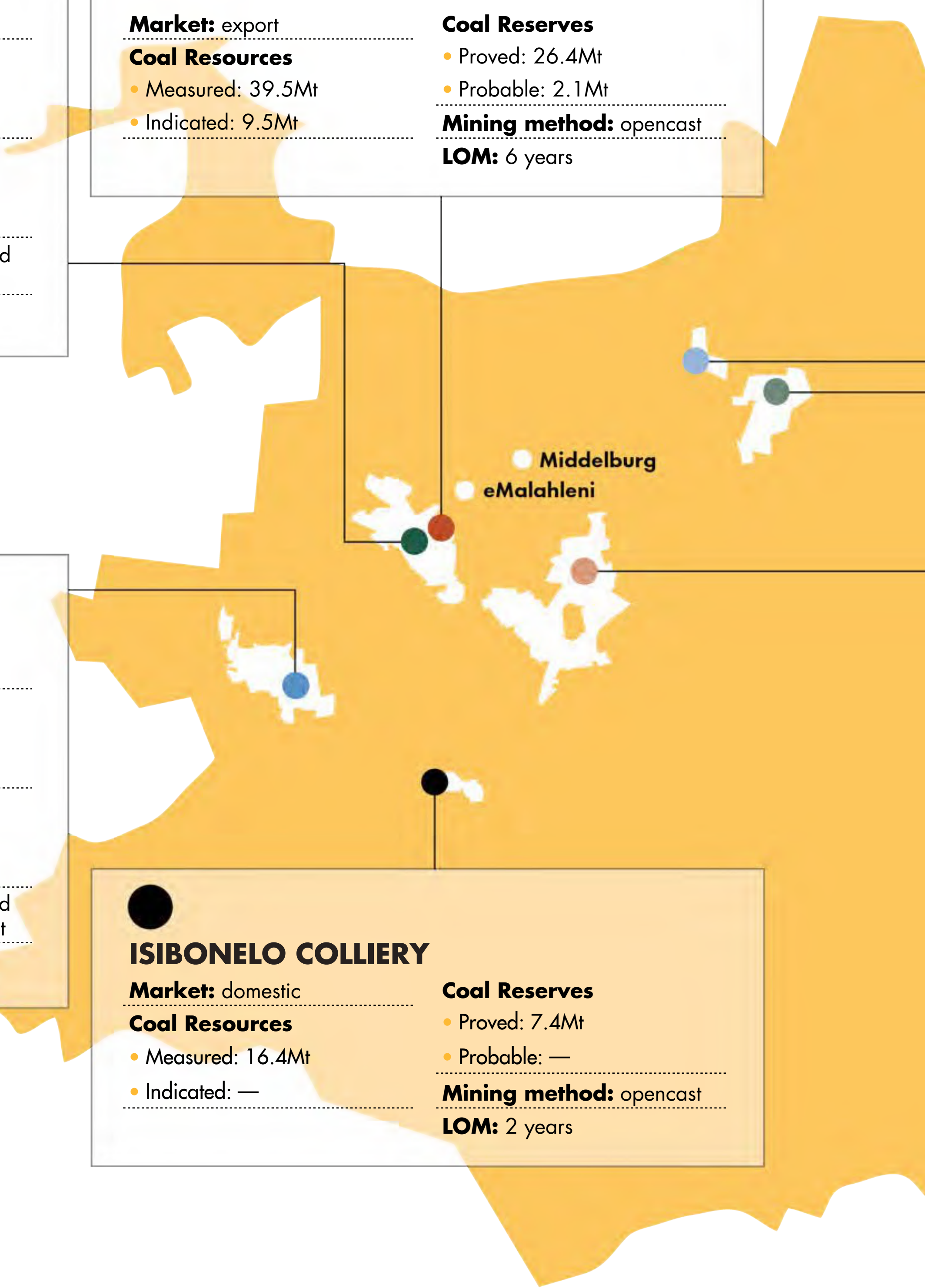
Market: export

Coal Resources
- Measured: 39.5Mt
- Indicated: 9.5Mt

Coal Reserves
- Proved: 26.4Mt
- Probable: 2.1Mt

Mining method: opencast

LOM: 6 years



ZIBULO COLLIERY

Market: export and domestic

Coal Resources
- Measured: 376.4Mt
- Indicated: 55.5Mt

Coal Reserves
- Proved: 27.1Mt
- Probable: 24.3Mt

Mining method: underground – bord and pillar, and opencast

LOM: 8 years

ISIBONELO COLLIERY

Market: domestic

Coal Resources
- Measured: 16.4Mt
- Indicated: —

Coal Reserves
- Proved: 7.4Mt
- Probable: —

Mining method: opencast

LOM: 2 years

MPUMALANGA

RIETVLEI COLLIERY

Market: domestic

Coal Resources
- Measured: 5.0Mt
- Indicated: 0.8Mt

Coal Reserves
- Proved: 20.9Mt
- Probable: 2.5Mt

Mining method: opencast

LOM: 8 years

MAFUBE COLLIERY[1]

Market: export

Coal Resources
- Measured: 26.6Mt
- Indicated: 1.4Mt

Coal Reserves
- Proved: 82.6Mt
- Probable: 32.1Mt

Mining method: opencast

LOM: 20 years

[1] Resources and Reserves are shown at 100%.

GOEDEHOOP COLLIERY

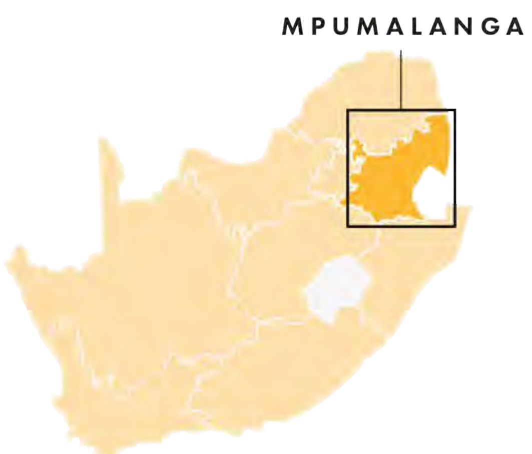
Market: export and domestic

Coal Resources
- Measured: 243.8Mt
- Indicated: 5.8Mt

Coal Reserves
- Proved: 6.4Mt
- Probable: 0.2Mt

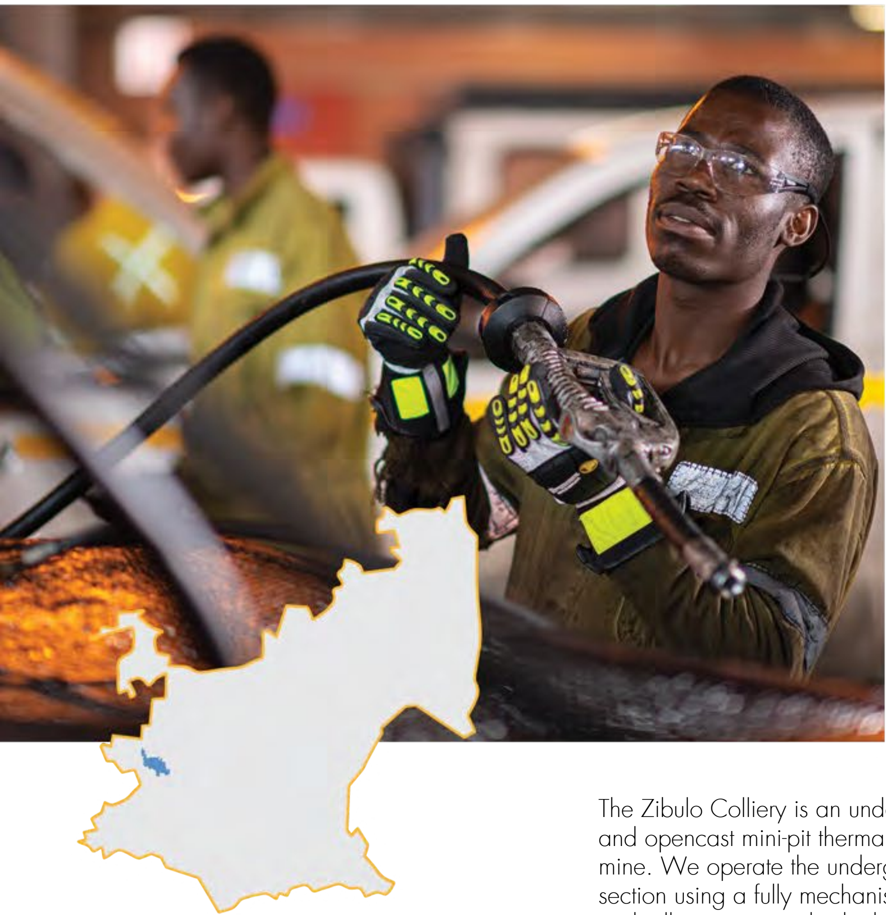
Mining method: underground – bord and pillar

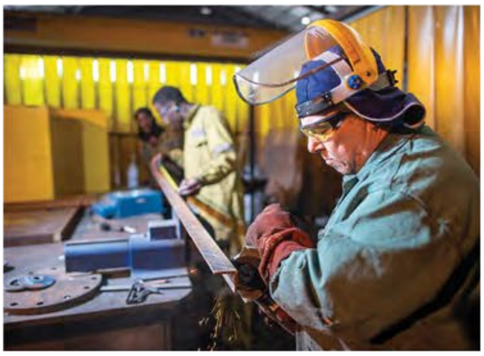
LOM: 2 years



OPERATIONS

ZIBULO





Reserves:	**51.4Mt**
Resources:	**431.9Mt**
LOM:	**8 years**

The Zibulo Colliery is an underground and opencast mini-pit thermal coal mine. We operate the underground section using a fully mechanised bord and pillar mining method while the opencast mini-pit is operated by contracting partners using a truck and shovel fleet. Run of mine (ROM) coal is conveyed on a 16km overland conveyor belt and beneficiated at the Phola Coal Processing Plant (PCPP).

The PCPP has a rail load-out terminal connected with the Richards Bay Coal Terminal (RBCT).

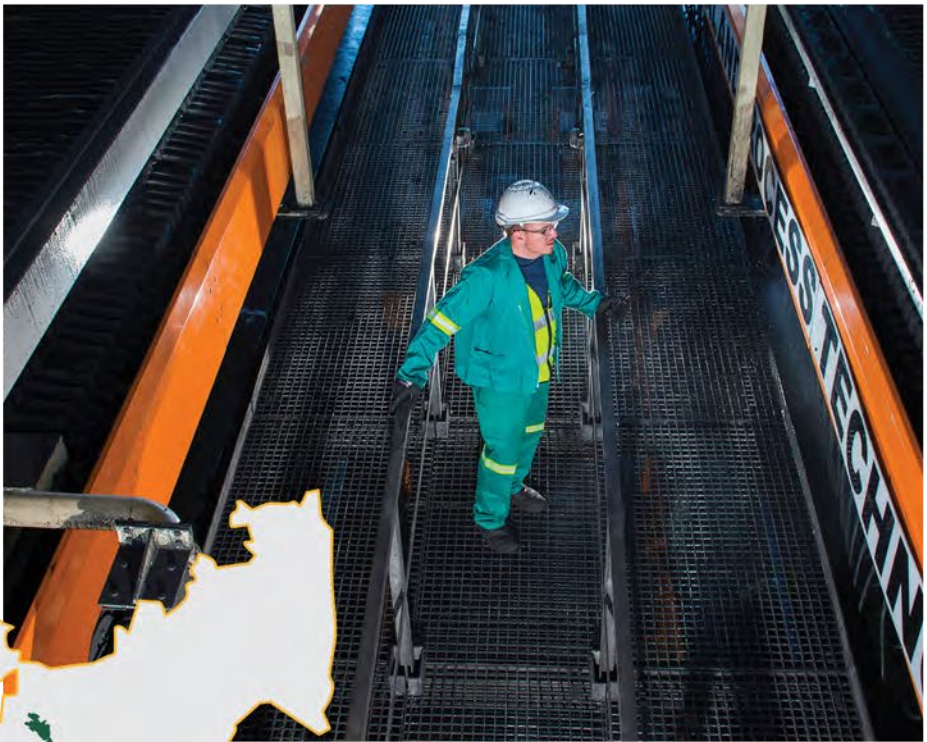
Based on the current life of mine (LOM) plan, mining operations at the opencast are expected to cease in 2026 with the remaining operations in the underground workings expected to cease in 2031. Zibulo's life extension project, through the Zibulo North Shaft, has commenced and continues to progress.

CHAMPIONING ESG

- Zibulo continues to expand its partnerships with critical and strategic community stakeholders, such as traditional authorities. To this end, Zibulo, in collaboration with our Isibonelo Colliery, established a forum with the Govan Mbeki Local Municipality.
- Twenty youth were enrolled in a domestic wiring course. Nine have successfully completed the programme, and are now fully qualified electricians.
- In 2023, Zibulo launched the first cadetship skills development programme that focuses on training community members on underground machinery. The programme commenced with an intake of 17 candidates.

OPERATIONS

GREENSIDE



Reserves:	**17.2Mt**
Resources:	**12.5Mt**
LOM:	**5 years**

The Greenside Colliery is an underground thermal coal mine that supplies the export coal markets.

Coal is extracted using a fully mechanised bord and pillar mining method. The Greenside LOM plan is scheduled to complete mineable reserves by 2028.

A railway line traverses Greenside and is shared with the Khwezela Colliery, connecting the rail load-out terminal with the RBCT.

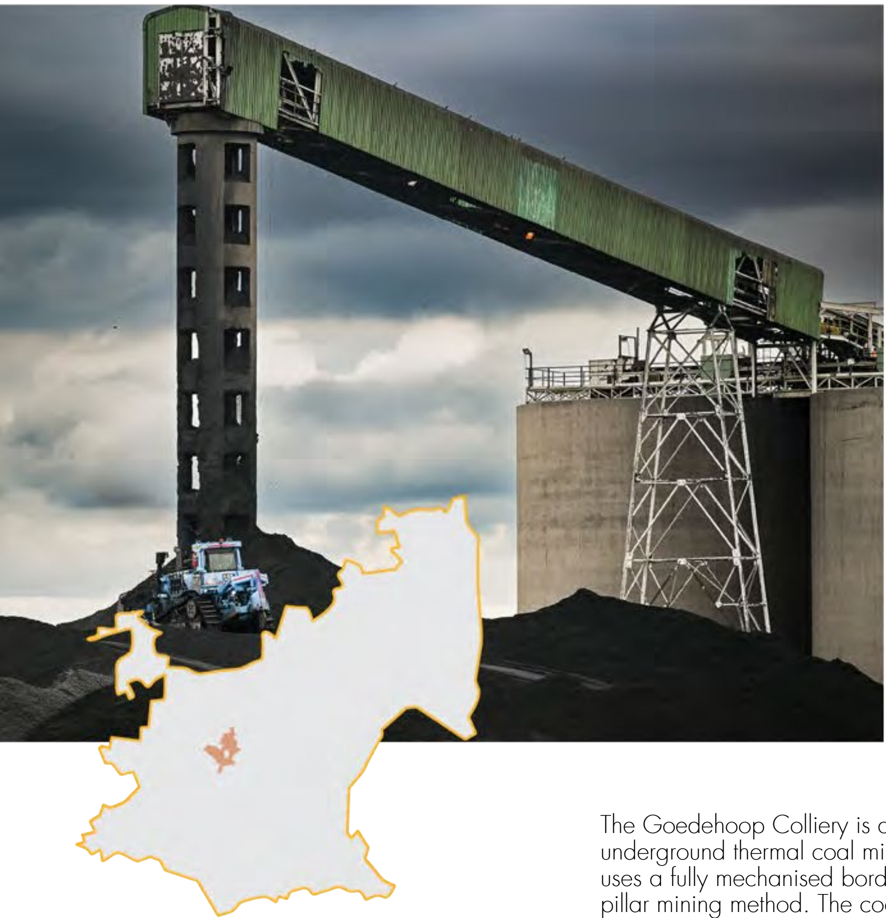
The eMalahleni Water Reclamation Plant (EWRP) is located within the Greenside mining right. It services the Greenside, Khwezela and Zibulo collieries. Potable quality water produced by the EWRP is supplied to local communities via the eMalahleni Local Municipality.

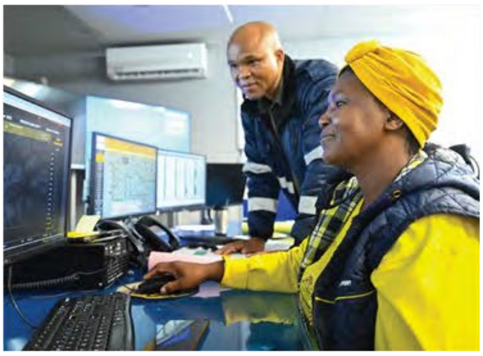
CHAMPIONING ESG

- Greenside's school support programme assisted 150 learners with additional mathematics, science and English classes. Five university students from the local municipality were awarded tertiary education bursaries.
- Our adult education programme supported 10 beneficiaries and 14 youth completed our heavy mining machinery training. These initiatives have helped improve their employment prospects.
- Greenside participated in the Thungela education programme, which aims to improve the educational outcomes of learners and teachers at selected early childhood development centres and primary schools.

OPERATIONS

GOEDEHOOP





The Goedehoop Colliery is an underground thermal coal mine that uses a fully mechanised bord and pillar mining method. The coal mined is supplied to the export thermal coal market.

Based on the current LOM plan, mining operations at Goedehoop are expected to cease in 2025.

A railway line traverses the property, connecting the dedicated rail load-out terminal with the RBCT.

Reserves:	**6.6Mt**
Resources:	**249.6Mt**
LOM:	**2 years**

CHAMPIONING ESG

- Our skills development programme supported 15 beneficiaries with education and training. Four university students were awarded bursaries.
- Goedehoop's corporate social investment spend in 2023 focused on enterprise development, education and skills development, infrastructure development, food security and sport. Two mobile clinics were delivered to support the health and welfare of local farm dweller communities.
- Goedehoop projects include constructing the Mhluzi Industrial Park canteen, equipping boreholes and installing JoJo tanks to support the local farm dweller communities.

OPERATIONS

MAFUBE

Reserves[1]:	**114.7Mt**
Resources[1]:	**28.0Mt**
LOM:	**20 years**

[1] Resources and Reserves are shown at 100%.

The Mafube Colliery is operated as a 50:50 joint venture (JV) between Exxaro Coal Mpumalanga Proprietary Limited and South Africa Coal Operations Proprietary Limited. It is an opencast thermal coal mine that utilises strip mining methodology for coal exposure. Mafube produces primary and secondary products that are sold to the JV partners in equal portions for their specific markets.

Based on the current LOM plan, mining operations are expected to cease by 2043.

A railway line traverses the property, connecting the dedicated rail load-out terminal with the RBCT.

CHAMPIONING ESG

- Implementation of a business development programme to assist with future-fit skills.
- In 2023, 240 local youth benefited from skills development programmes including scholarships and bursaries, internships, workplace learning, engineering learnerships, machine training and computer training.
- Mafube plans on constructing a road in Mhluzi village. As part of its Social and Labour Plan commitment, the operation plans to launch a project to improve access to safe drinking water for communities.

OPERATIONS

KHWEZELA

The Khwezela Colliery is an opencast thermal coal mine that uses a strip mining method and combines dragline and truck and shovel equipment. Khwezela exports 100% of its saleable product.

Based on the current LOM plan, mining operations at the colliery are expected to cease by 2029.

Khwezela shares a railway line with the Greenside Colliery, connecting the rail load-out terminal with the RBCT.

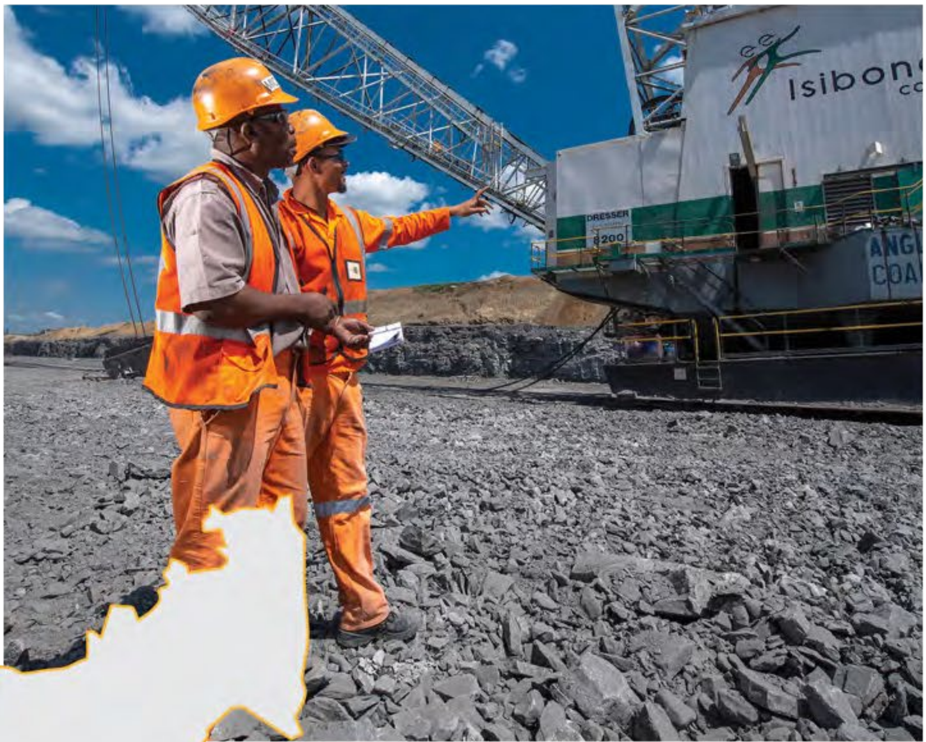
Reserves:	**28.5Mt**
Resources:	**49.0Mt**
LOM:	**6 years**

CHAMPIONING ESG

- Introduction of a coding and robotics programme to two local primary schools, equipping 80 learners with future-fit skills.
- Our school support programme assisted 150 learners in high school with mathematics, science and English supplementary classes. Five learners received scholarships and bursaries for tertiary education through the programme.
- Training is provided to communities of eMalahleni in various fields including early childhood development, hospitality and beauty. A total of 15 people completed the training in each of the fields.

OPERATIONS

ISIBONELO



Reserves:	**7.4Mt**
Resources:	**16.4Mt**
LOM:	**2 years**

The Isibonelo Colliery, located in the Secunda area, is one of our opencast operations exclusively catering to the domestic market through a Coal Supply Agreement (CSA) with Sasol Mining Proprietary Limited (Sasol), which concludes in June 2025.

In accordance with the CSA, Isibonelo supplies 4.5Mt of coal to Sasol via a conveyor belt system. Coal is extracted from two open cast strip mines, each equipped with a dragline and a truck and shovel coaling fleet.

CHAMPIONING ESG

- Through the Star Schools learner incubator programme, we provide supplementary classes to 150 learners in grades 10, 11 and 12. This has equipped learners with the skills and mindset to further their education ambitions post high school.
- Isibonelo was featured in Nature Metrics, an international publication that showcases the industry's use of environmental DNA (eDNA) to measure and protect biodiversity. This was for the wetland offset project in which the team used eDNA to measure the positive impacts.
- Two reverse vending machines were installed that rewards employees in exchange for their recyclables. The mine's employees dispose of glass, plastic, tin and Tetra Pak recyclables and receive rewards loaded onto their digital wallets.

OPERATIONS

RIETVLEI

Reserves:	**23.4Mt**
Resources:	**5.8Mt**
LOM:	**8 years**

The Rietvlei Colliery is an opencast thermal coal strip mine operated by Rietvlei Mining Company Proprietary Limited, in which we own a 34% effective interest through our shareholding in Butsanani Energy Investment Holdings Proprietary Limited.

Rietvlei is the only operation within the Group to supply thermal coal directly to Eskom.

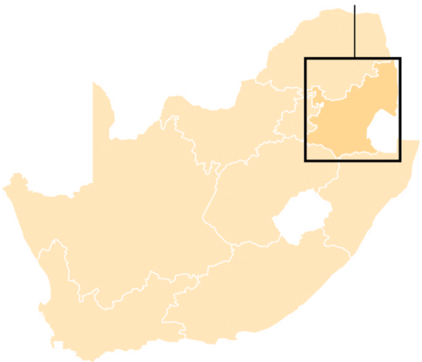
In 2023, the mine broadened its market offering by commissioning a larger coal beneficiation plant. This expansion has enabled Rietvlei to diversify its domestic customer base while optimising the product feed to Eskom.

CHAMPIONING ESG

- In support of municipal infrastructure plans, Rietvlei constructed a pedestrian walkway and paved inner roads in Somaphepha.
- Introduction of skills development programmes included maths and science classes, computer training and learnerships.
- Rietvlei's learner support programme boosted the achievement of a grade 12 pass rate of 100% for Bankfontein Combined School and a 93% pass rate for Steve Tshwete Boarding School.

PROJECTS

ELDERS



The Elders production replacement project will establish an underground mine, ensuring the continued production capability of our South African export coal business as some operations approach the end of their economic lives. The project is designed to replace the volumes from the Goedehoop Colliery as that operation nears the end of its life. It is anticipated that this project will sustain regional jobs and existing community suppliers.

The Elders on-site infrastructure is meticulously planned to facilitate the production of up to 4.2Mtpa of ROM. Initially, the focus will be on extracting coal from the higher quality No 2 Seam, with the flexibility to mine the No 4 Seam sequentially or simultaneously based on market demand. The No 2 Seam is well suited to produce a washed 5,700kcal/kg export product while the No 4 Seam is better suited for domestic customers as a lower grade domestic product.

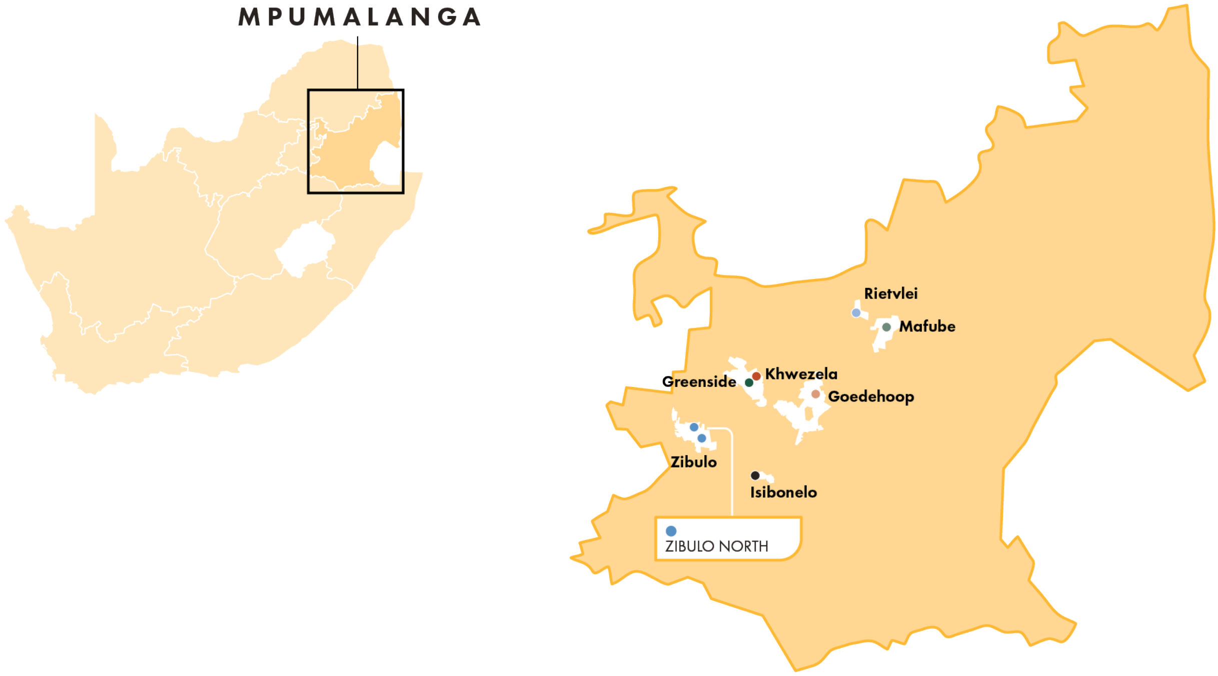
To date, we have incurred capital expenditure of R1.2 billion on the project. First coal was delivered in March 2024, ahead of initial estimates.

KEY STATISTICS

Capital expenditure (capex) cost	R2.0 billion
LOM	12 years steady-state (No 2 Seam)
Production profile	4.2Mtpa ROM (No 2 Seam)
Quality	5,700kcal/kg
Scheduling	
First coal	Q1 2024
Construction complete	Q2 2024
Conveyor complete	Q1 2025

PROJECTS

ZIBULO NORTH SHAFT



The Zibulo North Shaft project, that was approved by the board in June 2023, aims to establish a new decline shaft and associated infrastructure within the existing Zibulo mining right area. This will enable access to the Zondagsfontein West reserves, extending the LOM to 2038, and ensuring continued utilisation of the full wash capacity allocation of the PCPP. The new shaft will improve operational efficiency and optimise the cost structure through reduced travel distances to the coal face. This will further mitigate the loss of ROM production as the opencast operation winds down, and de-risk the Zibulo operation through access to additional panels.

The new shaft is positioned approximately 8km northwest of the existing shaft on the edge of Zondagsfontein West resource area, which was acquired and licensed at the same time as the Zondagsfontein East (current Zibulo) mining area.

The on-site infrastructure is aimed at sustaining ROM production of up to 8Mtpa after the initial underground development has been completed. Export product quality is expected to reduce from 6,000kcal/kg to 5,700 kcal/kg from 2030 based on current operational strategies, while production beyond 2035 will be targeted for domestic supply.

Capital expenditure for the year was R590 million.

KEY STATISTICS

Capex cost	R2.4 billion
LOM extension	Through to 2040
Production profile	Maintain 8Mtpa ROM
Quality	6,000kcal/kg 5,700kcal/kg
Scheduling	
First coal	H1 2025
Construction complete	Q1 2025

PROJECTS

LEPHALALE COAL BED METHANE PROJECT

OVERVIEW

The Lephalale coal bed methane (LCBM) project is located approximately 30km north-east of the town of Lephalale within the largely undeveloped Waterberg coalfield of the Limpopo province of South Africa. Thungela holds an exploration right which covers a total area of approximately 132,000ha and owns approximately 12,500ha of surface rights within the exploration right footprint.

Thungela has been involved in the LCBM project since 1992 and the quality of the LCBM project has been confirmed by several studies supported by over 100 exploration holes.

POTENTIAL DEVELOPMENT

The LCBM project is a significant methane gas resource, which we are evaluating for development and potential phasing. Lower carbon energy options being explored include:

- power generation
- diesel fuel substitution
- liquefied natural gas

An important additional consideration is the water produced, which could become an important resource to the water-scarce Lephalale district.

Our development options are supported by a resource model developed in partnership with Advanced Resources International Inc. that supports the estimate of 3.5 trillion cubic feet (Tcf) of gas in place, of which up to 1.5Tcf is extractable.

OUR AUSTRALIAN OPERATION

OPERATION

ENSHAM

ENSHAM MINE

Market: export

Coal Resources[1]

- Measured: 66.4Mt
- Indicated: 969.8Mt

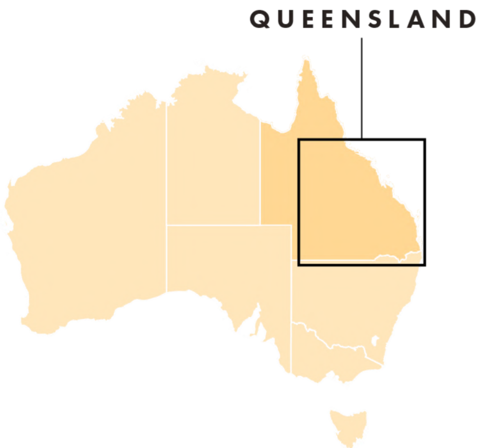
Coal Reserves[1]

- Proved: 32.0Mt
- Probable: 34.6Mt

Mining method: underground

LOM: 16 years

[1] Reserves and Resources are shown at 100%.



Ensham is an underground thermal coal mine located in the Bowen Basin in Queensland, Australia. Thungela Resources Australia Pty Limited (Thungela Resources Australia) owns 73.5% of Sungela Holdings Pty Ltd (Sungela Holdings). Sungela Holdings owns 85% of the Ensham Mine, through an unincorporated joint venture, with the remaining 15% owned by LX International.

Ensham extracts coal using a fully mechanised bord and pillar mining method – mining two main economical seams.

Thermal coal mined from the underground is crushed and does not require further beneficiation. The Blackwater rail system traverses the property, connecting the dedicated rail load-out terminal with the Port of Gladstone.

The current LOM plan for Ensham is scheduled to complete mining declared reserves by 2039. We are evaluating priority exploration targets and determining the optimal portions of the Mineral Development Licences for conversion into mining licences in order to take advantage of the full potential of Ensham's resources.

CHAMPIONING ESG

- Ensham continues to support local communities surrounding the operation. In 2023, we sponsored 23 local organisations with six sponsorships and provided donations for various charity organisations.
- We have supported sporting societies with local events such as carnivals and shows, school projects, and the Central Queensland Rural Health programme which focuses on prevalent mental health issues such as suicide prevention work, among others.


STOP
CONTACT
CONTROL
CONTRABAND

BOARD OF DIRECTORS

Sango Siviwe Ntsaluba

Independent non-executive chairman

BCom, BCompt (Hons), CTA, HDip Tax Law, MCom in Development Finance, CA(SA)

Age: 63
Nationality: South African

Appointed: 1 January 2021

Sango is the founder and chief executive officer of Aurelian Capital and also co-founded SNG-Grant Thornton, a leading auditing and accounting firm. He has a wealth of knowledge and experience having spent over three decades in leadership positions in operations, investment and finance. He also has extensive board experience in listed, public sector and unlisted companies locally and abroad. Sango brings invaluable experience to the board on governance, analytical analysis, sensitivities to emerging world trends and an understanding of social and environmental matters.

Skills brought to Thungela
Leadership, investment, auditing, operations, taxation, board experience, governance, financial services, transport, logistics, mining, sustainability, food production.

July Ndlovu

Chief executive officer, executive director

BSc (Hons) (Engineering), MBL, Senior Executive Programme (Columbia Business School)

Age: 58
Nationality: South African

Appointed: 1 September 2016

July is an experienced mining executive and has worked in different commodities over the last three decades. He was previously chief executive officer of Anglo American plc's (Anglo American) South African coal business, and prior to that occupied the position of executive head of processing at Anglo American Platinum Limited.

Skills brought to Thungela
Operations, mining, risk management, executive management, sustainability, large-scale industrial, board experience.

Gideon Frederick (Deon) Smith

Chief financial officer, executive director

BCom (Hons), CTA, CA(SA)

Age: 46
Nationality: South African

Appointed: 1 July 2017

Deon was previously the chief financial officer of Anglo American's South African coal business and subsequently assumed responsibility for strategy, business development and finance. Prior to joining the Thungela team, he was responsible for several finance functions across Anglo American and its divisions over 14 years including corporate finance, capital management, shared accounting services, and risk and audit. Deon spent six years with KPMG where he completed his articles and managed a software joint venture.

Skills brought to Thungela
Strategy, finance, auditing, risk management, investment banking, legal, IT/tech/digital, financial services, corporate finance, mergers and acquisitions.

Benjamin Monaheng (Ben) Kodisang

Independent non-executive director

BCom, BCompt (Hons), CA(SA)

Age: 53
Nationality: South African

Appointed: 16 March 2021

Ben is the founder and chief executive officer of ALT Capital Partners and has over 25 years of investment and business experience across asset classes throughout the African continent. He serves on several boards including Absa Bank Botswana Limited, Vukile Property Fund Limited and Sphere Private Equity Proprietary Limited. Prior to this, he was chairman of the South African Property Owners Association and Wesgro. In addition, Ben was chief executive officer of Sanlam Alternatives, and a managing director of STANLIB Asset Management Limited and Old Mutual Property Proprietary Limited.

Skills brought to Thungela
Operations, finance, business development, risk management, investment banking, fund management, sustainability, asset and investment property management, and governance.

Chairperson	Committee					
C	Audit	Health, safety, environment and risk	Social, ethics and transformation	Remuneration and human resources	Nomination and governance	Investment

Kholeka Winifred Mzondeki
Independent non-executive director

BCom, FCCA (UK)

Age: 56
Nationality: South African

Appointed: 12 February 2021

Kholeka has over 20 years' experience in governance and senior financial management. She has served as financial director and chief financial officer in several organisations, including the Fortune 500 company, 3M. In addition, she has served and is serving on several boards and was chairman of Trudon Proprietary Limited (Yellow Pages), a subsidiary of Telkom SA SOC Limited. Kholeka was part of the team that pioneered Trudon's digital journey. She has been a finalist in the Nedbank/BWA Businesswoman of the Year Award and has also served as an audit member at the United Nations World Food Programme, on a pro bono basis.

Skills brought to Thungela
Management, risk management, retail, consumer, sustainability, information technology, digital technology, governance, finance, accounting, strategy, board experience, leadership.

Thero Micarios Lesego Setiloane
Independent non-executive director

BSc, BEng

Age: 64
Nationality: South African

Appointed: 7 March 2021

Thero currently serves as a non-executive director on the board of Foskor and is also a director and board member of the Oppenheimer Memorial Trust. He previously held the positions of chief executive officer for Business Leadership South Africa, and executive vice president of business sustainability at AngloGold Ashanti Limited. Thero was also an executive director at Real Africa Holdings Limited and the deputy chief executive officer for the commercial division of Transtel, and has held various board positions which included chairmanship of Rand Refinery Proprietary Limited, Nuclear Fuels Corporation of South Africa Proprietary Limited, the Agricultural Research Council and Swiss Re Life and Health Africa Limited.

Skills brought to Thungela
Governance, mining, leadership, retail, fund management, sustainability, large-scale industrial, agriculture, education, research, information technology, digital technology, board experience.

Seamus Gerard French
Independent non-executive director

BEng

Age: 61
Nationality: Irish

Appointed: 4 June 2021

Seamus recently resigned as chief executive officer-designate and Europe Hub managing director of the international engineering and construction company, Laing O'Rourke plc. Prior to joining Laing O'Rourke, he was chief executive officer of Anglo American's bulk commodities and other materials division, responsible for the coal, iron ore and nickel businesses.

Skills brought to Thungela
Governance, mining, executive management, leadership, board experience, sustainability and community development.

Yoza Noluyolo Jekwa
Independent non-executive director

MBChB, MBA

Age: 48
Nationality: South African

Appointed: 12 August 2022

Yoza is the chief executive officer and founder of Thrive Capital Partners, an investment firm focused on infrastructure and impact investing in South Africa and sub-Saharan Africa. Prior to this, Yoza was the chief executive officer of Mergence Investment Managers Proprietary Limited, a mid-sized diversified asset management company with c.R35 billion of assets under management. She also has extensive investment banking experience as an originator and structurer of acquisition financing and investments for mid to large capitalisation corporates as a dealmaker within Rand Merchant Bank and as a principal in acquisition and leverage finance at Nedbank Limited. She currently serves as an independent non-executive director on the boards of Brait plc, Broll Property Group and Northam Platinum Limited.

Skills brought to Thungela
Corporate finance, risk management, investment banking, fund management, sustainability, healthcare, infrastructure, impact investing, executive management, leadership, board experience.

EXECUTIVE MANAGEMENT

Bernard Dalton
Executive head: marketing

Age: 62

Bernard is a seasoned marketing professional with more than 36 years of experience in the mining and metals industries, having spent a number of years with BHP Billiton Aluminium, BHP Energy Coal South Africa Limited and South 32 Limited (South 32). He has worked in Singapore on commodity trading and risk management, is known for his extensive commercial knowledge, and is a director at the RBCT. In his most recent role prior to joining Thungela, he was group manager marketing and sales for South 32, where he established the marketing strategy and structure for domestic and export sales across Johannesburg and London.

Leslie Martin
Executive head: technical

BEng

Age: 52

Leslie is a mechanical engineer, having commenced his career at Anglo American in 1996 as a junior engineer in the coal business. He has held various roles, including general manager and head of the safety and sustainable development department, and has experience in underground and opencast mining, process plants, projects and construction. Leslie successfully integrated the operational risk management process into the operating model of Anglo American's South African coal business.

Lesego Mataboge
Executive head: human resources

BA, PGDip

Age: 51

Lesego has extensive human resources experience within the natural resources sector, having worked at Kumba Iron Ore Limited and ArcelorMittal SA Limited. He was previously head of human resources at Anglo American's South African coal business.

Mpumi Sithole
Executive head: corporate affairs

BA (Hons)

Age: 45

Mpumi previously held the position of head of corporate affairs at Anglo American's South African coal business. Prior to this, she was media and external relations manager at Anglo American Platinum Limited. Before joining Anglo American, Mpumi was head of communications at Sanofi. Mpumi has held leadership positions at various companies and has extensive experience in communications and brand management, reputation management, media relations, stakeholder engagement, socio-economic development, and ESG strategic management.

Chairperson	Committee					
C	Audit	Health, safety, environment and risk	Social, ethics and transformation	Remuneration and human resources	Nomination and governance	Investment

Johan van Schalkwyk
Chief operating officer

BEng

Age: 49

Johan has held a number of management roles at several collieries of Anglo American's South African coal business and was the general manager at Kumba Iron Ore Limited's Sishen mine. Under his leadership, these mines achieved prestigious safety, productivity and efficiency awards within the Anglo American Group. He was previously the head of operations and business services of Anglo American's South African coal business.

Carina Venter
Executive head: safety, health and environment

National Diploma in Safety Management, MBA

Age: 46

Carina has held several management roles in Anglo American's South African coal business, having started her career at SasCoal Engineering. She was previously the head of safety and health at Anglo American's South African coal business.

Francois Klem
Company secretary

CIS, Diploma in Business Management, Diploma in Company Secretaryship

Age: 60

Francois previously worked as a company secretary for Massmart Holdings Group, Central News Agencies, and Anglo American Platinum Limited. He also worked as the corporate governance manager for Anglo American's South African coal business prior to the demerger.

> MAXIMISING VALUE FROM OUR EXISTING ASSETS IS CRITICAL TO SHAPING OUR FUTURE BUSINESS.

03

STRATEGY AND VALUE CREATION

MESSAGE FROM THE CHIEF EXECUTIVE OFFICER

Thungela delivered resilient results in 2023. We achieved adjusted EBITDA△ of R8.5 billion and net profit of R5.0 billion, despite a significant decline in benchmark coal prices and continued poor performance from Transnet Freight Rail (TFR). Earnings were also impacted by the late arrival of seven vessels in December, which resulted in the slippage of approximately 550kt of sales planned for December 2023 into January 2024.

2023 proved transformative for Thungela, with the acquisition of the Ensham Mine in Australia, approval of an extension to the life of our flagship Zibulo mine, and continued execution of the Elders project setting us on a path towards diversification, a more competitive portfolio and a longer life business.

Safety is our first value. As reported previously, our colleague Breeze Mahlangu tragically passed away in February 2023. While our overall safety performance (measured in total recordable case frequency rate) in South Africa is consistent with last year, we cannot waiver in our commitment to operating a business free from fatalities and injuries. We continued to spike on the social component of environmental, social and governance (ESG), with contributions of R312 million to the Nkulo Community Partnership Trust and the Sisonke Employee Empowerment Scheme. In January 2024, we launched a R160 million, five-year education initiative in Mpumalanga seeking to improve access to quality education for grade R to grade four learners in 45 no-fee schools.

SHAREHOLDER RETURNS REFLECT RESILIENT PERFORMANCE IN CHALLENGING CONDITIONS

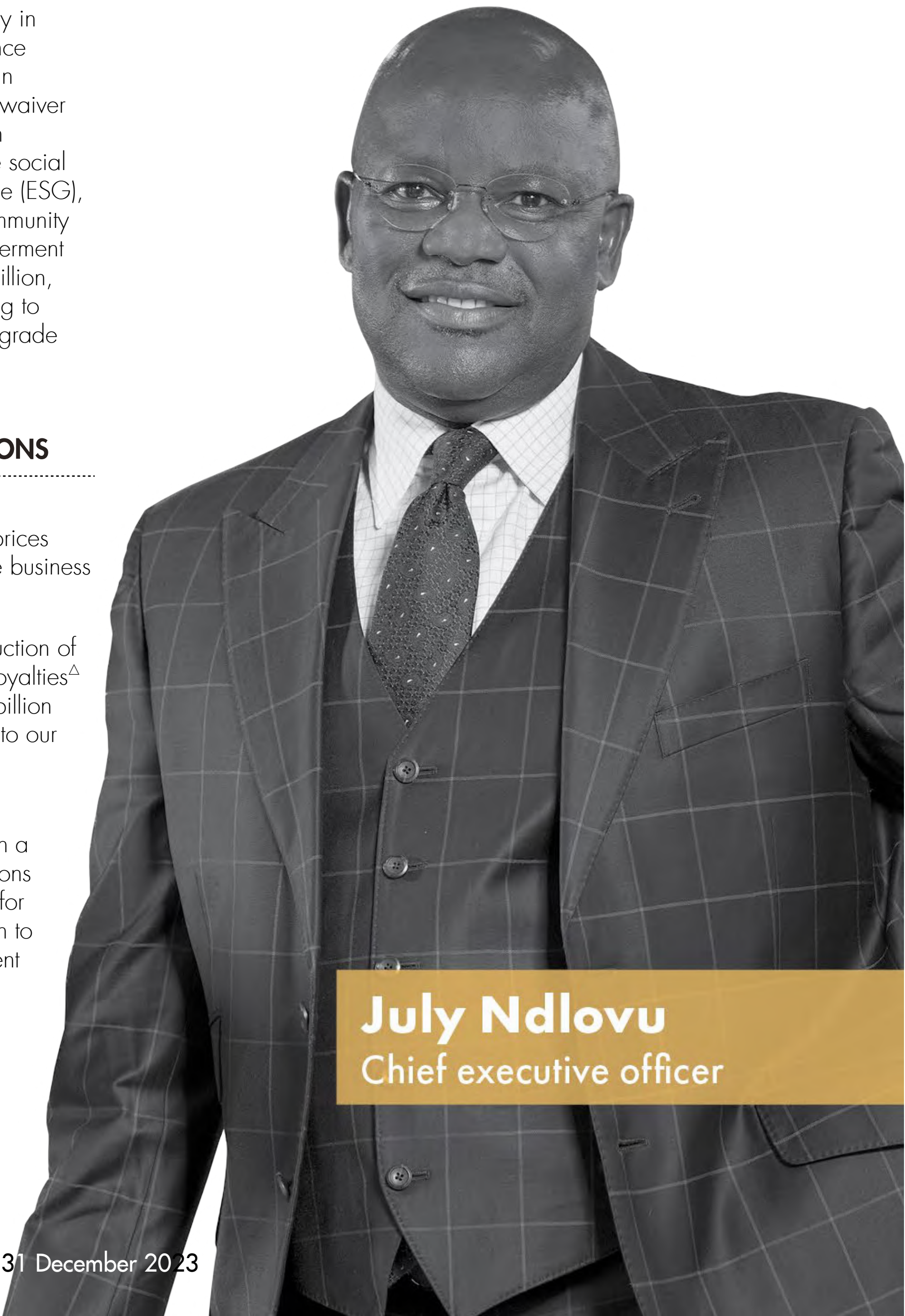
Thungela successfully navigated several exogenous challenges, including the weaker benchmark coal prices and continued poor rail performance by TFR, as the business delivered operational results in line with our targets.

In South Africa, we achieved export saleable production of 12.2Mt, at a free on board (FOB) cost excluding royalties△ of R1,084 per export tonne, while we spent R3.0 billion in capital expenditure. This performance is aligned to our guidance to the market at the release of our 2023 interim results.

In Australia, export saleable production of 2.9Mt (on a 100%, full-year basis) exceeded our initial expectations of 2.7Mt. FOB cost excluding royalties△ at Ensham for the period from completion of the acquisition through to the end of the year was R1,544 per tonne. We spent R299 million in capital over the same period (on an 85% basis).

Our agility in responding to the various challenges helped us maintain strong cash generation, which resulted in adjusted operating free cash flow△ of R6.8 billion in 2023, and a net cash△ position of R10.2 billion at year end, slightly ahead of our estimate in the December 2023 Pre-close Statement as a result of better cash conversion, providing room for improved returns to shareholders.

The successful execution of our two life extension projects is crucial to the Group's future competitiveness, and their funding requirements continue to determine the appropriate level of balance sheet flexibility.



July Ndlovu
Chief executive officer

Accordingly, the board considers it appropriate to reserve the R2.6 billion yet to be spent on these projects, as well as the cash buffer of R5 billion at year end. Thungela remains able to access R3.2 billion in undrawn credit facilities, and plans to maintain this flexibility for as long as challenges to obtaining funding from international capital markets persist. The board has also set aside R500 million as cash collateral for the financial surety required for the Ensham rehabilitation liability, while we pursue acceptance into the Queensland Financial Provisioning Scheme.

Shareholder returns are a central focus of our capital allocation framework. We not only invest in initiatives which deliver attractive returns in the long-term, but also prioritise returning value to shareholders through dividends and share buybacks, the combination of which provides flexibility for the diverse preferences of our shareholders, while maintaining a strong financial position.

Since listing, we have consistently delivered on our commitment to distribute a minimum of 30% of adjusted operating free cash flow[△] to shareholders. This year is no different, and the board has, in line with the Group's capital allocation framework, declared a final ordinary cash dividend of R10.00 per share. Combined with the interim dividend of R10.00 per share, this amounts to a total dividend of R2.8 billion, representing 41% of adjusted operating free cash flow[△] for the year.

In addition, the board has approved a share buyback of up to R500 million (subject to market conditions), which will be executed up to the date of the Group's next annual general meeting. Taking this into account, Thungela is returning 49% of adjusted operating free cash flow[△] for the full year to shareholders. The dividend and share buyback reflect our confidence in the Group's strong financial position and future prospects.

THE LONG-TERM FUNDAMENTALS FOR COAL DEMAND REMAIN ROBUST

Thermal coal prices declined much faster than market observers expected at the start of 2023. This was driven by a mild winter in the northern hemisphere, coupled with high coal and gas reserves – a result of the scramble to secure energy stocks in 2022, following the start of the Russia-Ukraine conflict.

While global efforts to reduce emissions from fossil fuels are underway, the demand for energy, including thermal coal, remains strong. This is reflected in record levels of global electricity generation from coal, as well as thermal coal exports. As Europe and North America pledge to phase down unabated coal, the use of coal for power generation will become concentrated in Asia, home to several of our key markets.

Rapidly growing economies such as China, India, Vietnam, the Philippines and Indonesia remain reliant on coal as an affordable and reliable source of power. In its Coal 2023 report the International Energy Agency acknowledged that coal remained the largest energy source for electricity generation, steelmaking and cement production – affirming that coal will continue to play a central role in the global economy.

Demand remains strong and responsive, but supply is presenting a growing challenge, with limited access to funding and insurance, increasingly stringent regulatory requirements, and widespread social and political opposition to the development of new coal mines. This provides companies like Thungela, with established high-quality coal operations and access to existing reserves, with a significant structural advantage.

MANAGING THE IMPACT OF CONTINUED POOR RAIL PERFORMANCE

Inconsistent and constrained TFR performance has once again significantly compromised the South African coal mining industry. In 2023, TFR railed 47.9Mt of thermal coal to the Richards Bay Coal Terminal (RBCT) compared to 50.3Mt in 2022, a decline of 4.8%.

We continue to work closely with other industry players and Transnet to remedy rail performance. Through RBCT, the industry has strengthened security measures by deploying additional security on the coal line for the past 18 months. While the impasse between TFR and Chinese locomotive supplier CRRC Corporation Limited continues, RBCT (on behalf of the industry) is also helping Transnet to acquire the critical spare parts necessary for the maintenance of locomotives from alternative suppliers.

The cost of the spares and security deployment is recovered by the coal exporting parties through the mutual cooperation agreement signed between TFR and RBCT (representing the coal exporting parties). Further collaborative efforts will address critical systems, such as signalling, to improve overall performance.

We have responded to TFR's persistent poor performance by curtailing production at our underground mines, renting sidings to improve our rail distribution pattern and driving efficiencies at our rapid loading terminals. Acting swiftly and decisively in the face of rail challenges has allowed us to benefit from additional trains when they are available, and rail 12.3Mt of export saleable volumes in 2023. Given the uncertain nature of TFR's performance, we have agreed to extend the existing long-term rail agreement by one year, to 31 March 2025, to allow TFR to demonstrate sufficient stability before the contract is renegotiated.

BUILDING A SUSTAINABLE AND LONG-LIFE BUSINESS ACROSS MULTIPLE GEOGRAPHIES

2023 was a year of significant accomplishments for Thungela as we executed our strategic priorities – successfully unlocking new markets and mitigating risk through our geographic diversification strategy, increasing the life of our business and building an organisation optimised for further diversification. These actions demonstrate our singular focus on creating long-term value for our stakeholders.

The acquisition of a controlling interest in the Ensham Business in Australia marked a significant milestone on our diversification journey, as it expands Thungela's presence beyond South Africa. This mitigates our reliance on a single operating geography and opens up new markets, notably in Japan and Malaysia, diversifying our customer base and providing exposure to the Newcastle Benchmark coal price.

Ensham will benefit from our operational expertise as it extracts coal using mechanised underground bord and pillar mining methods, similar to those used in our South African operations. Since we assumed operational control on 1 September 2023, our focus has been on improving productivity. Operational performance has stabilised at an annualised run-rate of 3.2Mtpa, up from 2.7Mtpa at the acquisition date. We believe there is opportunity for further improvement to approximately 3.6Mtpa through the introduction of an additional production section in 2024. Resource development studies are underway to define the full upside potential of the Ensham resource by identifying brownfield opportunities and their related capital requirements.

Thriving in a rapidly evolving energy landscape will require the creation of a robust Thungela with a long-life, cost competitive portfolio that is diversified and future-proof. We are confident that the depletion of existing reserves globally, coupled with a lack of new supply, will be price supportive in the long term, supporting cash generation and shareholder returns.

Accordingly, maximising value from our existing assets will be critical to shaping our future business. Through Ensham, and the Elders and Zibulo North Shaft projects, we will transform Thungela into a long-life business with a competitive portfolio measured by all-in sustaining cost.

The Elders project, which will replace export volumes when the Goedehoop Colliery reaches the end of its life, has progressed rapidly and on budget – delivering first coal on 1 March 2024, well ahead of initial estimates. The Zibulo North Shaft life extension project, which will increase the life of our flagship mine through to 2038, also continues to progress well.

By 2026, Thungela will be a c.15Mtpa export business (with an estimated 11Mtpa from South Africa and 4Mtpa from Australia). Our production footprint will change significantly in the coming years as production from Elders and Zibulo North is ramped up and some of our existing mines naturally come to the end of their lives (Goedehoop and Isibonelo in 2025, and Greenside in 2026).

The complexity of managing an international business requires several changes to the Group's business model, particularly in how coal from our portfolio is marketed internationally. To meet this need, we have established Thungela Marketing International Holdings Proprietary Limited (Thungela Marketing International) in the United Arab Emirates, one of the leading coal trading centres globally.

In anticipation of the expiration of the marketing agreement with Anglo American Marketing Limited (AAML) in June 2024, Thungela Marketing International has commenced with some of the marketing functions. Thungela Marketing International will cater to both the South African and Australian assets, reinforcing our commitment to capturing the full margin on our products and actively participating in the international commodities market as a global coal producer.

LOOKING AHEAD

Despite near-term headwinds, our commitment to delivering on our strategic priorities remains unwavering, ensuring readiness to take advantage of the long-term fundamentals supporting coal demand, and ultimately stronger coal prices, in our key markets. In the short term, a sustainable solution to ensure efficient and reliable rail performance is critical and we will continue working with TFR to remedy the state of rail in South Africa.

We continue to evaluate our portfolio with a focus on strengthening the Group's competitiveness, optimising capital allocation and ultimately maximising shareholder returns. We will continue to create sustainable value for all our stakeholders and to deliver on our purpose - to responsibly create value together for a shared future.

July Ndlovu
Chief executive officer

MARKET IN CONTEXT

MACROECONOMIC ENVIRONMENT

Energy prices started to soften towards the end of 2022, and the decline persisted from the first half of 2023 through to the end of the year across gas, oil and thermal coal. The Richards Bay Benchmark coal price averaged USD112.49 per tonne during the second half of the year compared to USD129.50 per tonne in the first half of the year. The average Richards Bay Benchmark price for the full year was USD121.00 per tonne.

South African coal markets were driven primarily by the redirection of coal flow due to the Russia-Ukraine conflict, and subdued European demand as a result of a mild winter and ample coal and gas stocks.

The Newcastle Benchmark coal price followed a similar trend as the Richards Bay Benchmark coal price, albeit at a slower rate. In January 2023, it peaked at USD357.75 per tonne, and the first half of the year averaged USD204.27 per tonne compared to USD141.31 per tonne in the second half of the year, resulting in a full-year average of USD172.79 per tonne.

Australian coal markets were shaped by high stocks in Japan and South Korea at the start of the year. In Japan, the high stock levels were coupled with nuclear power stations returning to operation following the Fukushima incident in 2011. The recovery of industrial demand was slower than initially predicted and this saw demand weaken in key markets, particularly Japan, the traditional buyer of higher calorific value material.

China's return to the seaborne market, following reduced consumption during COVID-19 restrictions, supported steady demand in the wider Asian market. Multiple disruptions to China's domestic coal production elevated domestic prices for the most widely-used product (5,500kcal/kg), leading utilities to source from the export market. The demand-supply balance remained muted due to unmet expectations of a robust economic and industrial recovery in China. This was further impacted by the resumption of Australian coal imports as trade tensions eased for the first time since 2020.

Russian coal remained in the market, attracting buyers from South Korea, Turkey and Japan with appealing discounts. However, Japan recently imposed sanctions on Russian coal, and the South Korean government has directed state utilities to reduce volumes purchased from Russia.

The competitive price of Russian coal led to a surge in India's imports from Russia at the start of the year. This decreased during the second half of 2023 as prices from other regions (including South Africa) became more competitive.

A trend that emerged among Asian end users during the year was the tendency to diversify their source base at the expense of some Australian branded products. Consequently, this shift has generated more interest in high quality coal from Richards Bay, including Thungela's branded coals.

The South African coal market was again heavily impacted by the persistent poor performance of TFR and ongoing disruptions to the coal line. These challenges, combined with the negative trajectory of international coal prices, reduced South African coal production and the availability of high-grade coal.

Ongoing geopolitical instability in the Middle East has added to gas and oil supply uncertainty. Suspended production at a natural gas field in Israel resulted in European gas prices increasing to EUR55.00 per megawatt hour, which in turn drove coal prices higher. Due to supply uncertainty, the market expected support for gas to coal switching, with possible higher coal burn in Europe. Liquefied natural gas (LNG) stocks were however already at 90% across the EU, implying lower demand for new gas supply but with a short term spike in both gas and coal prices. In addition, the expected coal restocking season in Europe ahead of winter did not materialise, given that both coal and LNG inventories reached multi-year highs at that time.

The outlook for coal demand remains firm, with many developing nations, particularly in South Asia, still using coal as a primary fuel source. Large importing nations, such as China and India, continue to invest in new coal-fired power stations to meet the energy needs required to sustain economic growth. Seaborne traded thermal coal demand is expected to remain close to one billion tonnes per annum in 2024 and 2025, thereafter declining to between 800Mtpa and 900Mtpa for the rest of the decade.

2023 PERFORMANCE IN SOUTH AFRICA

Thermal coal price and exchange rate	2023	2022
Richards Bay Benchmark coal price (US$/tonne)	121.00	270.87
Average realised export price (US$/tonne)	103.67	229.21
Average realised export price (Rand/tonne)	1,913	3,752
Realised price as a % of Richards Bay Benchmark coal price	86	85
ZAR:US$ average exchange rate	18.45	16.37

The discount achieved against the Richards Bay Benchmark coal price narrowed in the second half of the year to 10%, resulting in an average discount of 14% for the full year, compared to 15% in the prior year. Discounts are typically narrower when prices are lower, and the narrowing discount in the second half stemmed primarily from the lower benchmark price.

2023 PERFORMANCE IN AUSTRALIA

Thermal coal price and exchange rate	2023	2022
Newcastle Benchmark coal price (US$/tonne)	172.79	360.20
Newcastle Benchmark coal price[1] (US$/tonne)	140.94	n/a
Average realised export price[1] (US$/tonne)	155.85	–
Average realised export price[1] (Rand/tonne)	2,929	–
Realised price as a % of Newcastle Benchmark coal price[1]	111	–
ZAR:US$ average exchange rate[1]	18.79	–

[1] Reflects figures from the acquisition date of the Ensham Business, being 31 August 2023, to the end of the year.

The premium achieved against the Newcastle Benchmark coal price for the four months since completion of the Ensham transaction was 11%, attributed to the higher proportion of fixed-price agreements in the sales book.

TRANSNET FREIGHT RAIL PERFORMANCE

Despite widespread acknowledgement at all levels of government that a reliable and sustainable bulk commodity rail service is critical for the South African mining industry, TFR's performance once again proved disappointing. Railing on the North Corridor line fell to 47.9Mt in 2023, down from 50.3Mt in 2022. This remains the most significant risk to our South African business and is receiving intense management attention.

Notwithstanding this poor performance, 2023 saw an improvement in the industry's relationship with Transnet. Transnet's new leadership has displayed a heightened commitment to collaboration with industry, most notably through the mutual cooperation agreement it signed with the coal exporting parties. The agreement establishes a framework for cooperation to ensure the initial stabilisation, and subsequent improvement in rail performance.

Industry has deployed additional security on the railway line for the past 18 months, which has already decreased crime-related incidents. Through the RBCT, the industry has also commenced with the procurement of critical spares on behalf of TFR. These costs will be recovered in terms of the mutual cooperation agreement. The first spares arrived in February 2024, with the balance expected by the end of June.

In addition to the procurement of spares and deployment of additional security, TFR and industry are working on further improvement initiatives. These include fixing the railway signalling system which has been hard-hit by cable theft, resulting in TFR having to rely on manual signalling methods.

In response to TFR's poor performance, we have continued trucking stocks to additional third-party sidings and also leveraged the infrastructure advantage of our rapid load-out terminals. This allows us to benefit from additional trains when they are available. As a result, Thungela railed 12.3Mt of export saleable volumes in 2023.

Thungela's long-term agreement with TFR was due to expire on 31 March 2024, but has been extended to 31 March 2025. This extension affords TFR time to demonstrate sufficient stability before new terms are negotiated.

BUILDING THUNGELA'S EXPORT MARKETING CAPABILITY

The marketing agreement with AAML, which was put in place at the time of the demerger, will conclude in June 2024. We will then assume full responsibility for marketing our coal, with a dedicated team based in Dubai, strategically positioning Thungela within the international coal market. In preparing for this transition, our focus is on uninterrupted excellence as we maintain the high level of service expected by our clients.

As part of building our marketing capabilities, Thungela Marketing International, our newly established export marketing entity, will undertake the management of marketing activities for both the South African and Australian assets. Based in the Dubai Multi Commodity Centre Authority, the team is expected to be fully operational by the second quarter of 2024. This move not only facilitates the transition from the AAML marketing agreement to Thungela, but also integrates the marketing of Ensham coal, a responsibility which Thungela has managed since September 2023.

The choice of Dubai as the base for Thungela Marketing International is strategic, given its status as a leading international coal trading hub. This decision aligns with our commitment to growth and active participation in the global commodities market as a major coal producer. Proximity to clients, direct access to key stakeholders and the ability to attract and recruit global coal market expertise further position Thungela Marketing International for value optimisation and uplift for Thungela's coals out of both South Africa and Australia.

OUR STRATEGY

Our five strategic pillars will enable us to deliver on our purpose to responsibly create value together for a shared future.

Safety	Drive our ESG aspirations	Maximise the full potential of our existing assets	Create future diversification options	Optimise capital allocation
Safety is our first value. We do not waiver in our commitment in operating a business that is free of fatalities and injuries.	ESG remains at the heart of our strategy and informs our approach to our existing business, how we plan future projects and how we evaluate potential acquisitions. We maintain a broad ESG perspective recognising the socio-economic implications in and around our business while managing a transition to a low-carbon future.	We are continuously improving the competitive positioning and cash generation of the assets we own and operate today – through productivity initiatives and execution of approved capital projects on time and within budget.	We are developing a future pathway for our business by pursuing geographic diversification and leveraging our core skills. We also consider and pursue the divestment or winding down of high-cost tonnes or stranded resources.	Ongoing implementation of an efficient capital allocation strategy, based on our approved investment evaluation criteria to ensure that any 'buy versus build' options compete with additional shareholder returns in the form of additional dividends and share buybacks.

OUR INVESTMENT EVALUATION CRITERIA

Our investment evaluation criteria have been designed to optimally balance responsible stewardship with the need to upgrade our portfolio and create shareholder value. They are critical to all 'buy versus build' decisions, ensuring that investments compete with additional shareholder returns. We continue to evaluate all merger and acquisition opportunities against these criteria.

Environmental	Social	Governance	
• Consider the impact on global carbon output • No net loss of biodiversity	• Support existing regional communities and supplier base	• Improved transparency and accountability	**Responsible stewardship**
Cost/margin curve	**Payback**	**Capital intensity**	
• Target lower half of global seaborne cost curve	• Target short payback period	• Competitive capital expenditure (capex) per tonne when compared to alternative options	**Upgrade our asset portfolio**
Net present value/capex	**Internal rate of return**	**Closure costs**	
• Net present value • Capital efficiency	• Internal rate of return higher than our nominal weighted average cost of capital	• Cash flows to fund closure cost provisions beyond current life of mine	**Maximise shareholder value**

STRATEGIC FOCUS AREAS

We continue to make significant progress on the execution of our strategic focus areas.

Safety

Initiatives	Outcomes
Relentless drive to operate a business free from fatalities and injuries	• One fatality

Drive our ESG aspirations

Initiatives	Outcomes
Implement optimised rehabilitation and closure plans	• On-going optimisation of rehabilitation activities, planning and associated costs
Operate with a credible pathway to net zero by 2050	• 30% reduction in scope 1 and 2 emissions by 2030 from a 2021 baseline. On-track to meet target, having achieved 11% emission reduction by the end of 2023 • Delivering carbon intensity reduction initiatives across the business, including own-use solar photovoltaic installations at Zibulo and Elders • Identifying emissions offsetting opportunities that support our strategy
Continue to create shared value	• R312 million total contribution to employee and community trusts based on 2023 financial performance

Maximise the full potential of our existing assets

Initiatives	Outcomes
Deliver productivity improvements	• Several underground productivity initiatives successfully implemented
Enable an optimised cost structure	• Cost containment initiatives implemented during 2023 with a focus on targeting cost reduction across the business
Optimise use of rail and port infrastructure to enhance marketing optionality	• Established the Ensham Coal Sales book from the acquisition date • Enhanced train loading options through improved siding availability and use of third-party sidings
Develop and deliver production replacement and life extension projects	• The Elders project in execution, on schedule and within budget • Zibulo North Shaft life extension project approved by the board in 2023 and development on schedule

Create future diversification options

Initiatives	Outcomes
Divestment of stranded resources and high-cost tonnes	• Progress on divestment of remnant resources and plant infrastructure at Umlalazi
Geographic diversification	• Completion of the Ensham acquisition in September 2023 • Ongoing evaluation of additional organic and inorganic opportunities in line with our investment evaluation criteria
Diversification where we have demonstrated our 'right to win'	• Ongoing evaluation of various options

Optimise capital allocation

Initiatives	Outcomes
Maintain liquidity buffer throughout the commodity cycle	• Liquidity buffer in line with business needs
Evaluate internal projects and acquisition options which deliver superior returns over time	• Several acquisition opportunities were evaluated during 2023, with the successful completion of the Ensham acquisition
Seek shareholder approval for a potential share buyback programme	• Announcement of share buyback of up to R500 million

BUSINESS MODEL

Our business model is designed to deliver on our purpose – to responsibly create value together for a shared future. Thungela seeks to create and preserve value for our stakeholders by effectively managing various resources and relationships, known as the six capitals (referred to in the International Integrated Reporting Framework). We require inputs of each capital to deliver on our strategy as we advance on some of our prioritised United Nations Sustainable Development Goals. We consider the availability of the capitals as we seek to maximise positive outcomes and limit instances in which value is eroded.

CAPITAL INPUTS

The resources and relationships we rely on

Financial

- Debt and equity capital
- Cash flow and working capital management
- Self-insurance structure
- Focused capital allocation

Social and relationship

- Maintaining social licence to operate
- Engagement with trade unions to ensure good labour relations
- Local procurement
- Engagement with government and regulators
- Engagement with local communities

Natural

- Resources and reserves
- Managed land
- Water
- Electricity
- Diesel

Manufactured

- Seven mining operations in South Africa
- Ensham Mine in Australia
- TFR rail infrastructure in South Africa
- Port infrastructure (23.56% ownership in Richards Bay)

Human

- Employees: 4,841
- Contractors: 2,137
- Skills development and training
- Remuneration and incentives
- Strong leadership team
- Skilled and diverse board

Intellectual

- Integrated business excellence
- Intellectual property (processing plants)
- Leadership and talent management
- Strategy development

BUSINESS ACTIVITIES

We are a future-oriented, leading thermal coal business and our activities are informed by our strategic intent and values

Resource conversion

Finding and defining

- Evaluation of resources aligned to long-term business planning and strategy
- Successful track record of developing resources

Extraction

Mining

- Effective and efficient open pit and underground coal mining

Beneficiation

Processing

- Production of high-quality export thermal coal through wash plants
- Production of domestic thermal coal to customer required specifications

Sales and marketing

Marketing

- High calorific value thermal coal destined for export markets
- Focus on margin driven commercial opportunities
- Guaranteed access to key export markets through leading global coal export terminal

Closure

Rehabilitation

- Remediation and/or redevelopment of the land to a sustainable state

Champion ESG

Safeguarding

- Sustainable and responsible use of resources
- Collaborative partnerships to empower and uplift surrounding communities and employees
- Leadership team guided by codes of governance

OUTPUTS

What we produce

Coal for export market
Export saleable production: 13.1Mt

Coal for domestic market
Domestic saleable production: 8.1Mt

OUTCOMES

To create real and demonstrable value for all our stakeholders – by creating and preserving value

Financial

- Revenue: R30.6 billion
- Adjusted EBITDA△: R8.5 billion
- Adjusted operating free cash flow△: R6.8 billion
- Capital expenditure: R3.3 billion
- Earnings per share: R37.66 per share
- Headline earnings per share: R34.97 per share
- Dividend per share: R20 per share
- Share buyback: up to R500 million

Social and relationship[1]

- 5% direct equity stake in South Africa Coal Operations Proprietary Limited (SACO) for employees via the Sisonke Employee Empowerment Scheme
- 5% direct equity stake in SACO for communities via the Nkulo Community Partnership Trust
- Contributions to the employee and community trusts of R312 million related to 2023 performance
- Local procurement spend of R2.0 billion

Natural[1]

- *In situ* 793.2Mt Coal Resources and 249.2Mt Coal Reserves
- Run of mine: 24.1Mt
- Land managed: 53,666ha
- Two reportable environmental incidents
- Biodiversity: wetland restoration projects

Water

- Water provided to the eMalahleni municipality 6,851ML
- Freshwater abstraction: 369ML

Waste

- Hazardous: 889 tonnes
- Non-hazardous: 1,442 tonnes

Emissions

- Greenhouse gas (GHG) emissions (scope 1 and 2): 729kt CO_2 equivalent
- Energy consumed: 3.14 million GJ
- Electricity: 416,824MWh
- Diesel: 45,263kl

Manufactured

- Maximise value from existing assets with the Elders production replacement project, Zibulo North Shaft life extension project and the Ensham acquisition

Human[1]

- R186 million spent on learning and development
- Recognised as a 'Top Employer' in South Africa

Intellectual

- Culture of innovation and continuous improvement, ensuring that we remain agile and adaptable in the ever-evolving mining landscape

[1] South Africa

MATERIAL MATTERS

Our material matters are those which have the potential to substantively affect our performance and our ability to create value over the short, medium and long term. Identifying these matters allows us to proactively manage risks and opportunities, ensuring our strategy remains effective. This focus on materiality helps us navigate the evolving landscape and achieve sustainable success.

These matters inform our business strategy and are identified during a materiality determination process.

The materiality determination process considers:

- The external environment, including global and local risks and megatrends
- A review and evaluation of feedback from stakeholders such as investors, shareholder activists and communities
- An in-depth materiality workshop with a broad spectrum of internal stakeholders to identify, assess and prioritise material matters
- The outcomes of these considerations are reviewed by the Group executive committee, before being discussed and approved by the board

Our material matters have been identified and grouped into key themes and below we discuss their impact on value creation and our responses in more detail.

SAFETY

Material matter	Impact on value creation	Our response	Link to strategy
Eliminating fatalities	• Every employee and contracting partner going home safely every day is the cornerstone of sustainable value creation	• Safety strategy built around three pillars: ◦ work management ◦ getting the basics right ◦ culture change	Safety

RAIL INFRASTRUCTURE

Material matter	Impact on value creation	Our response	Link to strategy
Reliability of rail infrastructure (TFR)	• The performance of rail networks operated by TFR materially affects our ability to export coal to customers	• Creation of additional stockpile capacity • Utilisation of physical infrastructure advantages (e.g. wider distribution pattern and rapid load-out terminals) • Curtailment of three underground sections • Free-on-truck sales to manage stockpile capacity • Trucking of coal to nearby sidings • Supporting TFR with security on the railway line and procurement of spares for locomotives through the RBCT • Geographic diversification	Maximise **the full potential of our existing assets** Create **future diversification options**

OPERATING RESPONSIBLY

Material matter	Impact on value creation	Our response	Link to strategy
Responsible mine closure and environmental provisions	• Environmental restoration and rehabilitation costs • Negative impact on environment or communities living close to operations • Higher-than-anticipated closure liabilities	• Integrated approach to mine closure planning • Execution of concurrent rehabilitation and closure plans • Understanding the impact of the National Environmental Management Act (NEMA) Financial Provisioning Regulations • Cash collateralisation of environmental liability over time	**Drive** our ESG aspirations
Environmental incidents	• Impact on reputation and trust • Losses suffered due to operational disruptions from illegal mining and other criminal acts	• Adequate provision for environmental liabilities • Accelerated closure of high-risk sites and illegal mining hotspots • Collaboration with law enforcement • Learning from incidents	

CREATING VALUE

Material matter	Impact on value creation	Our response	Link to strategy
Capital allocation and shareholder returns	• Long-term growth and profitability	• Reaffirming our commitment to dividend policy and capital allocation framework • Maintaining adequate balance sheet flexibility, including an appropriate liquidity buffer • Reserving cash for the execution of key life extension projects • Announcement of a share buyback of up to R500 million	**Maximise** the full potential of our existing assets
Geographic diversification	• Mitigation of infrastructure risk in South Africa	• Execution of Ensham acquisition in Queensland, Australia	**Create** future diversification options
Market factors	• Impact on earnings and cash flow	• Thungela Marketing International has commenced with the marketing functions of our South African and Australian assets	**Optimise** capital allocation

SPIKING ON SOCIAL

Material matter	Impact on value creation	Our response	Link to strategy
Creating value for employees	• Improved talent attraction and retention	• Sisonke Employee Empowerment Scheme • Recognised as a 'Top Employer' in South Africa showcases our dedicated people practices through our employee value proposition	**Drive our ESG aspirations**
Creating value for communities	• Positive impact on the lives of communities neighbouring our operations through education, infrastructure for community benefit, job creation, local procurement, enterprise and supplier development (ESD) • Structured community engagement platforms to mitigate potential community unrest and manage negative impacts	• Communities are shareholders in our business through the Nkulo Community Partnership Trust • Preferential local procurement • ESD through Thuthukani • Implementation of community projects as part of Social and Labour Plans (SLPs) and corporate social investment (CSI) • Regular community engagements	

CAPITAL PROJECTS

Material matter	Impact on value creation	Our response	Link to strategy
Successful execution of Elders and Zibulo North Shaft projects	• Extend LOM and competitiveness of Thungela's portfolio in South Africa	• Reserving cash required to fund execution of these projects • Maximising value from existing assets by executing on the Elders and Zibulo North Shaft projects	**Maximise the full potential of our existing assets**

ENSHAM

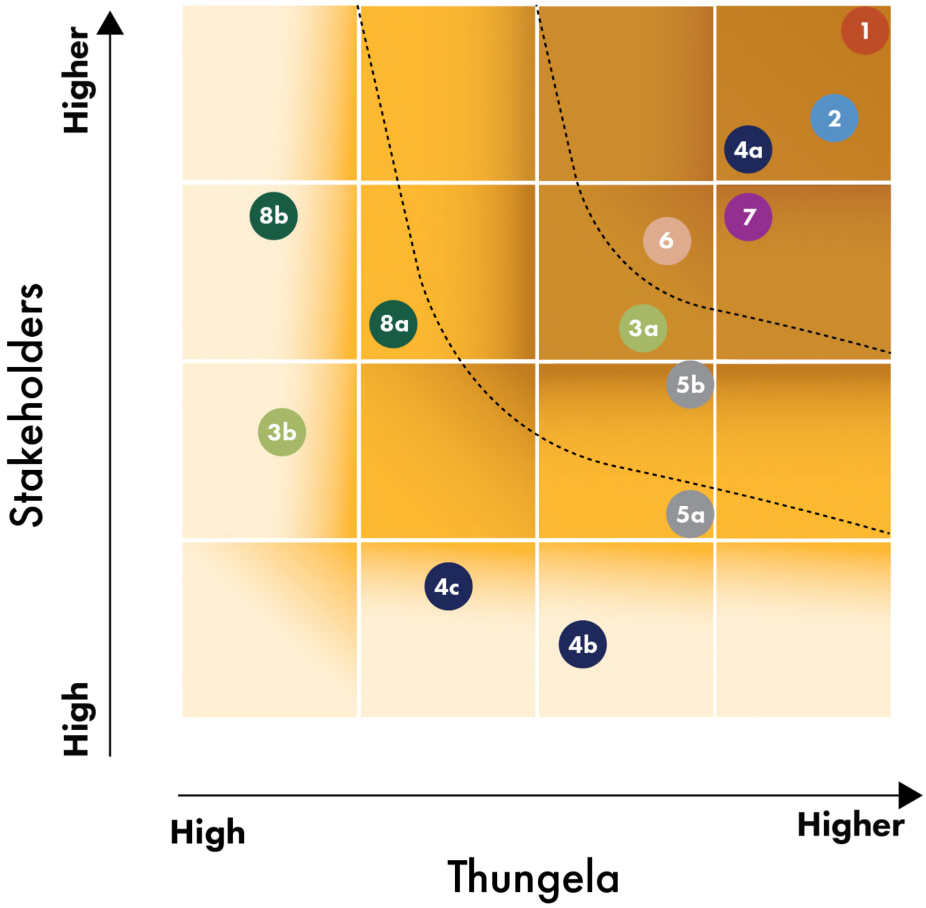
Material matter	Impact on value creation	Our response	Link to strategy
Successful integration and ramp-up of Ensham	• Cash generation from an asset not reliant on South African infrastructure • Substantial increase in resource base • Access to new markets	• Successful completion of the transaction • Good progress on delivery of integration roadmap	**Create future diversification options**

CLIMATE CHANGE

Material matter	Impact on value creation	Our response	Link to strategy
Operational GHG emission reduction (scope 1 and 2)	• Costs to meet intermediate emission reduction target	• Reducing carbon intensity of existing operations annually • Improving ESG performance	**Drive our ESG aspirations**
Execution of pathway to net zero	• Long-term demand destruction • Inability to access funding or insurance	• Development of a detailed climate strategy and pathway to net zero by 2050 • Setting intermediate emission reduction target for 2030 • Increased ESG and climate-related disclosures, including the requirements of the Task Force on Climate-Related Financial Disclosures requirements	

MATERIALITY MATRIX

Material matters ranked by relevance for Thungela and its stakeholders



Key material theme		Material matter
1	Safety	Eliminating fatalities
2	Rail infrastructure	Reliability of rail infrastructure (TFR)
3	Operating responsibly	a. Responsible mine closure and environmental provisions b. Environmental incidents
4	Creating value	a. Capital allocation and shareholder returns b. Geographic diversification c. Market factors
5	Spiking on social	a. Creating value for employees b. Creating value for communities
6	Capital projects	Successful execution of Elders and Zibulo North Shaft projects
7	Ensham	Successful integration and ramp-up of Ensham
8	Climate change	a. Operational GHG emission reduction (scope 1 and 2) b. Execution of pathway to net zero

APPROACH TO ESG

DRIVING OUR ESG ASPIRATIONS

The pillar at the heart of our business strategy is 'driving our ESG aspirations'. While the world continues to use coal, it is crucial that the producers of this fossil fuel do so responsibly. ESG imperatives inform the way we operate, both at our existing operations and any new projects or initiatives we consider.

Our ESG priorities are identified based on their materiality to our sector and the needs and expectations of shareholders, employees, communities and other key stakeholders. They are environmental stewardship, shared value for our stakeholders and, finally, responsible decision-making and leadership.

Our ESG priorities are underpinned by our values, Code of Conduct, strong management systems, committed and engaged leadership, and a dedication to effective and transparent stakeholder engagement.

While we are committed to upholding superior standards across the entire ESG spectrum, we place special significance on maximising our impact within the social sphere. We refer to this as 'spiking on social'. Three years after listing as a new company, our impact on coal mining communities and South Africa is already significant. This is achieved through the generation of substantial employment opportunities, our contribution to tax and royalties, the earning of foreign currency, and the delivery of essential community services. Through initiatives such as the Sisonke Employee Empowerment Scheme and the Nkulo Community Partnership Trust, employees and host communities are shareholders in our business and benefit from its success.

A CONTINUED ROLE FOR COAL

Global coal investment in 2023 surpassed the 2022 levels, driven by demand in China and India. Most of this investment went towards maintaining existing operations and brownfields developments, while in India and China, energy security concerns and power shortages have led to the development of new mines and the expansion of existing operations. Although investment in new coal-fired generation capacity has slowed in recent years, it continues nonetheless[1].

The International Energy Agency's (IEA) stated energy policy scenario sees the demand for all fossil fuels, including coal, peaking before 2030. Despite this, electricity generation from coal reached an all-time high in 2023, up 1% from the same period in 2022. Unfortunately, 2023 also saw the number of people without access to electricity increase to 760 million. This increase is the first in decades[1].

Investment in variable renewable energy (VRE) deployment has increased significantly, accounting for 12% of global generation in 2022 and set to rise to 30% by 2030. This puts power system flexibility at the centre of electricity security. There is growing recognition of the role of flexible, dispatchable thermal energy, such as abated coal, in stabilising electricity systems where high loads of VRE exist. The clean energy transition must be orderly, just and equitable to minimise the impact on energy security and the most vulnerable people in society.

A wider ESG lens is required when considering the socio-economic implications, timing and pace of the transition to a low-carbon future.

Full details related to our ESG approach and performance are included in the Environmental, Social and Governance Report available at www.thungela.com.

[1] International Energy Agency (2023) World Energy Outlook.

STAKEHOLDER ENGAGEMENT

Stakeholder involvement and support are critical to earning and maintaining our social licence to mine. Successfully engaging our stakeholders is how we achieve regulatory compliance, identify and mitigate risks and, ultimately, secure long-term success.

In 2023, we commissioned an independent perception survey to better understand how stakeholders view our business. The intention was to identify areas for attention and bring about continuous improvement in our stakeholder engagement processes.

More than 100 stakeholders participated either telephonically, face-to-face or via a digital questionnaire.

These individuals represent various stakeholder groups, including host communities, provincial and local government, organised labour, regulators, traditional authorities, members of the media and non-governmental organisations (NGOs).

Our annual stakeholder mapping exercise evaluated new and current stakeholders who are categorised based on their interest in or influence on our business. This activity feeds into our materiality index, which is based on the issues that are most material to us.

The information below provides details of our key stakeholders, their interests, and how we engage with them.

Objectives	Engagement channel	Key interests, concerns or expectations in 2023
OUR PEOPLE		
To ensure transparent, reciprocal engagement with employees and contractors.	• Central National Union of Mineworkers (NUM), National Union of Metalworkers of South Africa (NUMSA) and management forums • Various site forum meetings (e.g. employment equity, skills development and women in mining forums) • Town hall and virtual engagements • ICAS employee assistance programme • Bokamoso financial wellness programme • 'BeWell' committees • Supervisory toolbox talks (supervisor and employee engagements) • Employee engagement briefs	• Skills development • Career development opportunities for women • Strategy for people with disabilities • Inclusion and diversity • Retrenchment and downscaling matters • Employee health and safety • Environmental issues and incidents • Labour relations • Physical and mental health programmes • Wage negotiations • Transformation deliverables • Financial education • Thungela Code of Conduct
LABOUR UNIONS		
To ensure consistent application of an adherence to Company and site policies, as well as relevant legislation.	• NUM, NUMSA and management forums • Various site forums	• Employee health and safety • Labour relations • Relationship building • Wage negotiations • Transformation deliverables • Conditions of employment • Sisonke Employee Empowerment Scheme

Objectives	Engagement channel	Key interests, concerns or expectations in 2023
COMMUNITIES		
To ensure proactive, transparent and inclusive engagement with communities, and to ensure they are informed about employment, procurement and socio-economic development opportunities. We also engage to keep communities updated about organisational changes and how to access our grievance mechanisms.	• Future forums • Community engagement forums • Radio and social media platforms • Website • Business forums	• Employment opportunities • Socio-economic development • SLPs • Management of complaints and grievances • Changes in the organisation • Nkulo Community Partnership Trust • Direct or indirect impacts affecting communities (environmental, mine planning and projects) • Key projects, e.g. mine life extension (lifex) projects that may impact communities • Land claims and labour tenant issues • Mine closure plans • Access to business and procurement opportunities
SHAREHOLDERS AND INVESTMENT COMMUNITY		
To ensure investors are fully appraised of developments that could materially impact their investment decisions. This is achieved through equal and timeous disclosure.	• Stock Exchange News Service (SENS) announcements through the Johannesburg Stock Exchange • Regulatory News Service (RNS) announcements through the London Stock Exchange • Results presentations • Annual reports • Investor meetings (buy-side) • Analyst engagements (sell-side) • Annual general meetings	• Shareholder returns • Dividend policy • Capital allocation framework • Acquisition of the Ensham Business • Progress on Elders and Zibulo North Shaft projects • TFR performance • Thermal coal market dynamics • Climate change and related disclosures (including pathway to net zero) • Updates on environmental incidents

Objectives	Engagement channel	Key interests, concerns or expectations in 2023
MEDIA		
To inform the public about topics and issues related to our business through factual and accurate news stories and to inform stakeholders of business developments and performance. We also aim to build brand awareness.	• Results presentations • Media releases • Reactive statements • Interviews • Website • Advertorials • Annual reports • Media events and site visits • Regular media engagement • Social media	• Thungela performance • Thungela strategy • TFR performance • Acquisition of the Ensham Business • Mining rights and regulatory issues • Markets and products • Industry trends • Corporate citizenship and community involvement • Decarbonisation and our pathway to net zero • Lobbying activities and memberships of associations • Transformation • Labour relations • Kromdraai incident • Illegal mining
GOVERNMENTS AND REGULATORS		
To ensure regulatory compliance, engage on permit and licence applications and collaborate on industry initiatives and best practices.	• Various engagement forums • Compliance inspection site visits	• Compliance with safety and health regulations • Compliance with environmental regulations • Compliance with labour-related regulations • Compliance with the Mineral and Petroleum Resources Development Act (MPRDA) and Broad-Based Black Economic Empowerment Regulations • Compliance with SLP regulations • Environmental best practices and initiatives • Environmental permits and licences • Timeframes for approval of mining right applications, and competing applications granted
LOCAL GOVERNMENT		
To advance partnerships on socio-economic development programmes, report on relevant environmental regulations and to engage on grievances raised through municipal channels.	• Municipal local economic development and integrated development planning forums (Steve Tshwete, eMalahleni, Govan Mbeki and Victor Khanye local municipalities)	• Partnership on socio-economic development programmes (e.g. SLP projects and municipal capacity-building) • Community issues associated with our mines • Grievances raised through municipal channels • Nkulo Community Partnership Trust • Compliance with annual air quality management reports and plans (National Atmospheric Emissions Inventory System) • Compliance with regulations on fire prevention and flammable liquids and substances • Compliance with municipal by-laws related to waste, noise, blasting and wastewater management • Public participation on key projects related to our mines • Provision of water to the local municipality • Collaboration on emergency preparedness and response plans

Objectives	Engagement channel	Key interests, concerns or expectations in 2023
NGOs AND CIVIL SOCIETY		
To build relationships with developmental, social and environmental NGOs to enable partnerships that address social ills and environmental impacts.	• Meetings • Industry forums	• Resolving grievances related to mining impacts • Responsible energy transition • Adequacy of closure provisions • Climate change and the role of coal • Biodiversity disclosures • Lobbying activities and alignment with industry association positions on climate change • Responsible environmental stewardship
INDUSTRY ASSOCIATIONS, ACADEMIA AND OTHER BODIES		
To engage and contribute to policy development and to enable technical advancement and collaboration on common issues.	• Various subject-specific forums	• Technical advancement and collaboration on safety, occupational health and environment initiatives • National Environmental Management Act (NEMA) Financial Provisioning Regulations • Climate Change Bill and associated regulations • COP 28 • Kromdraai incident • Skills and market development • Water management and collaboration by mining houses to deal with catchment water impacts • Development of carbon capture and storage projects and skills in South Africa • Global energy security and grid stability • Technology-agnostic approach to the transition to a low-carbon economy • Coal abatement technologies • Alternative coal uses
BUSINESS PARTNERS AND CUSTOMERS		
To ensure sustained and predictable logistical services, securing route to market, business continuity and effective export channels for the delivery of a desired product.	• Various engagements • Board meetings • Operational committee meetings • Technical forums • Coal conferences	• Market development and Thungela response • Security of supply • Business continuity • Supplier relationship management • Logistics
SUPPLIERS		
To optimise procurement opportunities for small, medium and micro enterprises (SMMEs), increase spend in host communities and enhance supplier relationships.	• Supplier roadshows • Business forums • Individual supplier engagements • Digital platforms for supplier engagements • Advertise opportunities through existing market channels • ESD programmes • Collaboration and engagement with original equipment manufacturers on the provision of technical support for SMMEs • Social performance meetings with business forums and future forums	• Building an agile, lean and effective supply chain function through optimisation, automation and digitalisation • Reviewing the payment process to enhance the supplier experience • Creating a circular supply chain and ensuring responsible sourcing • Creating sustainable host community businesses through ESD and job creation targets • Communicating our approach to inclusive procurement, initiatives, progress and successes to host communities

BUSINESS RISKS AND OPPORTUNITIES MANAGEMENT

RISK MANAGEMENT

Thungela is exposed to a diverse range of risks that stem from both internal and external sources. Our risk assessment entails a dynamic and iterative process of identifying and evaluating risks. This includes assessing the likelihood and consequence of an adverse event on our objectives, relative to the specified risk tolerances.

Central to the responsibilities of both the board and the Group executive committee is the oversight of risk management. To this end, the board has endorsed a comprehensive integrated risk management process. This process is characterised by the systematic application of management policies, procedures and practices throughout the organisation. It encompasses crucial tasks such as effective communication, consultation on risk-related topics and the establishment of context. Furthermore, it ensures that we identify, analyse, evaluate, treat, monitor and review risk as an integral part of our business processes.

The health, safety, environment and risk committee and the audit committee are responsible for monitoring and assisting in this process.

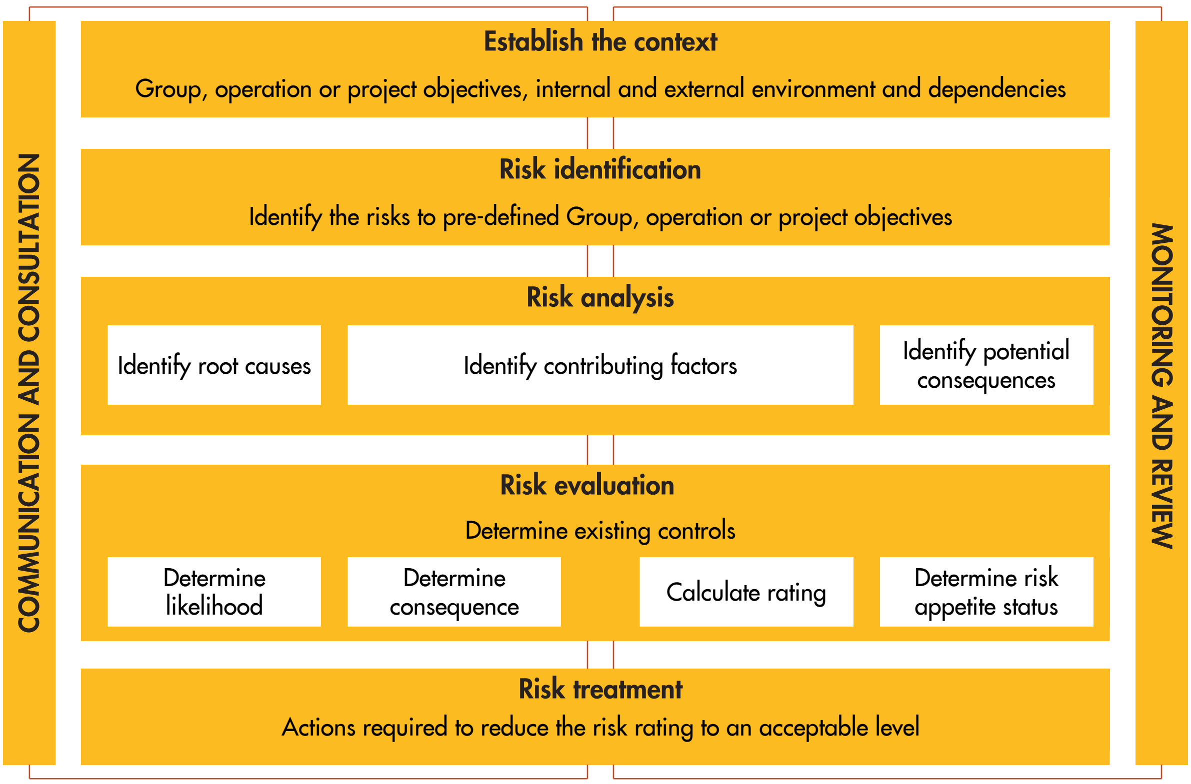
They regularly evaluate the integrated risk management process and lines of defence so that risk is recognised, managed, mitigated and reported in a timely and appropriate manner. Effective risk management is integrated into our management practices and provides sustainable value creation and predictable operational performance.

A process to develop integrated risk reporting that includes the Ensham Mine will be concluded in the first half of 2024.

By effectively managing risk, we safeguard our people, assets, legal position, values, reputation and the environment. In doing so, we not only mitigate risk, but identify opportunities to best serve the long-term interests of our stakeholders.

RISK ASSESSMENT PROCESS

The risk assessment process is an iterative process and is undertaken on a consistent basis, as illustrated below:



RISK MANAGEMENT FRAMEWORK

Thungela's integrated risk management framework includes the following key principles:

- the board considers risk in a way that supports the organisation in setting and achieving its strategic objectives
- risk is owned by the Group executive committee
- risk management is integrated across the organisation and embedded in critical business processes to ensure it supports day-to-day activities and executive decision-making at operational and corporate levels

RISK RATING

The purpose of a risk rating is to enable risks to be prioritised and measured over time and is a combination of consequence (what could happen if the risk event occurs) and likelihood (the probability of the risk event occurring). This is measured in terms of a 5x5 risk matrix.

RISK APPETITE AND TOLERANCE

Risk appetite and tolerance are core considerations in our integrated risk management process. The process considers the relationship between the potential consequences of a risk materialising and the actual condition of the controls or management actions that mitigate those consequences.

Risks exceeding appetite limits threaten the achievement of objectives and may require a change to our strategy. Risks that are approaching the limit of the risk appetite require specific management actions to ensure the risk is managed within defined appetite limits.

Our risk matrix combines the assessment of the consequences of risks, the status of management actions and the internal control environment that prevents or mitigates those risks. Risks that have significant consequences will be within the risk appetite if adequate controls or management actions are in place. Risks exceed the risk appetite if a significant consequence is not sufficiently controlled, or management actions have not yet been implemented to an extent that the risks can be described as effectively managed.

TOP 10 KEY RESIDUAL RISKS

A residual risk refers to the risk remaining after all identified mitigation measures have been applied. Our top 10 key residual risks, and their rating against the 5x5 risk matrix, are detailed below.

Risk ranking table

1	Coal transport networks	6	Legislative exposure
2	Employee safety and health	7	Relocations and resettlements
3	ESG and climate change	8	Cyber and information security
4	Strata and geotechnical failure	9	Commodity price and foreign exchange rate fluctuations
5	Community relations	10	Environmental management

Residual risk rating	Consequence type				
Likelihood	**Insignificant**	**Minor**	**Moderate**	**High**	**Major**
Almost certain					1
Likely			10	4,5,6,7	
Possible				9	2,3,8
Unlikely					
Rare					

Risk level	
High	A high risk exists that management's objectives may not be achieved. Appropriate mitigation strategy to be devised immediately.
Significant	A significant risk exists that management's objectives may not be achieved. Appropriate mitigation strategy to be devised as soon as possible.
Medium	A moderate risk exists that management's objectives may not be achieved. Appropriate mitigation strategy to be devised as part of the normal management process.
Low	A low risk exists that management's objectives may not be achieved. Monitor risk; no further mitigation required.

The following table lists the top 10 key residual risks that have been identified as having a potential impact on our ability to achieve our strategic objectives. Where a risk is denoted as "New" in the table below, this refers to the fact that it is being included in the table of top 10 key residual risks for the first time.

Key risk		Mitigation	Change from 2022	Link to strategic pillar
1	**Coal transport networks** Frequent and unscheduled disruptions by TFR could have a material effect on our export ability and ultimately our profitability.	• We continue to engage TFR at all levels to seek sustainable solutions. • We have implemented several actions to mitigate the operational and financial impacts on our business, including the prioritisation of export equity volumes and the optimisation of the export equity sales mix. • We have commenced with the evaluation of alternative logistic arrangements to move additional equity coal to the market.	—	**Create future diversification options**
2	**Employee safety and health** There are inherent safety and health risks associated with mining activities.	• We continuously review and upgrade our safety systems, culture and programmes. • We continuously deploy and embed a safety strategy founded on three core fundamentals: back to basics, work management and culture change.	—	**Safety**
3	**ESG and climate change** Future shareholder and industry expectations in relation to ESG issues could impact the profitability of the Group.	• We apply a fit-for-purpose ESG framework, incorporating environmental stewardship, shared value for stakeholders and responsible decision-making and leadership. Our chief executive officer continues to lead engagements with stakeholders on significant ESG matters.	New	**Drive our ESG aspirations**
4	**Strata and geotechnical failure** Fall of ground in our underground mines and slope failure in our opencast mines could result in significant business interruptions, property damage and the occurrence of safety-related incidents.	• Underground operations – ground support is designed by a competent person and installed using fit-for-purpose equipment and according to mine standards and procedures. • Opencast operations – drilling, blasting and excavation are completed according to the slope design to mitigate the rock fall and slope stability risks.	↑	**Safety**
5	**Community relations** Demands and expectations with regard to employment and procurement from various host communities.	• We have social commitments through the SLP and CSI programmes. • We conduct regular engagements with host communities. • The Nkulo Community Partnership Trust, implemented during 2021, ensures that our host communities benefit from our financial success. • Host community procurement spend is aimed at supporting economic activity and growth around our operations.	—	**Drive our ESG aspirations**

↑ Increased — Unchanged ↓ Decreased New Risk included in top 10 for the first time

	Key risk	Mitigation	Change from 2022	Link to strategic pillar
6	**Legislative risk** We continue to encounter competing applications against our existing mineral and prospecting rights. Additionally, we are facing general criminality with regards to illegal miners at several of our operations.	• Specialist law firm acts on our behalf. • Ministerial engagement from the chief executive officer to the Minister of Mineral Resources and Energy.	New	**Maximise** the full potential of our existing assets
7	**Relocations and resettlements** Legal action and community unrest could result from an inability to complete household and grave resettlements, as well as livelihood restoration projects. This could result in disruptions to operations and reduced access to resources.	• We undertake fact-finding mediation processes to verify and assess complaints and claims. • We undertake post-resettlement working group engagements as well as cultural heritage studies.	New	**Drive** our ESG aspirations
8	**Cyber and information security** The global increase in cyberattacks continues and represents a threat to our business in terms of financial loss and reputational damage. Cyberattacks impacting the operational technology environment could result in the occurrence of safety-related incidents as a result of the unavailability of safety monitoring systems.	• Critical systems are continually assessed to protect our information and safeguard infrastructure critical to our sustainability. • Security solutions have been deployed by a managed security services provider.	New	**Maximise** the full potential of our existing assets
9	**Commodity price and foreign exchange rate fluctuations** Benchmark coal price and currency exchange rate volatility impacts our profitability and cash generation. A prolonged weakness in benchmark coal prices could undermine the sustainability of our business.	• Our portfolio is positioned on the lower half of the global seaborne cost curve to improve margins and reduce cash requirements during periods of lower prices. • A price risk management steering committee is constituted specifically to monitor decisions and expenditure on swaps, related financial instruments and fixed-price transactions. • A three-year marketing offtake agreement is still in place with AAML, terminating in June 2024.	↓	**Optimise** capital allocation
10	**Environmental management** Our licence to operate and ability to sustain the business could be influenced by the level of compliance to environmental legislation.	• MPRDA – we perform annual performance assessments against environmental management programmes. • Water – we perform quarterly reviews, surface and groundwater monitoring and long-term hydro-geological and geo-chemical modelling for all mines to address volumes and quality. • NEMA – we engage continuously with the Department of Mineral Resources and Energy and other regulators to ensure compliance with the material aspects of this legislation.	↓	**Drive** our ESG aspirations

↑ Increased — Unchanged ↓ Decreased **New** Risk included in top 10 for the first time

EVENT RISKS

These are very high severity, low likelihood events which are distinctive to a mining business and could result in multiple fatalities or injuries, an unplanned fundamental change to our business or the way we operate. These events have significant financial consequences. Event risks are not rated in the 5x5 risk matrix as they are always treated with the highest priority.

Event risk	Mitigation
Underground fires, gas and explosion An underground gas-related incident, an underground explosion or exposure to irrespirable atmosphere could result in potential fatalities, injuries, significant business interruption and property damage.	• We ensure compliance with mandatory critical control processes, including, but not limited to, monitoring and management of ventilation systems and stone dusting controls. • We have emergency preparedness and response procedures. • We undertake event risk reviews by competent persons.
Shaft conveyance and shaft integrity failures Mechanical failure of the shaft conveyance or structural integrity failure of the shaft could result in potential fatalities, injuries, significant business interruption and property damage.	• We maintain compliance with shaft management standards, regulations and guidelines. • We undertake shaft management tests including live condition monitoring of mechanical components and daily inspection by competent persons. • We undertake event risk reviews by competent persons.

SAFETY AS A KEY RISK

While our risk assessment identifies various critical factors, safety transcends risk categorisation. At Thungela, safety is an unwavering commitment, not a ranked priority. We hold the well-being and safety of our people as paramount. Every incident is unacceptable, and we continuously strive for excellence through proactive risk management, robust training programs, and open communication. Safety is our first value and the foundation upon which we build sustainable operations and long-term value creation.

“THE RESULTS REFLECT OUR OPERATIONAL EXCELLENCE AND FINANCIAL DISCIPLINE, EVEN AMID CHALLENGING MARKET CONDITIONS.”

04

OUR PERFORMANCE

REVIEW OF FINANCIAL PERFORMANCE

For the year ended 31 December 2023

Net profit for the year **R5.0 billion** (2022: R18.2 billion)	Headline earnings per share **R34.97** (2022: R130.82)	Adjusted EBITDA[△] **R8.5 billion** (2022: R29.5 billion)
Net cash[△] **R10.2 billion** (2022: R14.7 billion)	Total dividend of **R2.8 billion** to shareholders of Thungela	Total dividend per share **R20** 41% of adjusted operating free cash flow[△]

Our performance demonstrates the strength of our underlying business and highlights our efforts to counter persistent industry headwinds. We have remained steadfastly focused on executing our strategic priorities. This is most clearly evidenced by the acquisition of the Ensham Business in Australia, which has transformed Thungela into an international coal company.

For the third consecutive year, rail performance in South Africa has negatively impacted our profits and cash generation. In 2023, Transnet Freight Rail (TFR) railed 47.9Mt for the industry, reflecting a further decline from the 50.3Mt it railed in 2022. In response, we took several actions to preserve value and capitalise on our differentiated infrastructure advantage. Notwithstanding the decline in industry-wide rail performance, Thungela was able to increase its railings to 12.3Mt in 2023, improving on the 12.1Mt railed in 2022.

Our South African operations recorded export saleable production of 12.2Mt, at the upper end of the guidance range of between 11.5Mt and 12.5Mt, at an free on board (FOB) cost per export tonne[△] of R1,134 (R1,084 per tonne excluding royalties), which is at the low end of the guidance range of between R1,170 and R1,250. This comes mainly as a result of higher-than-expected domestic revenue offsets. Ensham produced 2.9Mt (on a 100% basis, for the full year) at an FOB cost per export tonne[△] of R1,886 (R1,544 per tonne excluding royalties) for the four months since acquisition.

We realised equity export sales from our South African operations of 11.9Mt, which was impacted by vessel slippages of 299kt at the Richards Bay Coal Terminal (RBCT), compared to 12.2Mt in the previous year. At Ensham, we realised 0.9Mt of export equity sales for the four months since acquisition, which was impacted by vessel slippages of 255kt at the Port of Gladstone. Vessel slippages at both ports were as a result of late vessel arrivals and queues at the ports, and these sales were realised in January 2024.

Seaborne thermal coal prices decreased significantly in 2023, mainly due to a milder than expected winter in the northern hemisphere, and higher coal and gas stockpile levels across Europe. This is reflected in the decrease in the average Richards Bay Benchmark coal price, from USD270.87 per tonne in 2022 to USD121.00 per tonne in 2023. The average discount to the Richards Bay Benchmark coal price narrowed to 14% in 2023 compared to 15% in 2022.

In a demanding context, and against an atypically high comparative net profit of R18.2 billion in 2022, Thungela generated a net profit of R5.0 billion in 2023. This includes the accounting impact of the acquisition of the Ensham Business, which is based on the fair value of the underlying net assets thereof at the acquisition date. The acquisition resulted in the recognition of a non-cash gain on bargain purchase of R565 million, representing the excess of the fair value of the business over the purchase consideration. This was offset by acquisition and integration costs incurred, as well as other non-cash, acquisition-related accounting adjustments of R736 million, from the acquisition date to 31 December 2023.

Profit was further impacted by impairment losses of R266 million, recognised predominantly at Greenside and Khwezela, as a result of poor rail performance and softer prices.

Capital expenditure for the Group was R3.3 billion, including R299 million at Ensham. In our South African operations, sustaining capital expenditure[△] amounted to R1.4 billion, while expansionary capital expenditure of R1.6 billion related to our two ongoing projects.

The Group generated solid adjusted operating free cash flow[△] of R6.8 billion for the year, and at 31 December 2023 had a net cash[△] balance of R10.2 billion ahead of expectations, mainly as a result of better-than-expected cash collection in December 2023.

ADVANCING OUR GEOGRAPHIC DIVERSIFICATION STRATEGY

The acquisition of the Ensham Business marked a significant milestone on our journey to geographic diversification. The acquisition provides access to new markets, notably Japan and Malaysia, as well as exposure to the Newcastle Benchmark coal price. The Ensham sales book consists of volumes sold against the Newcastle Benchmark coal price, the Japanese Reference Price and fixed price contracts with large utilities in, for example, Taiwan and Malaysia.

The transaction was structured to allow Thungela to start benefiting from the economics of the Ensham Business from 1 January 2023 to the completion date – resulting in a return of R815 million in cash to Sungela. Considering the R376 million of cash acquired in the Ensham Business, as well as final closing adjustments per the agreement, this reduced the net cash outflow related to the transaction from the initial R4.1 billion to R2.8 billion.

We have progressed well in integrating the Ensham Business into the Group, finalising the transition of all services from the previous owner by 30 November 2023. Final system transitions are planned throughout 2024, as well as an alignment of appropriate policies, procedures and best practice. We are actively establishing our presence in Australia and engaging with regulators and financial institutions.

The acquisition resulted in a material increase in our coal resource base, with the addition of approximately one billion tonnes in resources. The recently launched resource development programme will identify further opportunities to unlock the full value of this asset beyond the current life of mine (LOM) and footprint.

Our export marketing team to be based in Dubai will be responsible for overseeing marketing functions for the South African and Australian assets and have already been providing marketing services to Ensham since the completion of the acquisition. The financial impact of the marketing function's transition will be positive as the marketing fee previously paid to Anglo American Marketing Limited (AAML) will no longer be reflected as a deduction from revenue. Actual costs incurred in marketing our coal will be recognised as operating costs.

CAPITAL PROJECTS UPDATE

Since the listing of our business in 2021, the board has approved two key projects in South Africa – the Elders production replacement project at a cost of R2.0 billion and the Zibulo North Shaft life extension project at a cost of R2.4 billion.

The Elders project will replace volumes from Goedehoop as that mine nears the end of its life. Elders is progressing well and delivered first coal in March 2024. To date, we have spent R1.2 billion on Elders, predominantly on the development of the portal into the coal reserve, as well as on surface infrastructure. Approximately R800 million of capital expenditure is budgeted for 2024. The mine is expected to produce 4.2Mt of run of mine (ROM) coal per annum when it reaches steady state at the end of 2025.

The Zibulo North Shaft life extension project was approved by the board in June and construction commenced shortly thereafter. We anticipate completion in 2026, which will extend the life of Zibulo's underground operation through to 2038. The mine is expected to produce 8Mt of ROM coal per annum by the first half of 2026.

At 31 December 2023, we had spent R590 million on the project. We are expecting to spend a further R950 million in 2024 and approximately R870 million in 2025.

We are pleased to report that both projects are on track in meeting expected completion timelines and budgets. Together, these projects will underpin our future competitiveness and extend the life of our South African business, sustaining regional jobs and supporting local suppliers.

CAPITAL ALLOCATION

We continue to set aside funds to cover future environmental liabilities, and in 2023 we contributed a further R205 million into the green fund, as required by the providers of the financial guarantees. We also spent R860 million on ongoing rehabilitation predominantly at the Kromdraai and Umlalazi sites at our Khwezela Colliery. Our environmental liability coverage$^{\triangle}$ for the South African operations has increased to 60%, however, when combined with the Ensham Mine, our Group coverage has decreased to 40%. The board has set aside R500 million to be used as cash collateral for the Ensham rehabilitation liability as we pursue acceptance into the Queensland Financial Provisioning Scheme.

We are pleased to reiterate our commitment to shareholder returns through the announcement of a share buyback of up to R500 million, in addition to the declaration of a final ordinary cash dividend of R1.4 billion, or R10 per share. This means that, combined with the interim dividend of R1.4 billion, we are returning R3.3 billion to shareholders, or 49% of adjusted operating free cash flow$^{\triangle}$.

The Sisonke Employee Empowerment Scheme and the Nkulo Community Partnership Trust will each receive a further R78 million, taking the total contribution to these trusts for the year to R312 million.

Our capital allocation framework allows us to navigate challenges, while prioritising shareholder returns and empowering our people and communities. We remain committed to being disciplined stewards of capital, ensuring that our decisions reflect our purpose to responsibly create value together for a shared future.

FINANCIAL OVERVIEW

Rand million (unless otherwise stated)	2023	2022
Revenue	30,634	50,753
Operating costs	(23,737)	(22,420)
Profit for the reporting period	4,970	18,205
Attributable to non-controlling interests	(192)	1,217
Attributable to the equity shareholders of the Group	5,162	16,988
Earnings per share (cents/share)	3,766	12,708
Headline earnings per share (cents/share)	3,497	13,082
Dividends per share (Rand/share)	20	100
APMs△		
Adjusted EBITDA	8,454	29,530
Adjusted EBITDA margin (%)	28	58
FOB cost per export tonne (Rand/tonne) – South Africa	1,134	1,079
FOB cost per export tonne excluding royalties (Rand/tonne) – South Africa	1,084	929
FOB cost per export tonne (Rand/tonne) – Ensham Business[1]	1,886	—
FOB cost per export tonne excluding royalties (Rand/tonne) – Ensham Business[1]	1,544	—
Adjusted operating free cash flow	6,806	18,096
Net cash	10,176	14,720
Capital expenditure	(3,288)	(1,923)
Environmental liability coverage (%)	40	54
OPERATIONAL OVERVIEW		
kt		
South Africa		
Run of mine	24,095	25,242
Export saleable production	12,214	13,062
Domestic saleable production	8,087	6,915
Total saleable production	20,301	19,977
Export equity sales	11,926	12,172
Third-party export sales	—	21
Domestic sales from thermal export stockpiles	1,491	—
Other industrial and domestic sales	7,271	6,723
Total sales	20,688	18,916
Ensham		
Run of mine (85%)[1,2]	839	—
Export equity saleable production (85%)[1]	860	—
Commodity purchases from Bowen (15%)[1,3]	152	—
Total saleable production	1,012	—
Export equity sales (100%)[1,4]	884	—
Total sales	884	—

1 Results for the Ensham Business reflect the results for four months from the acquisition date of 31 August 2023, to the end of the year.
2 Run of mine has been reflected at 85% of the run of mine extracted by the Ensham Mine.
3 Commodity purchases from Bowen reflect 15% of the operations of the Ensham Mine to align to the sales made through Ensham Coal Sales.
4 The sales volume reflects 100% of the coal sold from the Ensham Mine. This includes tonnes sold in Australia at export parity prices, which are considered export equity sales.

The table above reflects the financial results as disclosed in the consolidated financial statements, including the APMs as included in Annexure 1 of the Annual Financial Statements for the year ended 31 December 2023. The Group acquired a controlling interest in the Ensham Business on 31 August 2023, and assumed operational control thereof from 1 September 2023.
The results of the Ensham Business have been included in the Thungela consolidated results for four months from 31 August 2023 to the reporting date. Refer to note 2A and note 15 of the Annual Financial Statements for further detail.

REVENUE

Revenue reduced by 40% to R30.6 billion (2022: R50.8 billion) as a result of the steep decline (55%) in the Richards Bay Benchmark coal price experienced in 2023.

Our South African operations achieved an average realised export price of USD103.67 per tonne in 2023 compared to USD229.21 per tonne in 2022.

The realised export price as a percentage of the Richards Bay Benchmark coal price averaged 86% for 2023, slightly narrower than the 85% in 2022.

Revenue from the Ensham Business for the four-month period amounted to R2.6 billion. This part of our business achieved an average realised price of USD155.85 per tonne, representing a premium of 11% to the Newcastle Benchmark coal price for the four-month period. The premium is due to a proportion of fixed price agreements in the sales book, which are negotiated early in the year.

The weaker average exchange rate to the US dollar of R18.45 (2022: R16.37) had a positive impact on reported revenue, as the majority of export sales are undertaken in US dollar.

OPERATING COSTS

Operating costs increased by 5.8% to R23.7 billion from R22.4 billion in 2022.

Royalties incurred in South Africa decreased by R1.4 billion year on year, from R2.0 billion in 2022 to R603 million in 2023, as a result of lower prices.

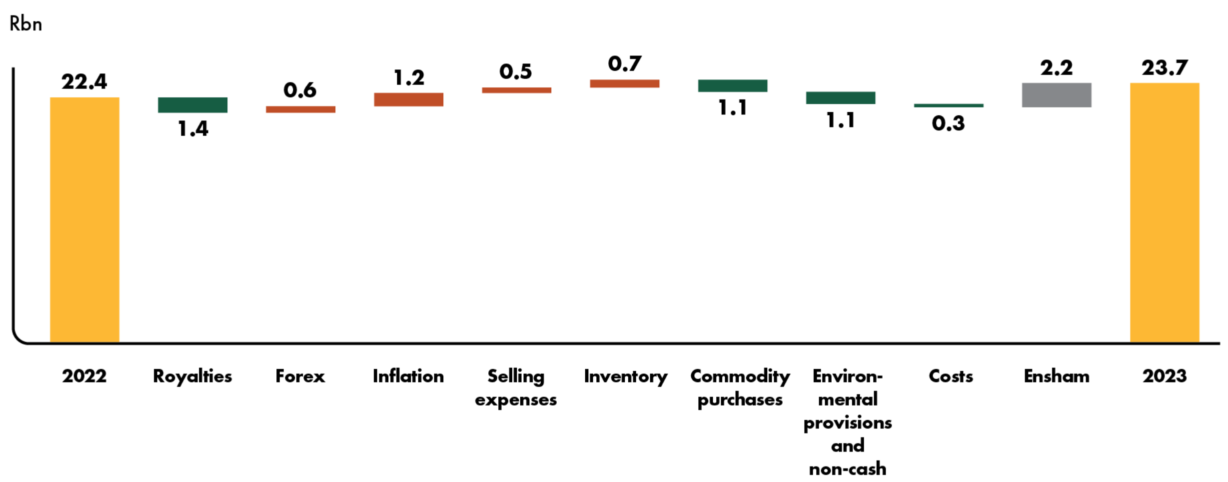
Total operating costs, excluding the impact of royalties, increased by R2.7 billion, of which R2.2 billion relates to the inclusion of the Ensham operating costs for the four months since acquisition.

The South African operations continued to experience a higher level of inflation of 7.1%, while the relatively weaker US dollar exchange rate reduced our realised exchange gains on revenue receipts by R566 million, which conversely increased operating costs.

Selling expenses in South Africa increased by R504 million year on year due to higher port and rail tariffs. Free-on-truck sales were used to reduce pressure on on-mine stockpiles, resulting in an increase in the inventory movement cost in South Africa of R740 million.

The cost of our commodity purchases was impacted by benchmark coal prices and thus decreased by R1.1 billion, in line with the decrease in the Richards Bay Benchmark coal price.

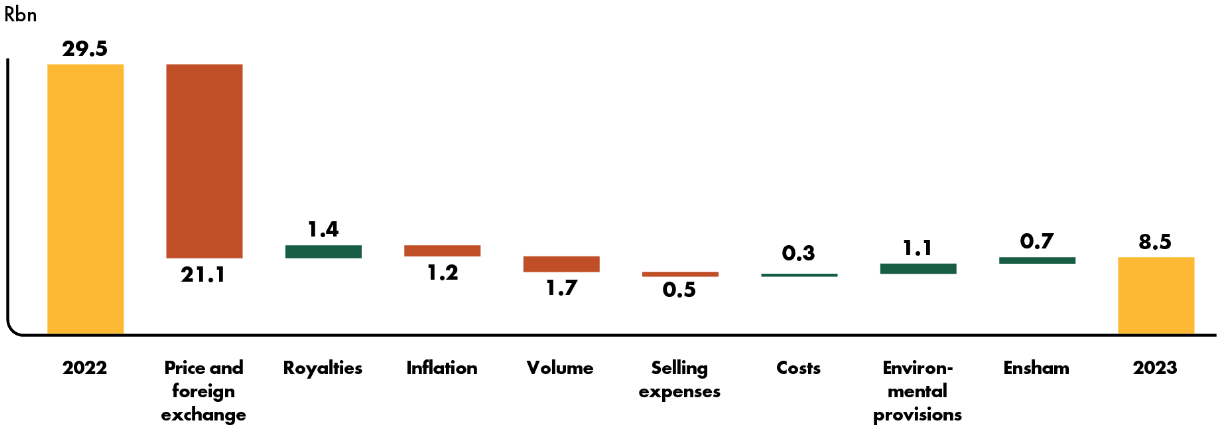
Environmental provisions were impacted by the annual independent cost assessment, as well as the planned timing of rehabilitation work, and the non-cash charge in South Africa amounted to R78 million, R1.0 billion lower than in 2022.



ADJUSTED EBITDA△

The Group generated adjusted EBITDA△ of R8.5 billion (2022: R29.5 billion), at an adjusted EBITDA margin△ of 28% compared to 58% in 2022. The decline in earnings was mainly driven by lower benchmark coal prices, which was partially offset by the weaker average US dollar exchange rate and lower royalty expenses.

The impact of inflation on operating costs remains high, but was marginally lower than that of the prior year. Positive impacts resulted from the lower non-cash charges for our environmental provisions as well as the consolidation of earnings from the Ensham Business from the acquisition date.



PROFIT

Profit for the reporting period was R5.0 billion (2022: R18.2 billion), mainly due to the Richards Bay Benchmark coal prices, which by June, had fallen to below USD100 per tonne. Prices remained soft for most of the second half of the year, averaging USD100.32 per tonne for December 2023, and USD121.00 for the full year.

Profit attributable to the equity shareholders of the Group was R5.2 billion (2022: R17.0 billion). The proportion of profit attributable to the equity shareholders of the Group increased as a result of our acquisition of the 27% interest in Anglo American Inyosi Coal Proprietary Limited in November 2022. In 2023, non-controlling interests were allocated a loss of R192 million (2022: profit of R1.2 billion) based on losses incurred at the underlying statutory entities.

Profit was impacted by various once-off, non-cash transactions in relation to the acquisition of the Ensham Business. The gain on bargain purchase of R565 million was offset by expenses related to the options granted to the co-investors of R123 million and losses on acquisition date derivatives of R159 million. Acquisition and integration costs of R454 million were paid in relation to the acquisition and ongoing integration of the Ensham Business into the Group.

The settlement of 181kt in forward coal swap transactions at a weighted average price of USD231.00 per tonne created cash inflows of R221 million in the year. The fair value gains of R97 million on these transactions were driven by the softer Richards Bay Benchmark coal price compared to the contracted prices. At 31 December 2023, there were no open forward coal positions.

The Group recognised impairment losses of R266 million predominantly at Greenside and Khwezela, as a result of poor rail performance and softer prices and the impact thereof on the recoverable amounts determined.

The Group incurred an income tax expense of R2.2 billion for 2023, which resulted in an effective tax rate of 31% (2022: 25%). This was higher than the statutory tax rate in South Africa of 27% (2022: 28%) and Australia of 30%, due to the impact of the accounting treatment applied to the Ensham Business on the acquisition date, contributions made to the trusts, as well as various items considered to be capital in nature, which are non-deductible for tax purposes.

EARNINGS PER SHARE AND HEADLINE EARNINGS PER SHARE

Profit attributable to the equity shareholders of the Group of R5.2 billion is equivalent to R37.66 per share compared to R127.08 per share in 2022.

Headline earnings attributable to the equity shareholders of the Group of R4.8 billion was equivalent to R34.97 per share compared to R130.82 per share in 2022.

To determine the headline earnings for the year, the earnings attributable to the equity shareholders of the Group was adjusted by the after tax impact of the gain on bargain purchase related to the acquisition of the Ensham Business and the impairment losses recognised.

These per share figures are based on a weighted average number of shares outstanding of 137,056,628 (2022: 133,684,828).

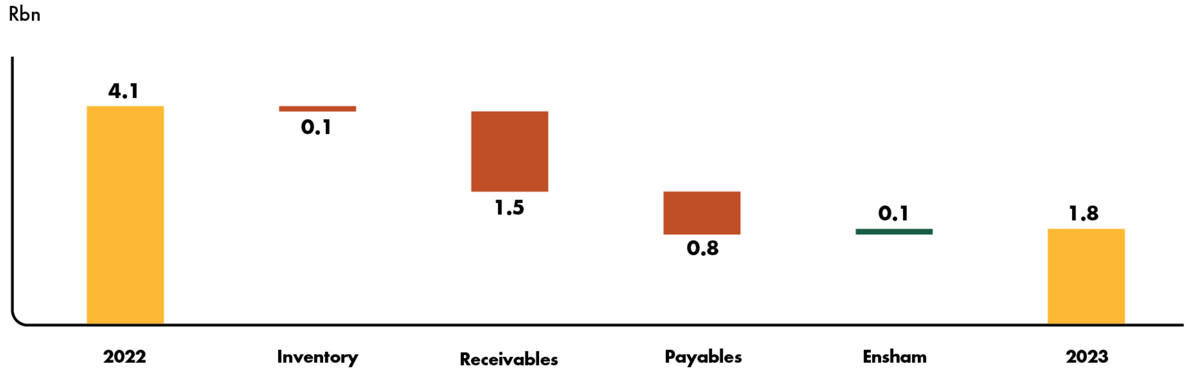
NET WORKING CAPITAL

Net working capital at year end was R1.8 billion (2022: R4.1 billion), reflecting a decrease of R2.3 billion.

We have reduced our stockpiles in South Africa, which was partially offset by a higher average cost of inventory, as well as inventory on hand at Ensham.

The working capital reduction was mainly driven by a reduction in receivables, as a result of lower realised export sales prices and lower sales volumes in December 2023.

Payables have increased due to higher expansionary capital spend in 2023.



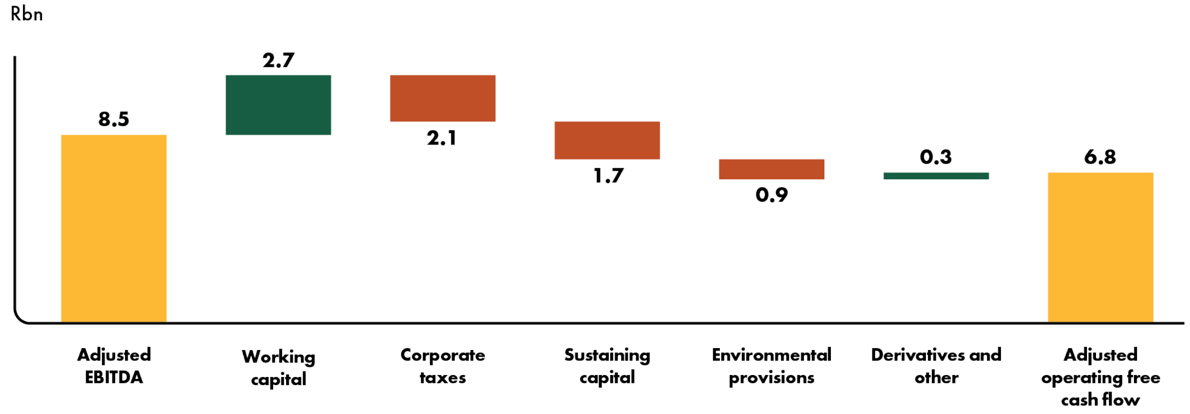
ADJUSTED OPERATING FREE CASH FLOW△ AND CASH AND CASH EQUIVALENTS

The Group generated adjusted operating free cash flow△ of R6.8 billion (2022: R18.1 billion).

The difference between the adjusted EBITDA△ and the adjusted operating free cash flow△ generated is mainly attributable to the release of working capital of R2.7 billion, South African income tax payments of R2.1 billion and sustaining capital expenditure△ (capex) of R1.7 billion (including sustaining capex△ of R299 million from Ensham).

Amounts applied to reduce environmental provisions of R860 million reflect the continued rehabilitation work focused on our Khwezela Colliery, and also include R121 million of rehabilitation spend at Ensham.

The Group ended the period with cash and cash equivalents of R11.0 billion. After deducting the cash held in the Sisonke Employee Empowerment Scheme and the Nkulo Community Partnership Trust of R717 million, and loans and borrowings of R66 million, net cash△ amounted to R10.2 billion at the end of the year.



SOUTH AFRICAN OPERATIONS

OPERATIONAL PERFORMANCE

ROM decreased by 4.5% to 24,095kt (2022: 25,242kt) due to the curtailment of three export production sections in response to the continued poor TFR performance. As a result, export saleable production decreased by 6.5% to 12,214kt (2022: 13,062kt).

Export equity sales declined by 2.0% to 11,926kt (2022: 12,172kt).

In addition to the curtailment of sections, the risk to on-mine stockpile capacity was further mitigated through the sale of lower quality export coal to the domestic market through free-on-truck sales of 1,491kt (2022: nil).

Domestic saleable production increased by 17% to 8,087kt (2022: 6,915kt) as Isibonelo recovered from operational challenges related to rainfall in the previous year. This was supported by other domestic operations. Domestic sales increased by 8.2% to 7,271kt (2022: 6,723kt).

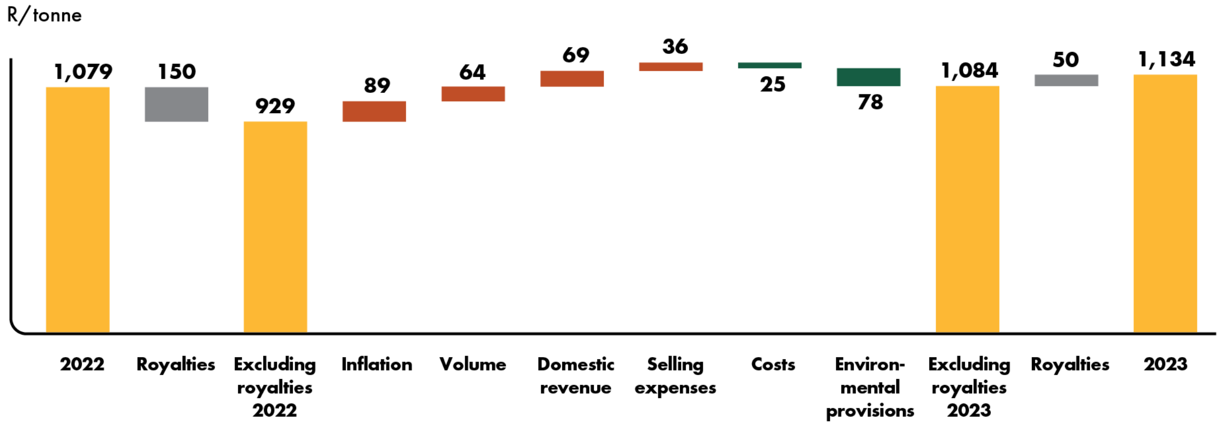
FOB COST PER EXPORT TONNE△

The FOB cost per tonne△ increased by 5.1% to R1,134 per tonne compared to R1,079 per tonne in 2022. This was mainly due to the impact of lower volumes and inflation on our operating costs, as well as the impact of some of our domestic sales, which are linked to the Richards Bay Benchmark coal price.

The increase in FOB cost per tonne△ was partially offset by a lower royalty cost, and a lower charge related to the annual assessment of the environmental provisions.

Given the weaker price environment and poor rail performance, the Group embarked on a cost curtailment and cash preservation initiative, which yielded approximately R500 million in cost savings. These savings were however partially offset by additional stockpile management and maintenance costs as the year progressed.

The FOB cost per export tonne, excluding royalties△ of R1,084 per tonne, was 17% higher than the R929 per tonne in the previous year.



CAPITAL EXPENDITURE

The South African business incurred capital expenditure of R3.0 billion (2022: R1.9 billion) comprising both sustaining capex△ and expansionary capex (mainly from life extension projects).

Stay-in-business capex of R1.4 billion was spent mainly on machine overhauls and rehabilitation-related equipment at Kromdraai.

Stripping and development capex was R250 million (2022: R455 million) and was spent on accessing LOM reserves.

Expansionary capex of R1.6 billion included R1.0 billion spent on the Elders production replacement project and a further R590 million on the Zibulo North Shaft project.

ENSHAM BUSINESS

OPERATIONAL PERFORMANCE

Ensham produces high grade coal from four underground mining sections. ROM tonnes from the underground sections are conveyed to the surface where the coal is crushed, sized and stockpiled without any further processing.

Coal is loaded onto trains and transported via a 13km dedicated rail spur, and then onto approximately 339km of the Blackwater rail system to the Port of Gladstone where it is exported. We also have the ability to sell into the domestic market, at export parity prices, from the offload station at the Port of Gladstone.

In 2023, Ensham produced 2,867kt of export saleable production (on a full year, 100% basis). For the four months since we have assumed operational control, the mine has produced 860kt of export saleable production (on an 85% basis).

From 1 September 2023, Ensham has recognised 884kt of export equity sales, which includes sales made in Australia at export parity prices or better. The sales tonnes included 152kt purchased from Bowen in line with their ownership of the Ensham Mine. Approximately 255kt of sales slipped from December 2023 into January 2024 due to inclement weather at the port which resulted in vessel delays and a build up of vessels at anchorage.

FOB COST PER EXPORT TONNE△

For the four months from the acquisition date, the FOB cost excluding royalties△, was R1,544 per tonne. Including royalties, the FOB cost per tonne△ was R1,886. Royalties in Queensland are linked to the Newcastle Benchmark coal price and the resultant realised price. The royalty expense is based on a percentage of the realised price, and the royalty applied for the four months reported in 2023 averaged 13% based on the achieved realised price.

The royalty costs in Queensland are calculated as follows:

Average realised price (AU$)	Royalty (%)
0 - 100	7.00
101 - 150	12.50
151 - 175	15.00
176 - 225	20.00
226 - 300	30.00
301 and above	40.00

CAPITAL EXPENDITURE

The Ensham Business has incurred capital expenditure of R299 million (on an 85% basis) from the acquisition date to the reporting date.

Stay-in-business capex was spent mainly on machinery overhauls and building new mining equipment to address operational requirements.

A review of the required capital spend at Ensham is ongoing.

ENVIRONMENTAL PROVISIONS

Environmental provisions are comprehensively assessed on an annual basis and determined with assistance from specialist independent environmental consultants.
The environmental provisions recognised at 31 December 2023 amounted to R11.7 billion (2022: R7.6 billion). This increase is mainly due to the environmental provisions at Ensham.

Investments ringfenced in the environmental rehabilitation trusts and the green fund equated to R4.7 billion (2022: R4.1 billion). Our environmental liability coverage△ for the South African operations has increased to 60%, however, when combined with the Ensham Mine, our Group coverage has decreased to 40%. In South Africa, in line with our commitment to the providers of financial guarantees, we contributed R205 million to the green fund in 2023.

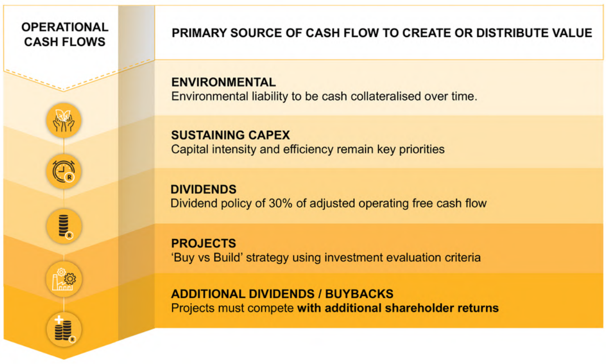
In South Africa, environmental provisions are assessed annually, and have been determined using the legal obligations of the existing Mineral and Petroleum Resources Development Regulations (MPRDA Regulations) as a base. This base was then adjusted for the Group's interpretation of the likely increases in costs required to transition to the financial provision regulations, published under the 2015 National Environmental Management Act (NEMA Financial Provisioning Regulations), for example, costs related to the ongoing pumping and treatment of polluted or extraneous water. Financial provisioning, which represents the amount of cash collateral required to be set aside based on the MPRDA Regulations, amounted to R4.5 billion at 31 December 2023 (2022: R4.4 billion). Environmental provisions of R7.8 billion (2022: R7.6 billion) have been recognised on our statement of financial position based on our current interpretation of the NEMA Financial Provisioning Regulations.

The 2015 NEMA Financial Provisioning Regulations have been subject to numerous amendments, and several drafts of the replacement regulations have been published, most recently in July 2022, with the transition date deferred to 19 February 2024. On 1 February 2024, the Minister in the Department of Forests, Fisheries and the Environment published a notice deferring the transition date, but a revised date has not yet been published.

At Ensham, an assessment of the environmental liability for the rehabilitation of the opencast area was previously prepared by an independent third-party consultant. The most recent assessment of the liability was completed in 2022, and forms the basis of the environmental provisions recognised on the statement of financial position at 31 December 2023 of R3.9 billion (on an 85% basis).

Mining companies in Queensland are required to contribute to the Queensland Financial Provisioning Scheme in relation to their regulatory environmental rehabilitation costs.
This contribution can be made by way of a payment into a pooled fund (pool) or the provision of a financial surety, as determined by the scheme manager. The Ensham Mine will no longer be in the pool once legal ownership of the mining tenements has been transferred to Sungela. On this basis, Ensham will be required to obtain financial surety for the environmental rehabilitation costs before the legal transfer of the tenements can take place, until the mine has been accepted into the pool. The required financial surety amounts to R3.4 billion (AUD274 million) on a 100% basis. The Group is in the process of obtaining this surety, which will likely be through a structure similar to the green fund in South Africa, requiring an annual contribution towards cash collateralisation over time. The board has therefore decided to reserve R500 million to be contributed to this green fund in Australia.

CAPITAL ALLOCATION



Thungela has a clear capital allocation framework, which seeks to prioritise returns to shareholders while collateralising our environmental liabilities over time.

Our dividend policy, to maintain a dividend payout of at least 30% of our adjusted operating free cash flow△ as a base dividend, is the core principle of our capital allocation framework. The framework then follows a hierarchy to allocate capital to projects or acquisitions which is designed to enhance shareholder returns in the long term. Where we do not have projects or acquisitions that will generate superior returns for shareholders in the long term, we remain committed to returning surplus cash to shareholders through additional dividends or share buybacks.

The Group generated adjusted operating free cash flow△ of R6.8 billion in 2023 and ended the year with net cash△ of R10.2 billion.

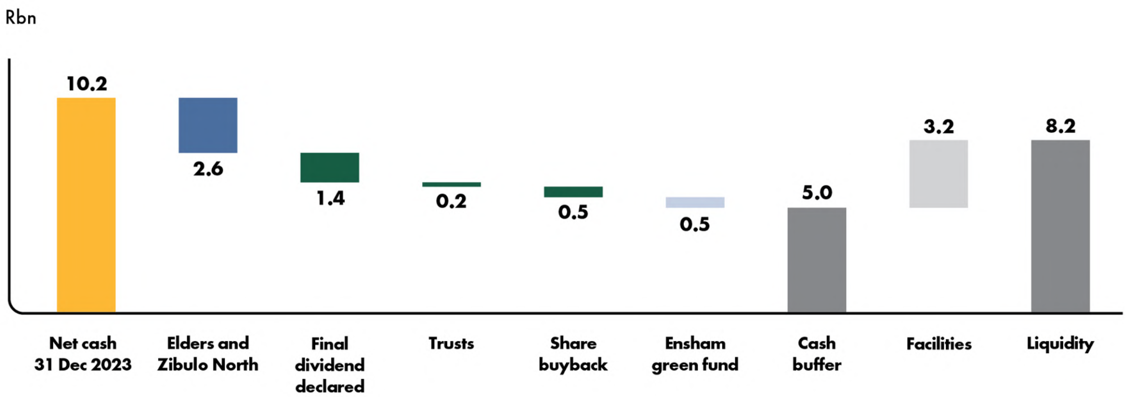
Disciplined capital allocation remains a cornerstone of Thungela's strategy, with our approach guided by the funding needs of our projects and the ongoing uncertainties associated with rail performance in South Africa. Accordingly, the board considers it appropriate to maintain a cash buffer of R5 billion, as well as to continue to reserve R2.6 billion for the ongoing execution of the Elders and Zibulo North Shaft projects.

Due to the fact that Ensham will not yet be in the Queensland Financial Provisioning Scheme when the tenements are transferred, the Group will be required to put financial surety in place against Ensham's regulatory environmental rehabilitation costs. Given that the guarantors for this surety will require partial cash collateralisation of the liability imminently, and that the Group aims to cash collateralise its environmental liabilities over time, the board has determined it appropriate to reserve R500 million to be contributed to the green fund in Australia.

Since listing, Thungela has consistently delivered on and surpassed our commitment to distribute a minimum of 30% of adjusted operating free cash flow△ to shareholders. The board once again reiterates its commitment to returning surplus cash to shareholders through the declaration of a base dividend in line with the policy, additional dividends above the minimum, as well as the announcement of a share buyback. This allows the Group to honour the dividend policy, while providing flexibility in the form of returns, recognising the diverse preferences of our shareholder base.

Accordingly, the board has declared a final ordinary cash dividend of R10 per share (R1.4 billion), which represents 56% of the adjusted operating free cash flow△ generated in the second half of the year. The Sisonke Employee Empowerment Scheme and the Nkulo Community Partnership Trust will also receive a further R156 million collectively, adding to the R156 million they received based on our interim results.

Combined with the interim dividend of R10 per share declared in August 2023, the final dividend brings the total dividend declared for 2023 to R20 per share, or R2.8 billion in total. The share buyback will return another R500 million to shareholders (subject to market conditions), bringing total shareholder returns in 2023 to R3.3 billion, which represents approximately 49% of adjusted operating free cash flow△ for the year.



This graph does not reflect historical financial information, other than the net cash△ balance at 31 December 2023. This is accordingly a conceptual representation of the intended utilisation of the net cash△ on hand at the reporting date.

OPERATIONAL OUTLOOK – SOUTH AFRICAN OPERATIONS

	2024
Export saleable production (Mt)	11.5 – 12.5
FOB cost per export tonne$^{\triangle}$ (Rand/tonne)	1,180 – 1,300
FOB cost per export tonne excluding royalties$^{\triangle}$ (Rand/tonne)	1,170 – 1,290
Capital – sustaining$^{\triangle}$ (Rand million)	900 – 1,100
Capital – expansionary (Rand million)	1,600 – 1,900

OPERATIONAL OUTLOOK – ENSHAM BUSINESS

	2024	2024
Export saleable production (Mt) (on a 100% basis)	3.2 – 3.5	3.2 – 3.5
FOB cost per export tonne$^{\triangle}$ (Rand/tonne) | (AU$/tonne)	1,830 – 1,950	150 – 160
FOB cost per export tonne excluding royalties$^{\triangle}$ (Rand/tonne) | (AU$/tonne)	1,590 – 1,710	130 – 140
Capital – sustaining$^{\triangle}$ (on an 85% basis) (Rand million) | (AU$ million)	600 – 900	40 – 70
Capital – expansionary (Rand million) | (AU$ million)	nil	nil

Figures in the table above are based on an exchange rate of ZAR12.20:AUD1. Royalties are calculated using an assumed Richards Bay Benchmark coal price of USD100 per tonne and an assumed Newcastle Benchmark coal price of USD120 per tonne.

As the timing of a sustained improvement in rail performance in South Africa is still uncertain, we have adopted the same approach to guidance as last year and will provide guidance only for 2024. This approach remains appropriate when considering the agreement between Thungela and Transnet to postpone the renegotiation of the long-term rail agreement by one year in order to allow Transnet to demonstrate sufficient stability before the contract is renegotiated.

With regards to Ensham, as we only assumed operational control on 1 September 2023, we are currently identifying the potential step-up in performance, establishing high confidence cost estimates and understanding the appropriate level of capital expenditure beyond 2024. Accordingly, we have only provided guidance for 2024 at this stage.

SOUTH AFRICAN OPERATIONS

Export saleable production guidance for 2024 is between 11.5Mt and 12.5Mt. This is based on the expected rail performance, considering the performance to date in 2024.

FOB cost per export tonne$^{\triangle}$ is expected to be between R1,170 and R1,290 excluding royalties. Including royalties, the range is between R1,180 and R1,300 per tonne, using an assumed Richards Bay Benchmark coal price of USD100 per tonne.

Sustaining capital expenditure$^{\triangle}$ is expected to be between R900 million and R1,100 million. Expansionary capex is expected to be between R1,600 million and R1,900 million as spend on the Elders and Zibulo North Shaft projects continues.

ENSHAM BUSINESS

Export saleable production guidance for 2024 is between 3.2Mt and 3.5Mt (on a 100% basis). This is based on our plans to ramp up production.

FOB cost per export tonne$^{\triangle}$ is expected to be between AUD130 and AUD140 excluding royalties. Including royalties, the range is between AUD150 and AUD160 per tonne, using an assumed Newcastle Benchmark coal price of USD120 per tonne. We have already started to review opportunities for productivity improvement and cost savings at Ensham.

Sustaining capital expenditure$^{\triangle}$ is expected to be between AUD40 million and AUD70 million (on an 85% basis), which is based on historical sustaining capex$^{\triangle}$ spend at the Ensham Business. A review of the required sustaining capex$^{\triangle}$ spend is ongoing. Separately, a resource development plan is being developed, which seeks to unlock the full value of Ensham through the most optimal extraction of the resource.

SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS

SUMMARISED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2023

Rand million	2023	2022
Revenue	30,634	50,753
Operating costs	(23,737)	(22,420)
Transactions arising from the acquisition of the Ensham Business	(171)	–
Gain on bargain purchase	565	–
Acquisition and integration costs	(454)	–
Expenses for conditional shares granted to non-controlling interests	(123)	–
Fair value adjustments to acquisition related derivatives	(159)	–
Impairment losses	(266)	(656)
Fair value gains/(losses) on derivative financial instruments	97	(3,207)
Fair value loss on derivative asset – capital support	–	(347)
Restructuring costs and termination benefits	(51)	(29)
Profit before net finance income and tax	**6,506**	24,094
Net finance income	**696**	49
Investment income	1,394	963
Interest expense	(1,024)	(738)
Other net financing gains/(losses)	326	(176)
Profit before tax	**7,202**	24,143
Income tax expense	(2,232)	(5,938)
Profit for the reporting period	**4,970**	18,205
Attributable to:		
Non-controlling interests	(192)	1,217
Equity shareholders of the Group	5,162	16,988
Other comprehensive income		
Items that may be reclassified to profit or loss		
Foreign exchange translation gains	155	–
Items that will not be reclassified to the statement of profit or loss		
Remeasurement of retirement benefit obligations	25	71
Fair value losses on financial asset investments	(3)	–
Related tax	(6)	(15)
Other comprehensive income for the reporting period	**171**	56
Total comprehensive income for the reporting period	**5,141**	18,261
Attributable to:		
Non-controlling interests	(186)	1,217
Equity shareholders of the Group	5,327	17,044
Earnings per share[1]		
Basic (cents/share)	3,766	12,708
Diluted (cents/share)	3,692	12,487

[1] The earnings per share has been calculated using a weighted average number of ordinary shares outstanding of 137,056,628 (2022: 133,684,828).

The consolidated financial statements from which this extract was derived have been prepared under the supervision of Deon Smith CA(SA), chief financial officer. The summarised consolidated financial statements are derived from the consolidated and separate financial statements on which PricewaterhouseCoopers Incorporated has expressed an unqualified opinion. A copy of the independent auditor's opinion, together with the Annual Financial Statements is available on www.thungela.com/investors/results

SUMMARISED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December 2023

Rand million	2023	2022
Assets		
Non-current assets		
Intangible assets	313	82
Property, plant and equipment	19,477	10,656
Environmental rehabilitation trusts	3,740	3,446
Investment in associate	78	43
Deferred tax assets	471	503
Financial asset investments	1,054	755
Investment in insurance structure	1,445	1,226
Trade and other receivables	194	1
Other non-current assets	72	65
Total non-current assets	26,844	16,777
Current assets		
Inventories	4,011	3,181
Trade and other receivables	4,284	4,907
Current tax assets	298	231
Financial asset investments	24	31
Derivative financial instruments	66	149
Cash and cash equivalents	10,959	15,299
Total current assets	19,642	23,798
Total assets	46,486	40,575
Equity		
Stated capital	11,323	11,323
Contributed capital	965	965
Merger reserve	2,606	2,606
Treasury shares	(493)	(302)
Share-based payments reserve	214	83
Other reserves	308	145
Retained earnings	9,686	11,453
Equity attributable to the shareholders of the Group	24,609	26,273
Non-controlling interests	(13)	(114)
Total equity	24,596	26,159
Liabilities		
Non-current liabilities		
Lease liabilities	32	62
Retirement benefit obligations	399	405
Deferred tax liabilities	1,637	1,421
Environmental and other provisions	11,135	7,179
Total non-current liabilities	13,203	9,067
Current liabilities		
Trade and other payables	6,537	3,997
Loans and borrowings	66	60
Lease liabilities	34	31
Environmental and other provisions	1,948	1,236
Current tax liabilities	102	25
Total current liabilities	8,687	5,349
Total liabilities	21,890	14,416
Total equity and liabilities	46,486	40,575

SUMMARISED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2023

Rand million	Stated capital	Contributed capital	Merger reserve	Treasury shares
Balance at 1 January 2022	10,041	965	2,606	(183)
Purchase of shares by Group companies	—	—	—	(165)
Acquisition of additional interest in subsidiary	1,282	—	—	—
Total comprehensive income for the reporting period	—	—	—	—
Dividends paid	—	—	—	—
Movements in share-based payments reserve[2]	—	—	—	—
Treasury shares issued to employees on vesting of share awards	—	—	—	46
Balance at 31 December 2022	**11,323**	**965**	**2,606**	**(302)**
Purchase of shares by Group companies	**—**	**—**	**—**	**(259)**
Total comprehensive income for the reporting period	**—**	**—**	**—**	**—**
Dividends paid	**—**	**—**	**—**	**—**
Movements in share-based payments reserve[2]	**—**	**—**	**—**	**—**
Conditional shares granted to the non-controlling interests in the Ensham Business	**—**	**—**	**—**	**—**
Non-controlling interests arising from the acquisition of the Ensham Business	**—**	**—**	**—**	**—**
Change in ownership of the Ensham Business	**—**	**—**	**—**	**—**
Treasury shares issued to employees on vesting of share awards	**—**	**—**	**—**	**68**
Balance at 31 December 2023	**11,323**	**965**	**2,606**	**(493)**

[1] Includes the financial asset revaluation reserve of Rnil (2022: R3 million), the retirement benefit obligation reserve of R160 million (2022: R142 million) and the foreign currency translation reserve of R148 million (2022: Rnil).

[2] Includes movements as a result of share-based payment expenses of R127 million (2022: R113 million) reduced by the impact of the vesting of shares of R71 million (2022: R46 million) under the Thungela share plan.

Share-based payments reserve	Other reserves[1]	Retained earnings	Total equity attributable to shareholders of the Group	Non-controlling interests	Total equity
16	89	3,039	16,573	1,901	18,474
—	—	—	(165)	—	(165)
—	—	1,909	3,191	(3,191)	—
—	56	16,988	17,044	1,217	18,261
—	—	(10,483)	(10,483)	(42)	(10,525)
67	—	46	113	1	114
—	—	(46)	—	—	—
83	145	11,453	26,273	(114)	26,159
—	—	—	(259)	—	(259)
—	165	5,162	5,327	(186)	5,141
—	—	(6,920)	(6,920)	(1)	(6,921)
56	—	71	127	—	127
123	—	—	123	—	123
—	—	—	—	226	226
(48)	(2)	(12)	(62)	62	—
—	—	(68)	—	—	—
214	308	9,686	24,609	(13)	24,596

SUMMARISED CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2023

Rand million	2023	2022
Cash flows from operating activities		
Profit before tax	7,202	24,143
Net finance income	(696)	(49)
Profit before net finance income and tax	6,506	24,094
Non-cash movements relating to the acquisition of the Ensham Business[1]	(283)	—
Impairment losses	266	656
Fair value loss on derivative asset – capital support	—	347
Fair value (gains)/losses on derivative financial instruments	(97)	3,207
Depreciation and amortisation	1,557	1,197
Share-based payment charges	127	113
Increase in provisions[2]	270	1,730
Loss on sale of property, plant and equipment	8	17
Other adjustments	47	15
Movements in working capital	2,737	(618)
Decrease/(increase) in inventories	212	(632)
Decrease/(increase) in trade and other receivables	1,581	(381)
Increase in trade and other payables	944	395
Cash flows from operations	11,138	30,758
Amounts applied to reduce environmental and other provisions[3]	(860)	(846)
Settlement of derivative financial instruments	344	(3,561)
Income tax paid	(2,119)	(6,567)
Net cash generated from operating activities	8,503	19,784
Cash flows from investing activities		
Expenditure on property, plant and equipment	(3,116)	(1,923)
Purchase of right-of-use assets	(48)	—
Expenditure on intangible assets	(172)	—
Cash outflow on the acquisition of the Ensham Business	(2,770)	—
Purchase of financial asset investments	(210)	(443)
Investment in insurance structure	(200)	(1,224)
Repayment of loans granted to investees	25	31
Loans granted to investees	(280)	(8)
(Advance)/repayment of quasi-equity loans by associate	(35)	20
Investment income received	1,026	707
Net cash utilised in investing activities	(5,780)	(2,840)
Cash flows from financing activities		
Interest expense paid	(43)	(33)
Capital repayment of lease liabilities	(31)	(26)
Repayment of loans and borrowings	(1)	(9)
Settlement of derivative related to the acquisition of the Ensham Business	(55)	—
Purchase of shares by Group companies	(259)	(165)
Dividends paid to the equity shareholders of the Group	(6,920)	(10,483)
Dividends paid to non-controlling interests	(1)	(42)
Issue of shares by subsidiary to non-controlling interests	61	—
Net cash utilised in financing activities	(7,249)	(10,758)
Net (decrease)/increase in cash and cash equivalents	(4,526)	6,186
Cash and cash equivalents at the start of the reporting period	15,299	8,736
Net (decrease)/increase in cash and cash equivalents	(4,526)	6,186
Effects of changes in foreign exchange rates[4]	186	377
Cash and cash equivalents at the end of the reporting period	10,959	15,299

1 Non-cash movements relating to the acquisition of the Ensham Business consist of the gain on bargain purchase of R565 million, offset by the expenses for the conditional shares granted to non-controlling interests of R123 million and the fair value adjustments to acquisition related derivatives of R159 million.
2 Increase in provisions includes amounts recognised in the statement of profit or loss and other comprehensive income in respect of environmental and other provisions of R32 million (2022: R1,302 million) and contributions to the Nkulo Community Partnership Trust of R276 million (2022: R386 million).
3 Amounts applied to reduce environmental and other provisions represent cash paid to settle these obligations, which is not recognised through the statement of profit or loss and other comprehensive income.
4 Effects of changes in foreign exchange rates consists of foreign exchange gains on cash and cash equivalents of R163 million (2022: R377 million) recognised in net finance income, and the revaluation of the cash balances held in the Ensham Business of R23 million (2022: Rnil) recognised in other comprehensive income.

REVIEW OF OPERATIONAL PERFORMANCE

For the year ended 31 December 2023

UNDERGROUND OPERATIONS

GOEDEHOOP COLLIERY

	2023	2022
Fatalities	—	—
Total recordable case frequency rate (TRCFR)	0.38	1.55
Total saleable production (kt)	4,087	3,224
Export saleable production (kt)	2,458	2,356
Domestic production (kt)	1,629	869
FOB cost per tonne△ (Rand/tonne)	1,309	1,271
FOB cost per tonne excluding royalties△ (Rand/tonne)	1,238	1,057
Capex (Rand million)	18	91

Safety

Goedehoop recorded a TRCFR of 0.38 compared to 1.55 for the prior period, as a result of fewer incidents following a focused safety drive.

Performance

Export saleable production of 2,458kt for the year was 4.3% higher than the comparative period due to improved productivity. The mine continued to manage its stockpiles in a manner that enabled additional trains to be loaded at Goedehoop.

Domestic saleable production increased by 87% to 1,629kt as sales contracts from other operations transitioned to Goedehoop.

FOB cost per tonne excluding royalties△ of R1,238 was 17% higher than the comparative period as a result of stockpile management costs and above-inflation increases on items such as selling expenses and electricity.

GREENSIDE COLLIERY

	2023	2022
Fatalities	—	—
TRCFR	2.27	2.21
Total saleable production (kt)	1,940	2,586
Export saleable production (kt)	1,940	2,586
Domestic production (kt)	—	—
FOB cost per tonne△ (Rand/tonne)	1,317	1,166
FOB cost per tonne excluding royalties△ (Rand/tonne)	1,271	957
Capex (Rand million)	87	209

Safety

Greenside recorded a marginal deterioration in the TRCFR of 2.27 compared to 2.21 for the prior period.

Performance

Export saleable production of 1,940kt for the year was 25% lower than the comparative period as production was curtailed to reduce pressure on on-mine stockpile capacity in response to poor TFR performance, and the remaining sections were mining in more challenging geological conditions.

FOB cost per tonne excluding royalties△ of R1,271 was 33% higher than the comparative period, mainly as a result of the lower production and above-inflation increases on items such as selling expenses and electricity.

ZIBULO COLLIERY

	2023	2022
Fatalities	1	—
TRCFR	1.44	0.21
Total saleable production (kt)	4,247	4,479
Export saleable production (kt)	4,247	4,318
Domestic production (kt)	—	161
FOB cost per tonne△ (Rand/tonne)	1,088	1,177
FOB cost per tonne excluding royalties△ (Rand/tonne)	1,077	1,012
Capex (Rand million)	1,017	664

Safety

Regrettably, in February 2023 Breeze Mahlangu tragically passed away following complications after an accident in December 2022. Zibulo recorded a TRCFR of 1.44 compared to 0.21 in the prior year due to a higher number of safety incidents.

Performance

After the removal of an operating section in the underground operation at the end of the first quarter of 2023, export saleable production of 4,247kt in 2023 was 1.6% lower than the prior period. The Zibulo opencast operation was also curtailed in the fourth quarter of 2023 to alleviate pressure on the on-mine stockpiles as a result of the ongoing TFR challenges.

FOB cost per tonne excluding royalties△ of R1,077 is 6.4% higher than the comparative period, mainly as a result of the lower production levels, inflationary pressures on costs, higher stockpile management costs, and increased contractor costs, which were incurred to preserve the flexibility provided by the opencast operation.

ENSHAM MINE

	2023
Total saleable production (kt)	1,012
Export saleable production (kt) (85%)	860
Commodity purchases from Bowen (kt) (15%)	152
Domestic production (kt)	—
FOB cost per tonne△ (Rand/tonne)	1,886
FOB cost per tonne excluding royalties△ (Rand/tonne)	1,544
Capex (Rand million)	289

Performance

As at the date of completion (31 August 2023), the Ensham Mine had produced 1.8Mt (on a 100% basis) for the year to date, representing an annualised run rate of 2.7Mt of export saleable production. Since 1 September 2023, this run rate increased to 3.2Mt (on a 100%, annualised basis) resulting in the Ensham Mine producing 1,012kt of export saleable production in the four months up to 31 December 2023. This production includes 152kt of commodity purchases from Bowen.

The FOB cost per tonne△ was R1,886 per tonne (R1,544 per tonne excluding royalties).

OPENCAST OPERATIONS

KHWEZELA COLLIERY

	2023	2022
Fatalities	—	—
TRCFR	0.49	0.42
Total saleable production (kt)	1,642	2,150
Export saleable production (kt)	1,627	1,597
Domestic production (kt)	15	553
FOB cost per tonne△ (Rand/tonne)	1,371	2,174
FOB cost per tonne excluding royalties△ (Rand/tonne)	1,373	2,146
Capex (Rand million)	422	268

Safety

Khwezela recorded a TRCFR of 0.49 in 2023 compared to 0.42 in the prior period.

Performance

Export saleable production increased marginally by 1.9% to 1,627kt.

Domestic saleable production at 15kt reduced by 97% due to the depletion of reserves from the Umlalazi pit, where the mine activities were redirected to rehabilitation.

The FOB cost per tonne excluding royalties△ of R1,373 has decreased by 36% compared to the prior period, mainly due to the impact of non-cash expenses related to the environmental provisions. In 2023, there was a royalty adjustment relating to the prior year.

MAFUBE COLLIERY (ATTRIBUTABLE)

	2023	2022
Fatalities	—	—
TRCFR	2.15	2.53
Total saleable production (kt)	1,510	1,834
Export saleable production (kt)	1,510	1,834
Domestic production (kt)	—	—
FOB cost per tonne△ (Rand/tonne)	964	955
FOB cost per tonne excluding royalties△ (Rand/tonne)	921	793
Capex (Rand million)	127	150

Safety

Mafube recorded a TRCFR of 2.15 in 2023 compared to 2.53 in the prior period.

Performance

Export saleable production at 1,510kt was 18% lower than the prior period as a result of operational challenges experienced in the first half of 2023, with a notable improvement in the second half of the year.

FOB cost per tonne excluding royalties△ of R921 increased by 16%, mainly due to lower production volumes and the impact of inflation.

ISIBONELO COLLIERY

	2023	2022
Fatalities	—	—
TRCFR	2.86	1.83
Total saleable production (kt)	4,050	3,674
Export saleable production (kt)	—	—
Domestic production (kt) (incl. coal purchases)	4,050	3,674
FOR cost per tonne (Rand/tonne)	516	527
Capex (Rand million)	63	133

Safety

Isibonelo recorded a TRCFR of 2.86 in 2023 compared to 1.83 in the prior year following an increase in the number of incidents on the mine. The mine continues to focus on reducing the number of incidents to zero.

Performance

Domestic saleable production was 10% higher at 4,050kt in 2023. Productivity improved in 2023, which was attributed to improved equipment performance and the impact of lower rainfall compared to the prior year.

The free on rail (FOR) cost per tonne of R516 decreased by 2.1%, mainly due to higher volumes that were partially offset by higher maintenance costs, fuel and transportation costs related to coal purchases required to meet the contractual obligations.

“WE CONTINUE TO SPIKE ON THE SOCIAL COMPONENT OF ESG WITH A TOTAL CONTRIBUTION OF R312 MILLION TO OUR SISONKE AND NKULO TRUSTS, DEMONSTRATING OUR COMMITMENT TO SHARE VALUE WITH OUR EMPLOYEES AND COMMUNITIES.”

05

OUR IMPACT

ESG PERFORMANCE

PERFORMANCE DASHBOARD

Key performance indicators (South Africa)	2023	2022
Safety and health		
Fatalities	1	–
Total recordable case frequency rate (TRCFR)	1.40	1.41
Environment		
Total energy consumed (million GJ)	3.14	3.01
Energy intensity (MJ/total tonne moved)[1]	15.33	16.16
Total greenhouse gas (GHG) emissions (kt CO_2 – equivalent)	729	748
Carbon intensity (kg CO_2/total tonne moved)[1]	3.56	4.02
Freshwater abstraction (ML)	369	767
Water efficiency (reuse/recycle) (%)	96	96
Water treatment (%)	69	57
Number of level 3 – 5 environmental incidents	2	2
People		
Historically disadvantaged people in senior management (%)[2]	65	60
Women in senior management (%)[2]	34	30

1 The energy intensity and carbon intensity metrics for 2022 have been updated based on changes to the total tonnes moved at Isibonelo, where key mining processes such as dozing and pre-stripping had erroneously been excluded from the calculation.
2 The people metrics for 2022 have been updated to reflect employees in senior management, including the Group executive committee (previously reflected all management).

SAFETY

Safety is our first value and core to every action and decision we take. We believe that one injury is one too many and are intensely focused on eliminating incidents that cause loss of life and life-altering injury. Sadly, we incurred a fatality with the loss of Breeze Mahlangu on 28 February 2023, following an incident in December 2022. A comprehensive investigation resulted in improvements to the directional drilling process and the implementation of a more rigorous medical review procedure for head injuries.

TRCFR for our South African business was 1.40, compared to 1.41 in 2022. While total recordable injuries increased to 29 from 25 in 2022, operating hours also increased with the commencement of construction activity at the Zibulo North Shaft and Elders projects.

We have confidence in the systems, standards and procedures in place to manage our safety risks and we continue to focus our efforts on these and the eradication of complacency on our operations.

ENVIRONMENTAL STEWARDSHIP

We continue to provide regular, transparent feedback relating to the uncontrolled release of water incident at our Khwezela Kromdraai site on 14 February 2022. Engaging closely with our stakeholders, we report regularly on our progress to mitigate negative impacts and prevent repeat incidents.

We continue to collaborate with the Mpumalanga Tourism and Parks Agency (MTPA), the Department of Water and Sanitation and an independent panel of experts on the implementation of the rehabilitation and remediation action plan, and the results of our biomonitoring programme.

The most recent biomonitoring report shows that the river has returned to its pre-incident condition. All sampling sites exceed or meet the legally required ecological classification and have either improved or maintained their status. Sampling has shown excellent habitat and macroinvertebrate results, while fish populations are taking longer to recover. Eight of the 13 expected fish species have been detected during sampling.

We have made significant progress in achieving milestones that are critical to the overall rehabilitation process. These include the following:

- Accelerated rehabilitation of the area continues to be a priority, reaching 90% completion at critical areas. This reduces the ingress of water by increasing run-off.
- Boreholes to dewater the underground workings were commissioned in October 2023.

- A vandalised liming plant which is critical for neutralising acidic water was reinstated and upgraded in July 2023.
- A new 5ML per day reverse osmosis facility to treat mine-impacted water from underground workings was commissioned at Kromdraai in November 2023.
- As part of our phytoremediation project to manage water levels in underground compartments, 26,000 trees have been planted in the area.
- The fish breeding facility at the Loskop Dam Nature Reserve was commissioned in 2023 and is operated by members of the MTPA. The facility is fully automated and allows for remote monitoring. It is powered by a solar energy system, which also supplies back-up power to the Mabula Ground-Hornbill project and Black Footed Cat project. The aim is to breed and release fish until biomonitoring results indicate that fish varieties and abundance have returned to pre-incident levels. The facility is successfully breeding banded tilapia and southern mouthbrooder.

WATER MANAGEMENT

Three of our operations rely on freshwater from external sources and have been working to reduce consumption by 20% by 2023 (from a 2015 baseline of 1,015ML). Freshwater consumption in 2023 was 369ML, 64% lower than the baseline and 52% lower than the 767ML used in 2022.

We have consistently achieved our target of 75% water reuse and recycling for the last three years, achieving 96% in 2023. We have also exceeded our water treatment target of 40%, achieving 69% in 2023.

REHABILITATION AND CLOSURE PROVISIONS

The National Environment Management Act (NEMA) Financial Provisioning Regulations have been subject to numerous amendments. Drafts of the replacement regulations were published several times, most recently in July 2022, and the transition date was deferred until 19 February 2024. On 1 February 2024, the Minister in the Department of Forests, Fisheries and the Environment published a notice of intention to defer the transition date again, however, a revised date was not provided. We await the publication of the updated transition date.

The current draft of the regulations looks to alter the way companies calculate the required financial provisioning. It is likely that compliance with these regulations will substantially increase the required quantum of financial provisioning to be made by mining right holders with existing operations.

This expected increase is mainly due to the requirement for the treatment of water to be provided for using the costs of currently available technologies which the Department of Minerals and Energy has approved, based on evidence that the technology to be implemented is able to consistently achieve the discharge requirements.

We have provided for water treatment costs using a combination of active and passive water treatment methods. This is based on current activities at our operations, which aim to prove the ability of passive treatment technologies to treat mine-impacted water on our sites effectively.
The passive treatment demonstration scale plant constructed in 2022 reached full functionality in 2023 and initial results are positive. We will continue to treat water of varying qualities to optimise process parameters through summer and winter. This will inform the design of a full-scale plant to be constructed at our closed Kromdraai site and later expanded to other operations.

The Group's long-term post-closure water management strategy includes phytoremediation, a biological process that uses trees to stabilise water levels by taking up mine-impacted water and reducing ingress. These trees reduce the volumes flowing into artificial wetlands, constructed to improve the quality of seepage from mineral residue facilities. The initiative has been rolled out at areas of the Goedehoop Colliery and the Kromdraai site at the Khwezela Colliery.

PROGRESS AGAINST OUR CARBON EMISSION TARGETS

In 2023 we published our target to reduce our scope 1 and 2 emissions by 30% by 2030 (based on a 2021 baseline), as well as our pathway to achieve net zero by 2050.
We are pleased to report an 11% reduction from our 2021 baseline of 819ktCO_2e and a 2.5% reduction in total scope 1 and 2 emissions to 729ktCO_2e from the 2022 level of 748ktCO_2e. Our carbon intensity dropped by 11% from 4.02kgCO_2e per total tonne moved in 2022 to 3.56kgCO_2e per total tonne moved in 2023.

Energy intensity decreased by 5.1% to 15.33GJ per total tonne moved despite total energy consumption increasing in 2023 to 3.14GJ from 3.01GJ in the previous year.

We continue to drive efficiency across our operations and to work towards our 2030 target. Central to our pathway to net zero is the incorporation of a minimum of 19MW of renewable electricity by 2030. A 4MW solar plant is being installed at our Zibulo Colliery, with completion expected in the fourth quarter of 2024. The feasibility study for a 4MW plant at the Elders Colliery is well underway and the necessary permit applications have been made. Further details will be available in the Thungela Climate Change Report, which will be published in April 2024.

CREATING VALUE FOR A SHARED FUTURE

We continue to spike on the social element of ESG. We contributed R312 million to the Sisonke Employee Empowerment Scheme and the Nkulo Community Partnership Trust collectively, based on our performance in 2023. This has created significant and lasting value for employees and those living in host communities.

The Sisonke Employee Empowerment Scheme board of trustees is made up of an equal number of employee and employer representatives, and held its first annual general meeting in 2023. The Nkulo Community Partnership Trust undertook a socio-economic needs assessment to guide the selection of projects and identified the following priorities: healthcare, education and skills development, social mobilisation, welfare and humanitarian initiatives, environmental, conservation and sports and culture.

Thuthukani is our enterprise supplier development programme and the primary vehicle through which we drive small, medium and micro enterprise development. It offers local entrepreneurs business skills training, mentorship and support, technical enablement and loan funding at preferential rates. The programme has 12 supplier development graduates and 33 enterprise development graduates. Loan finance for contracted suppliers, offered by Thungela in partnership with our fund administrator Absa, rose from R1.8 million to R22 million during the period under review, resulting in 114 additional jobs.

We want to differentiate ourselves by investing in projects that achieve measurable improvements in the quality of the lives of people living in host communities. Every project we invest in should contribute to the achievement of four impact goals. These have been identified through a detailed impact assessment in the regions where we operate: improving access to quality education and skills development, improving access to income generation opportunities, improving the quality of community services, and reducing communities' and suppliers' reliance on mines.

One of these projects is the R160 million, five-year education initiative, which we developed and launched in January 2024. The programme will improve access to quality education for learners in 45 no-fee schools in Mpumalanga, supporting learners from grade R to grade four, as well as their dedicated educators.

During the year, we worked with municipalities to deliver Social and Labour Plan projects that included a R7.2 million satellite fire station in the densely populated residential area of Phola and two mobile clinics that will deliver health services to people living in remote rural communities near Middelburg. The sewer system in the Lebohang community near our Isibonelo Colliery was upgraded in partnership with Sasol and we also upgraded the Ogies Taxi Rank.

OUR PEOPLE

We achieved Top Employer certification for the second consecutive year. Our participation in this programme has enabled us to take several strategic steps towards becoming an employer of choice.

We depend on the support of agile, highly motivated individuals and teams who are equipped with the knowledge, skills and insights needed to excel in an ever-changing business landscape. Learning and development plays a crucial role in our people strategy as it contributes to the overall efficiency, safety, and sustainability of our operations. In 2023, we spent R186 million on training, accounting for 4.4% of our wage bill, compared to R142 million (4.2%) in the previous year.

We saw an increase in the percentage of historically disadvantaged people in senior management from 60% in 2022 to 65% for the year under review, while the representation of women in senior management improved to 34% from 30% in 2022.

GOVERNANCE

We are committed to applying sound governance principles, as guided by King IV Report on Corporate Governance for South Africa, 2016, and the highest ethical standards as we manage our business and its affairs responsibly and with integrity, diligence and fairness. The board is responsible for ensuring that these principles are effectively practised throughout the business.

High standards of corporate governance are essential to value creation, business sustainability and effective compliance and are therefore integrated into our policies, standards, practices and procedures.

The board committees were restructured in 2023, splitting the remuneration and nomination committee into two separate committees, namely the remuneration and human resources committee and the nomination and governance committee. The social and ethics committee is now known as the social, ethics and transformation committee, while the risk and sustainability committee is referred to as the health, safety, environment and risk committee. In addition, a new investment committee was introduced.

ESG metrics related to the Ensham Mine have not been included in this year's reporting. In 2024, we will undertake a process to align the existing Ensham ESG governance and metrics to those of the Group. We will also evaluate how best to integrate Ensham into our consolidated baselines, where relevant. The Ensham ESG data will be included in the next annual reporting cycle.

Full details related to our ESG approach and performance are included in the Environmental, Social and Governance Report available at www.thungela.com.

OUR CONTRIBUTION TO SOCIETY

NKULO COMMUNITY PARTNERSHIP TRUST

R156 million

The Trust was established as a vehicle to spike on the 'S' of ESG. Registered as a public benefit organisation, the Trust has received contributions of R741 million. Funds will be directed toward projects that will benefit our host communities.

SISONKE EMPLOYEE EMPOWERMENT SCHEME

R156 million

More than 3,400 employees belong to the scheme. Total contributions to date amount to R741 million.

CAPITAL INVESTMENT

R3.0 billion

Cash expenditure on property, plant and equipment includes sustaining capital expenditure (capex) of R1.6 billion, expansionary capex of R1.4 billion and a further R49 million investment in the Zibulo solar plant.

CONTRIBUTION TO LOCAL COMMUNITIES

R126 million

Expenditure on Social and Labour Plan, corporate social investment and strategic projects such as Thuthukani, our enterprise and supplier development programme.

HOST COMMUNITY PROCUREMENT

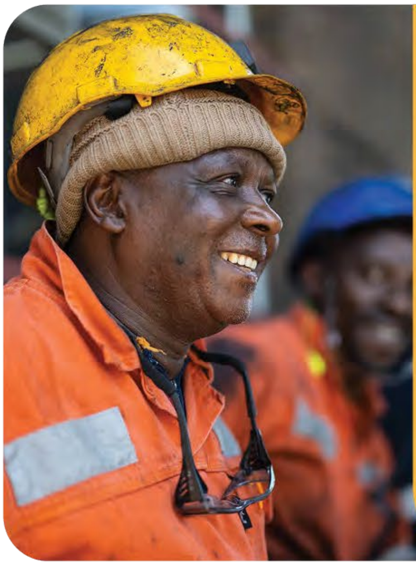
R2.0 billion

Procurement of goods and services from suppliers in the immediate areas of our operations.

TOTAL PROCUREMENT

R9.6 billion

Supply chain expenditure from third-party suppliers. This includes operational and capital expenditure.

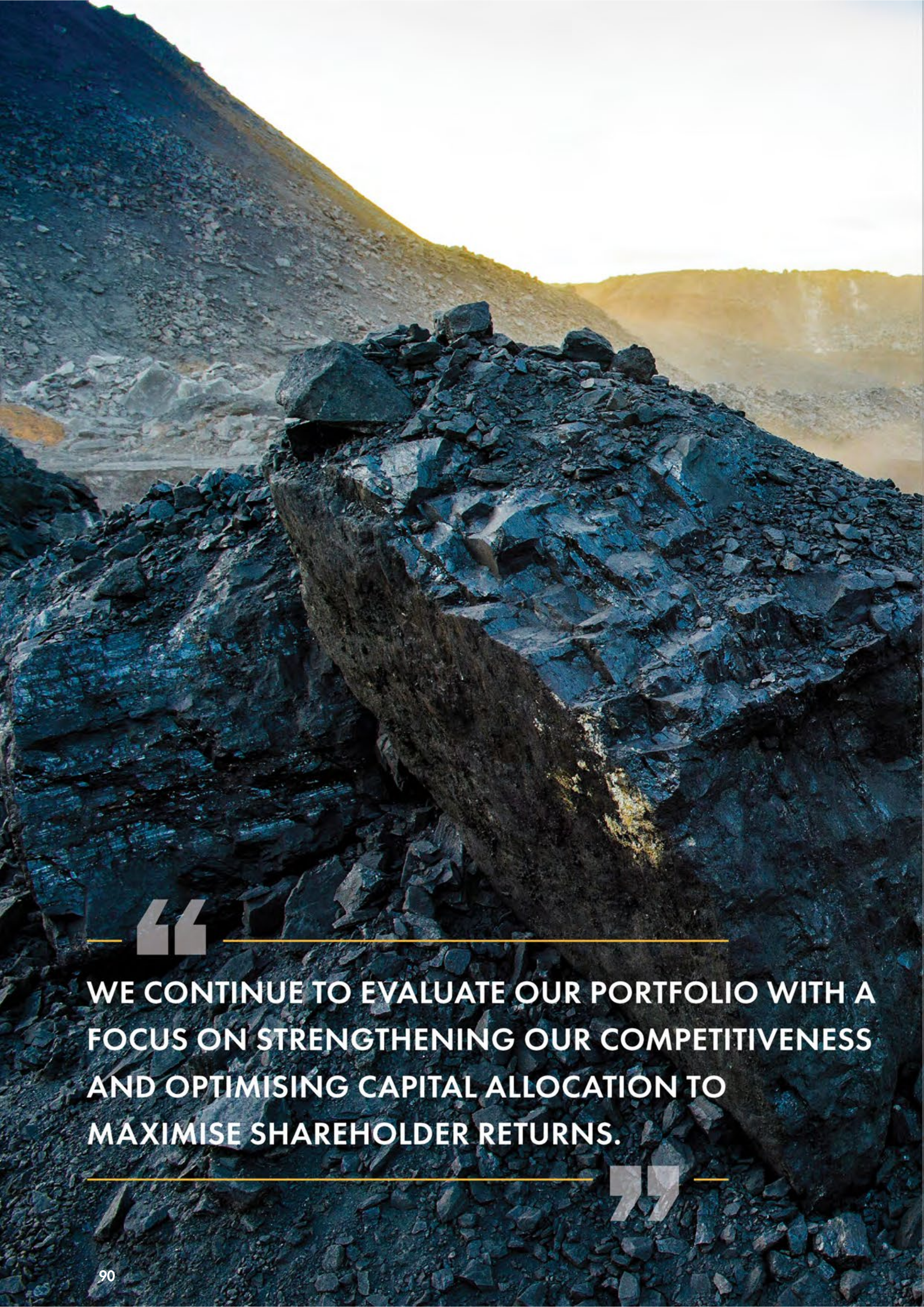


WAGES AND RELATED PAYMENTS

R4.7 billion

Payroll costs for employees, excluding contractors, including a proportionate share of employees in joint operations.

Information represents results from the South African business only.



WE CONTINUE TO EVALUATE OUR PORTFOLIO WITH A FOCUS ON STRENGTHENING OUR COMPETITIVENESS AND OPTIMISING CAPITAL ALLOCATION TO MAXIMISE SHAREHOLDER RETURNS.

06

GOVERNANCE

ETHICAL LEADERSHIP

Thungela is committed to the highest standards of governance, ethics and integrity which are essential for sustained value creation and safeguarding the interests of our stakeholders. When our leaders live up to our values, we enhance accountability and ensure ethical and effective leadership.

Conducting business ethically and in line with good corporate governance practices ensures that we act in our stakeholders' best interests. We do this by operating responsibly, taking accountability for our actions, and reporting accurately and transparently on all aspects of our performance.

We are committed to adhering to the principles contained in the King IV Report on Corporate Governance™ for South Africa, 2016 (King IV), the performance standards set by the International Finance Corporation, and industry standards that apply in the geographies where we operate.

To enhance ethical leadership, we have a Group-wide code of ethics and a whistleblowing policy and procedure, which have been approved by the board and are communicated throughout the organisation. We also expect leaders to demonstrate ethical behaviour and decision-making, encourage dialogue and create a culture of transparency and accountability. Our policy is to address unethical behaviour promptly and fairly while recognising and rewarding ethical conduct.

PURPOSE AND APPROACH

High standards of corporate governance are essential to value creation, business sustainability and effective compliance, and are therefore integrated into our strategies, policies, standards, practices and procedures.

These promote:
- the timeous identification of governance-related risks and opportunities
- zero tolerance for corruption, fraud and misconduct
- the reporting of inappropriate behaviour and the protection of whistleblowers
- tax transparency
- the prevention of anti-competitive practices

OUR COMMITMENT

We commit to applying sound governance principles and the highest ethical standards as we manage our business and its affairs responsibly and with integrity, diligence and fairness. The board takes full responsibility for ensuring that these principles are effectively practised and communicated throughout the organisation and shared with all stakeholders. It also understands its duty to safeguard the interests of all stakeholders by achieving its strategic objectives and securing Thungela's long-term sustainability.

ETHICS AND CODE OF CONDUCT

The board oversees the ethics of the organisation which is facilitated through the implementation of our business integrity policy, Code of Conduct and antitrust policy. Clear governance structures are in place for the rigorous monitoring and management of this crucial area.

Our values, principles, leadership code and policies set out our expectations of employees, contractors, suppliers and other stakeholders, and serve as a guide on how they should conduct themselves.

During the year, we upheld our zero-tolerance stance on unethical behaviour. This obligation is shared by the office of the company secretary and our human resources function.

We also provided mandatory training on business integrity and our Code of Conduct. Connected employees completed this training online, while those who have limited access to computers attended face-to-face sessions at their sites. Our antitrust policy was shared on the Company's intranet in 2023 and will be followed by online training in 2024.

WHISTLEBLOWING

Our independently managed whistleblowing service called HAIBO! is integral to the elimination of unethical behaviour and is available both to internal and external stakeholders, including employees, contractors, business partners and members of the general public.

It allows for the anonymous reporting of illegal, inappropriate and unscrupulous behaviour, and guarantees the confidentiality and protection of whistleblowers. Our policy on whistleblowing can be accessed on our website.

Reporting is actively encouraged via a range of internal and external communication platforms as well as during return-from-leave induction, and mandatory training on aspects such as human rights, our Code of Conduct, bullying, victimisation and harassment.

Whistleblowers can make reports in the language of their choice using a toll-free hotline and dedicated email address.

In 2023, the hotline was contacted 69 times. This resulted in 44 official reports, 25 of which were resolved by the end of the year. Two cases resulted in disciplinary action.

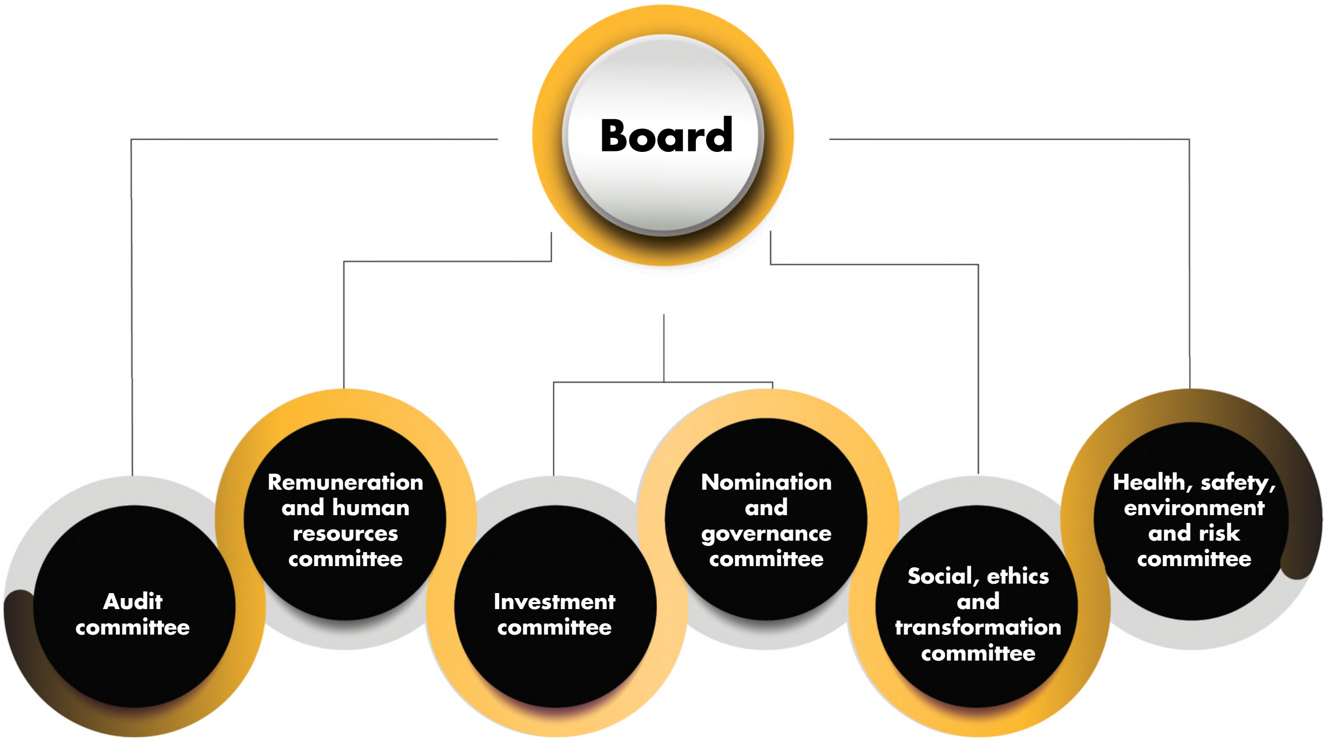
The social, ethics and transformation committee regularly reviews a summary of reports to identify possible trends and corrective actions. It also reviews feedback on incidents and the outcomes of investigations. Incidents that have a substantial financial impact, or significant impact on the control environment, are reported to the audit committee.

EDUCATION AND AWARENESS

Awareness of Group policies, ethics, the Code of Conduct, business integrity, antitrust behaviour and our whistleblowing service is created regularly through *Thungela Weekly*, our weekly electronic newsletter, which is sent to employees and contractors via SMS or email. External service providers are also made aware of our internal policies via agreements, which make specific reference to relevant policies and requirements around anti-money laundering and anti-terrorism practices.

Board members are also regularly made aware of those policies and procedures applicable to them. Copies of these, as well as details about our whistleblowing service, are shared via email and our online board portal. Board members, prescribed officers and the company secretary also attend regular refresher training presented by the sponsor, Rand Merchant Bank (RMB), on the JSE Listings Requirements, their responsibilities and any changes that impact them or the Group.

CORPORATE GOVERNANCE



Audit committee

- Has expanded duties and required to report on, and oversee, the effectiveness and integrity of the Group's accounting and financial reporting, external audit, internal audit, integrated reporting and combined assurance

Remuneration and human resources committee

- Oversees human resource development, talent management and skills retention
- Reviews, for board and shareholder approval, the remuneration report and considers all remuneration-related matters, including salary increases and incentive awards

Investment committee

- Reviews and evaluates all investments and related financing, divestments, corporate restructuring and financing proposals, which exceed Group executive committee authority and require board approval
- Monitors execution and tracks performance post implementation

Nomination and governance committee

- Nominates, elects and appoints board members
- Responsible for board succession planning, board performance evaluations, the review and recommendation of sound governance principles and monitoring of regulatory compliance.

Social, ethics and transformation committee

- Oversees transformation, employment equity and compliance with the 10 United Nations Global Compact (UNGC) Principles
- Manages broad-based black economic empowerment (B-BBEE), ethics and responsible business practices, stakeholder relations and responsible corporate citizenship

Health, safety, environment and risk committee

- Has overall oversight of group risk, information management (IM) as well as of sustainability with a focus on safety, health and environment
- Determines the Group's risk appetite and reviews legal matters

THE BOARD

The board strives to fulfil our purpose of responsible value creation through our strategy. It is responsible for the governance and strategic direction of the Group.

The board serves as the business's ultimate decision-making authority, except in respect of matters reserved for shareholders. It delegates responsibility for the running of the business to the chief executive officer, the chief financial officer and the Group executive committee, who are provided with clear definitions of their responsibilities and accountabilities. The Group executive committee's performance is measured both against agreed key performance indicators (KPIs) and the Group's results, which determine their compensation. The King IV principles provide the board with a mechanism with which to evaluate its own and the committee's governance effectiveness and make necessary improvements.

MEMBERSHIP

All board members, except Yoza Jekwa who was appointed on 12 August 2022, were appointed at the inaugural annual general meeting (AGM) of shareholders in May 2022. The board members are:
- Sango Ntsaluba (chairman)
- Kholeka Mzondeki
- Thero Setiloane
- Ben Kodisang
- Seamus French
- Yoza Jekwa
- July Ndlovu
- Deon Smith

New board members are required to retire and avail themselves for re-election at the first AGM following their appointment to the board, while non-executive board members already appointed are required to retire by rotation, and Yoza Jekwa and Thero Setiloane were re-elected as non-executive board members at the 2023 AGM. Sango Ntsaluba and Ben Kodisang will stand for re-election in 2024.

ROLES AND RESPONSIBILITIES

The board's key roles and responsibilities are to:
- provide clear, strategic direction
- ensure adequate succession planning at senior levels
- review operational performance and management
- review policies and processes that ensure the integrity of risk management and internal controls
- ensure the implementation of, and compliance with, governance processes and procedures, with zero tolerance for fraud and corruption
- ensure the business operates safely
- focus on climate change, driving the pathway to net zero

The board and Group executive committee work together to create value for all stakeholders, ensuring that our strategy and business model are fit-for-purpose in the short, medium and long term. They also ensure that we retain the flexibility to adapt to changing market conditions and secure the business's sustainability.

The risk and assurance function has developed a series of risk matrices to maintain a balance between stakeholder reward and being a responsible corporate citizen. This balance is monitored by both the audit committee and the health, safety, environment and risk committee.

Our governance framework designates the board as the custodian of corporate governance, granting it effective control over the business. Roles and responsibilities are set out in the board charter, which is based on the Thungela memorandum of incorporation (MOI) and governance framework. The recently revised charter and the MOI are available on our website. The Thungela approval framework ensures that business matters are managed and approved at the right levels, and that the board retains overall control and oversight of the business. The framework is reviewed annually to confirm its relevance based on current market and economic conditions. It was resubmitted for board approval in August 2023 following the acquisition of the Australian business.

COMMITMENTS

The board has committed to operating in line with all relevant regulations, and acknowledges:
- its responsibility for ensuring that the business complies with all statutory obligations specified in its MOI, the Companies Act 71 of 2008 as amended (the Companies Act of South Africa), the JSE Listings Requirements and other regulatory requirements
- its endorsement of the King IV principles and recognises the need to conduct affairs with integrity and in accordance with generally accepted corporate practices. In discharging this responsibility, the principles of King IV are applied in letter and in spirit
- its ultimate responsibility for the Group's performance
- its responsibility to ensure that the Group complies with the UK Listing Rules, Market Abuse Regulations and the UK Disclosure Guidance and Transparency Rules
- its responsibility around climate change, with particular focus on water management, land rehabilitation, the environment, carbon emissions, and climate change reporting requirements

BOARD COMPOSITION

The board comprises eight members, including two executive directors, and six independent non-executive directors. This is in accordance with the board charter, which requires that there be a majority of non-executive directors who bring an independent view to its decision-making.

The board comprises directors with an age range from 46 to 64, with an average age of 56 years. The board comprises four black males, two black females and two white males.

The knowledge and experience of the board is diverse, with board members having accounting, financial, technical, engineering, sustainability and management skills, as reflected in their curricula vitae which are available on our website at www.thungela.com/about-us/who-we-are.

Executive directors are appointed on a fixed-term basis, while non-executive directors are not. One third of non-executive directors are subject, by rotation, to retire, and if eligible, may offer themselves for re-election by shareholders at every AGM. Sango Ntsaluba and Ben Kodisang will retire and, being eligible, will offer themselves for re-election at the upcoming AGM in June 2024.

Any non-executive director whose term of office exceeds nine years will be subject to a rigorous annual review by the nomination and governance committee, taking into account their performance and independence. A statement confirming such a director’s independence would be included in the Integrated Annual Report and will be subject to shareholder approval at the upcoming AGM.

The mandatory retirement age for non-executive directors is 70, at which time the director shall vacate office at the end of the financial year in which they turn 70, unless the board, on recommendation by the nomination and governance committee, decides otherwise, based on a rigorous review, which must be done annually for every director over 70 years of age remaining on the board.

Each director has been and in future will be identified and selected for nomination by the nomination and governance committee, subject to approval by the board and, ultimately, shareholder approval at the AGM. The nomination and governance committee follows a transparent and formal process in recommending suitable candidates for the board's consideration. Directors shall be appointed and removed in accordance with the provisions of the Thungela MOI, the Companies Act of South Africa and any other applicable law or regulatory provisions.

The need for additional skills or experience relevant to the size of the business are assessed annually by the chairman in consultation with the company secretary and the nomination and governance committee. Where gaps are identified, the necessary processes are followed to scope, identify and nominate the necessary talent to the board.

BOARD AND DIRECTORS’ PERFORMANCE EVALUATION

The performance and effectiveness of the board, the board committees and individual directors are evaluated annually against the principles of King IV and other measures. This annual evaluation provides the board with a mechanism and outcomes through which to assess its governance performance and make improvements where necessary.

In 2022, it was agreed that the board and committee evaluations would alternate each year between internal and external appraisals. Internal assessments focus less on individual performance, while external evaluations are all-inclusive and include 360-degree individual assessments.

In 2023, the company secretary conducted an internal assessment using an external service provider platform. The exercise highlighted several improvements and areas that require further attention. The latter features among the board’s focus areas for 2024. Overall, the evaluation determined that the board remains highly effective.

INCLUSION AND DIVERSITY

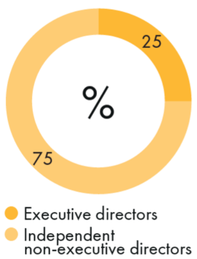
The Group recognises and embraces the benefits of having a diverse and inclusive board and workforce as an essential element in maintaining a competitive advantage. In this regard, the board has adopted the Thungela inclusion and diversity policy, applicable to the board and employees, a summary of which has been made available on the Group's website at www.thungela.com/about-us/who-we-are.

In terms of this policy, in considering the composition of the board, cognisance is taken of the benefits of all aspects of diversity specifically including, but not limited to, gender and race diversity.

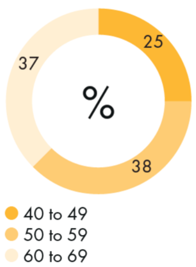
This is to attain the appropriate balance of knowledge and experience, skills, race, gender, culture, age and independence for the board to effectively discharge its role and responsibilities.

All board appointments are made on merit, in the context of the skills, experience, independence and knowledge which the board as a whole requires to be effective. The nomination and governance committee annually reviews and considers whether the board size, diversity and demographics make it effective. The assessment done in November 2023 provided positive feedback to the board and expressed comfort in the independence of individual board members.

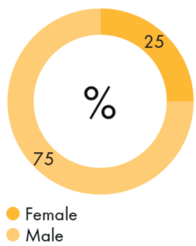
BOARD COMPOSITION



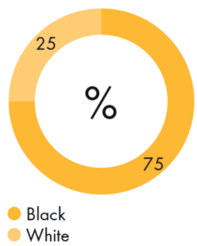
AGE DIVERSITY



GENDER DIVERSITY



ETHNICITY



KEY FOCUS AREAS FOR 2023

The following activities conducted by the board this year will have a material bearing on our ability to create long-term value for shareholders and other stakeholders:

- reviewed and approved our interim and annual results, including all documents published as part of the results, such as the Notice of AGM, Integrated Annual Report, Environmental, Social and Governance Report, and Climate Change Report
- monitored the Group's safety, health and environmental (SHE) performance with the objective of operating a fatality-free business
- agreed the Group's strategy at the annual board strategy workshop, and continuously reviewed the strategy for relevance.
- reviewed and approved the 2024 budget
- reviewed and considered feedback on the board and committee evaluation process
- approved the going concern analysis and solvency and liquidity assessments in preparation for the interim and annual results
- approved the final and interim dividend declaration in line with the capital allocation framework
- nominated the independent external auditor and individual audit partner for recommendation for appointment by shareholders at the AGM
- approved new and updated terms of references for all board committees, including the board charter
- approved the acquisition of the 85% share in the Ensham Business and set up of Thungela Marketing International in Dubai
- recommended the 2024 non-executive directors' fees for shareholder approval at the 4 June 2024 AGM
- approved the amended Thungela approvals framework incorporating the Ensham Business
- considered and approved a fit-for-business governance structure with the addition of an investment committee and a nomination and governance committee
- considered and approved training to further develop board skills
- reviewed progress on key capital projects such as Elders and the Zibulo North Shaft
- engaged with the executive of the Group's talent management on planning and people development

KEY FOCUS AREAS FOR 2024

Key focus areas for the board in the year ending 31 December 2024 will be, among others:

- to operate a fatality-free business, with continued focus on SHE, rehabilitation, the pathway to net zero and decarbonisation, social risk and mine closures, and the impact we have in creating a more equitable and sustainable society
- continued development and training of board members to become a world-class board
- developing internal employees' board skills through mentoring
- considering appointing a lead independent non-executive director
- continued focus on infrastructure challenges such as Transnet Freight Rail (TFR) and energy availability
- further refining the Thungela strategy to ensure a sustainable business plan and continued assessment of diversification options
- continued management of cost in line with business transformation
- clearly defined B-BBEE aspirations
- continued focus on water management and high-risk underground water
- reviewing financial and business performance against set targets
- continued review of the integration and performance of the Ensham Business post transaction completion
- continued focus on risks and opportunities for the business
- ensuring the set up of proper controls for Thungela Marketing International
- continued focus on talent attraction and retention
- continued focus on key capital projects such as Elders and the Zibulo North Shaft

Board committees

A new governance structure, implemented on 1 July 2023, incorporates the following:

- an audit committee
- the remuneration and nomination committee has been split into the remuneration and human resources committee and the nomination and governance committee
- the social and ethics committee is now the social, ethics and transformation committee
- the risk and sustainability committee is now the health, safety, environment and risk committee
- an investment committee has been established

All the committees have clear mandates and oversight responsibilities for various aspects of the business, and individual terms of references, which were approved by the board. All committees are constituted in line with the applicable King IV requirements, where relevant.

The board may also appoint *ad hoc* subcommittees to assist it in making strategic decisions on urgent or business-critical matters.

Our corporate governance policy was also reviewed and updated to align with the new governance structure. The policy aligns with King IV and regulatory compliance and details:

- trading in securities
- the role of the board and board committees
- the role of the chief executive officer
- the role of the Group executive committee
- the new governance structure
- the Thungela approvals framework

These changes have been provided for in Thungela's MOI and the board charter, updated to include the new governance structure, was approved by the board in August 2023.

Board and board committee composition are subject to ongoing review, while the responsibilities delegated to each are formally documented in their respective terms of reference, which are available on our website.

The current composition of each committee is set out below:

Audit committee	Remuneration and human resources committee	Social, ethics and transformation committee	Health, safety, environment and risk committee	Investment committee	Nomination and governance committee
Kholeka Mzondeki **(chairperson)** Ben Kodisang Thero Setiloane	Ben Kodisang **(chairperson)** Seamus French Yoza Jekwa	Thero Setiloane **(chairperson)** Yoza Jekwa July Ndlovu Lesego Mataboge	Seamus French **(chairperson)** Sango Ntsaluba July Ndlovu Thero Setiloane	Yoza Jekwa **(chairperson)** Sango Ntsaluba Seamus French Kholeka Mzondeki	Sango Ntsaluba **(chairperson)** Kholeka Mzondeki Ben Kodisang
See pages 48 to 51 of the Annual Financial Statements for full report.	See pages 102 to 127 for full report.	See pages 128 to 129 for full report.	See pages 130 to 131 for full report.	See page 132 for full report.	See pages 133 to 134 for full report.

Board and committee meetings and attendance: 1 January 2023 to 30 June 2023

Member	Board	Audit committee	Remuneration and nomination committee	Social and ethics committee	Risk and sustainability committee
SS Ntsaluba	6/6	Invitee	Invitee	1/1	2/2
KW Mzondeki	6/6	2/2	1/1	—	2/2
TML Setiloane	6/6	2/2	—	1/1	2/2
BM Kodisang	6/6	2/2	1/1	—	2/2
SG French	6/6	—	1/1	1/1	2/2
YN Jekwa	5/6	—	—	1/1	—
J Ndlovu	6/6	Invitee	Invitee	1/1	2/2
GF Smith	6/6	Invitee	Invitee	—	Invitee
LE Mataboge[1]	—	—	—	1/1	—

[1] Lesego Mataboge, the executive head of human resources, attended the meetings as a member.

Board and committee meetings and attendance: 1 July to 31 December 2023

Member	Board	Audit committee	Remuneration and human resources committee	Social, ethics and transformation committee	Health, safety, environment and risk committee	Investment committee	Nomination and governance committee
SS Ntsaluba	2/2	Invitee	Invitee	Invitee	2/2	3/3	1/1
KW Mzondeki	2/2	2/2	—	—	—	3/3	1/1
TML Setiloane	2/2	2/2	—	1/1	2/2	—	—
BM Kodisang	2/2	2/2	1/1	—	—	—	1/1
SG French	2/2	—	1/1	—	2/2	3/3	—
YN Jekwa	2/2	—	0/1	1/1	—	3/3	—
J Ndlovu	2/2	Invitee	Invitee	1/1	2/2	Invitee	Invitee
GF Smith	2/2	Invitee	Invitee	—	Invitee	Invitee	Invitee
LE Mataboge[1]	—	—	—	1/1	—	—	—

[1] Lesego Mataboge, the executive head of human resources, attended the meetings as a member.

GOVERNANCE PRACTICES

CODES, REGULATIONS AND COMPLIANCE

The board is responsible for our compliance with laws, codes and standards, all of which are integral to our culture and the achievement of our strategic objectives. It has delegated the implementation of an effective compliance framework to the legal and risk and assurance teams. Supervision of risk management is delegated to the health, safety, environment and risk committee, while the nomination and governance committee reviews and monitors compliance.

Thungela complies with various codes and regulations, such as those included in the Companies Act of South Africa, the JSE Listings Requirements and the UK Listing Rules, and King IV. Internal audits are regularly performed to assess compliance with these and other legal and industry obligations.

KING IV

The board is committed to good corporate governance practices in the execution of its fiduciary duties. These include those set out in King IV. Following a rigorous self-assessment process, it is satisfied that Thungela has adopted King IV's 16 principles and monitors their application on a consistent basis.

As a JSE-listed company, we are required to report on the extent to which the King IV principles are applied. Details may be found in the Thungela King IV register available at https://www.thungela.com/investors/corporate-governance.

INTERNAL ASSURANCE

The internal risk and assurance function provides independent and objective assurance over risk management, internal controls, governance, and the processes in place for an effective and efficient internal control environment.

REGULATORY COMPLIANCE

We recognise the importance of complying with legislation and adhering to non-binding codes and standards, embedding a culture of compliance, and providing the board and management with the assurance that all relevant legal and regulatory requirements have been met.

The compliance function is divided between the legal and risk and assurance disciplines, and is aligned with our strategic objectives. We are in the process of developing a system to track and monitor regulatory compliance to allow for the timeous adoption of appropriate remedial or mitigating steps when required.

The compliance function provides reports to the nomination and governance committee on the level of regulatory compliance achieved. Representatives of this function attend committee meetings by invitation.

ANNUAL COMPLIANCE CERTIFICATE

The annual compliance certificate confirming our adherence to the JSE Listings Requirements was submitted to the JSE in April 2024.

TRADING IN SECURITIES

A code published on our website sets out how trading in Thungela shares should be conducted by directors, prescribed officers, the company secretary and restricted employees. In line with the JSE Listings Requirements, it prohibits directors and restricted employees from trading in any Thungela securities without obtaining prior approval from the chairman, chief executive officer or company secretary.

Directors, prescribed officers and the company secretary of any major Thungela subsidiary must also publicly disclose their own and their associates' dealings in these shares.

The JSE defines a period during which trading is prohibited. For Thungela, this closed period is as follows:

- from 1 January each year to the date on which the annual financial results are published
- from 1 July each year to the date on which the interim financial results are published
- any period when Thungela is trading under a cautionary announcement
- any period when there exists price sensitive information in relation to Thungela securities

This prohibition applies equally to directors, prescribed officers, restricted employees, restricted employees' associates and any person, internal or external, with access to price sensitive information. The company secretary regularly reviews and updates an insider list for relevance. At the start of a closed period, directors, restricted employees and insiders are formally advised of the commencement and duration of the closed period. Trading embargoes are also imposed on individuals who possess price sensitive information at any given time.

There were no non-compliances with the dealing code and the JSE Listings Requirements in 2023.

SPONSOR

We understand our sponsor's roles and responsibilities and have cultivated a good working relationship with RMB. We are satisfied that RMB executed its mandate with due care and diligence during the year under review.

COMPANY SECRETARY

Our company secretary, Francois Klem, has been appointed in line with the requirements of the Companies Act of South Africa and the JSE Listings Requirements. The company secretary's duties include:

- ensuring that board procedures are followed and reviewed regularly
- ensuring the board conducts its affairs in line with all applicable rules and regulations
- providing the board and individual members with detailed guidance on how their responsibilities should be properly discharged in the best interests of the Group and in line with good governance practices
- providing counsel and guidance to the board on its individual and collective powers and duties
- eliciting responses, input and feedback for board and board committee meetings
- preparing and circulating board and board committee papers
- preparing and circulating minutes of shareholder, board and board committee meetings
- maintaining statutory records
- reporting to the board on any non-compliance with the Thungela MOI or the Companies Act of South Africa
- certifying in the relevant annual financial statements that all companies in the Group have filed the required notices and returns in accordance with the Companies Act of South Africa
- ensuring that interim and annual financial statements and reports are properly distributed
- carrying out the other functions required of a company secretary by the Companies Act of South Africa, the JSE Listings Requirements and the UK Listing Rules
- considering the regulatory universe and providing the board with updates and proposed changes to laws and regulations
- assisting the nomination and governance committee with the appointment of directors and advising on legal and regulatory compliance
- advising the board on regulatory filing and public disclosure relating to governance processes
- drafting and distributing the notice of the AGM to all shareholders
- drafting and releasing of announcements on both the stock exchange news service of the JSE (SENS) and the regulatory news service of the London Stock Exchange (RNS)
- assisting with director induction and training programmes
- assisting with the board evaluation process by an external service provider and executing the internal process
- acting as a business integrity implementation manager and supporting human resources with the Code of Conduct's implementation, training and awareness process
- taking responsibility for the rollout of awareness on our antitrust policy, including dawn raids
- assisting in the drafting of the governance sections of the Integrated Annual Report and the Environmental, Social and Governance Report, as well as the individual board committee reports

The board is satisfied with the competence, qualifications and experience of the company secretary and that in executing his duties of governance and administration, Francois maintains an arm's length relationship with the board and its directors.

INFORMATION TECHNOLOGY AND GOVERNANCE

The health, safety, environment and risk committee is responsible for reviewing and approving an information technology governance framework for implementation by management. The IM function is responsible for managing corporate information by implementing processes, roles, controls and metrics that treat it as a valuable business asset. The IM function is currently completing the separation process from Anglo American and integrating Ensham into Thungela. Quarterly progress updates are presented to the health, safety, environment and risk committee, which reports into the quarterly board meeting.

REMUNERATION REPORT

REMUNERATION AND HUMAN RESOURCES COMMITTEE

Chairperson
Ben Kodisang

Members
Seamus French
Yoza Jekwa

The purpose of Thungela's remuneration and human resources committee is to support the board in executing its duties. The committee regularly assesses and refines the Group's remuneration practices to ensure that these continue to support the delivery of our strategy on fair and responsible remuneration. By providing oversight, it ensures transparency in our remuneration disclosures, enabling stakeholders to assess the efficacy of our remuneration and governance practices.

The committee confirms that it has complied with its mandate as outlined in the terms of reference on our website, www.thungela.com. Additionally, it has followed the provisions and guidance outlined in King IV concerning remuneration governance, in alignment with the applicable JSE Listings Requirements.

The report is presented in three sections, in line with the relevant best practice specified in King IV and the JSE Listings Requirements.

Section 1: Background statement	Section 2: Remuneration philosophy and policy	Section 3: Implementation report
Provides the overall context of the report and highlights specific matters of significance for remuneration decisions.	Describes the Group's overall remuneration policy with a particular focus on executive directors and prescribed officers.	Outlines the details of the executive directors' and prescribed officers' remuneration.

SECTION 1: BACKGROUND STATEMENT

KEEPING OUR PURPOSE AT THE CENTRE OF REMUNERATION DECISIONS

In 2023, we continued to evolve our remuneration policy and practices in line with the organisational changes in our business. Our focus was on ensuring that our decisions, as the committee, aligned with the Group's purpose – to responsibly create value together for a shared future.

Keeping our purpose at the centre of remuneration decisions summarises how we dealt with challenges we faced during 2023, and which performance factors the committee considered in making its decisions for the year under review. The wider report outlines how Thungela continues to drive fair and responsible remuneration and ultimately the delivery of value for its stakeholders.

DELIVERING ON OUR STRATEGIC PRIORITIES

Thungela delivered solid financial and operational results for the year ended 31 December 2023, and continued to deliver on our strategic priorities. Our resilient performance is against a backdrop of challenges in our operating environment. Two prominent issues stand out among others:

- continued rail underperformance, stemming from operational issues experienced by TFR
- global coal price headwinds outlined on pages 39 to 41

These challenges, along with others, have shaped our performance. Detailed analysis of our financial performance is set out on pages 62 to 73. The committee considered these key financial and operational outcomes when making the remuneration decisions set out in this report:

- adjusted EBITDA$^{\triangle}$ of R8.5 billion (2022: R29.5 billion)
- adjusted operating free cash flow$^{\triangle}$ of R6.8 billion (2022: R18.1 billion)
- FOB cost per export tonne$^{\triangle}$ in South Africa of R1,134 (2022: R1,079)
- export saleable production in South Africa of 12.2Mt (2022: 13.1Mt)

We are advancing steadily in fulfilling our environmental, social and governance (ESG) aspirations. We furthered our commitment to our Sisonke Employee Empowerment Scheme with the contribution of R156 million for the 2023 reporting period, enabling us to retain talent within the eligible population. Despite our total recordable case frequency rate (TRCFR) decreasing to 1.40 (2022:1.41), we continue to support several programmes to sustainably reduce risk across our operations. Additionally, we delivered another annual reduction of 2.8% in our carbon intensity against our 2022 baseline, reflecting further progress on our ESG journey.

The acquisition of the Ensham Business in Australia marked a significant milestone in delivering our strategic priority of geographical diversification. It also influenced our approach to remuneration as we transition into an international coal company.

The committee took into account our consistent resilient performance and our achievements, despite diverse challenges, when evaluating the outcomes of the short-term incentives (STIs) for 2023 and other remuneration decisions.

OUR COMMITTEE ACTIVITIES IN 2023

The board chairman, chief executive officer, chief financial officer, executive head of human resources, and the head of reward for the Group are standing invitees to all committee meetings, but are not included in discussions regarding their own remuneration.

Members of the committee continued to have access to sources of information and advice to inform judgements on remuneration and related matters. This assists us to better understand trends within the executive remuneration environment related to regulations, compliance and stakeholder perceptions, and risks associated with the current structure of remuneration.

Bowmans is the appointed independent reward advisor to the committee. We continued to receive advice from them in relation to our remuneration policy and governance framework. They attended committee meetings, provided advice regarding executive remuneration and conducted market research to determine non-executive director fees. We are satisfied that their advice was independent and objective. The Group's independent external auditor, PricewaterhouseCoopers Incorporated, has not provided advice to the committee. Bowmans will continue as the committee's independent reward advisor until 31 December 2024.

The Group further utilised additional benchmarking data and market research from RemChannel and Mercer and we were satisfied with the integrity of the data provided.

The committee made a few key decisions in 2023, including:

Updating remuneration approaches resulting from geographic diversification

Due to the acquisition of Ensham and the establishment of Thungela Marketing International, our remuneration policy was adapted to provide for employees in markets outside South Africa as follows:

- We approved a cash-settled version of our share plan for granting awards to our employees located outside South Africa. This version largely mirrors that of the underlying share plan, with the exception that awards are settled in cash based on the share price on settlement date.
- In the short term, we continue to apply the legacy remuneration policy at acquired companies. However, we will assess the feasibility of aligning their policies with those of South African employees where this makes sense and aim to harmonise these policies over time.

Introduction of discretionary bonuses for exceptional performance

The committee approved a budget and governance structure whereby the business can provide discretionary cash bonuses for exceptional performance by an employee in the execution of corporate milestones that add significant value to Thungela. This supports Thungela's ability to effectively incentivise the delivery of our key milestones on the execution of our strategy. These awards will not be applicable to executive directors or prescribed officers.

The committee also dealt with various mandated matters during 2023. The committee actioned the following:

- review and approval of the remuneration policy for the Group to ensure practices remain relevant and appropriate
- approval of annual target setting for STIs and long-term incentives (LTIs) for both financial and non-financial targets to ensure that they maintain the right balance between various interests
- approval of the STI and LTI performance scorecard outcomes
- approval of annual salary increases for employees effective 1 January 2024
- approval of remuneration for the executive directors, prescribed officers and company secretary
- recommended for board support and shareholder approval the proposed non-executive directors' fees
- approval of the remuneration report

DRIVING FAIR AND RESPONSIBLE REMUNERATION

We are very aware of our responsibility to ensure that we have a fair and transparent remuneration policy. This is increasingly important as we have seen throughout 2023 the impact of market volatility on our employees and the individuals they support. We, along with a lot of stakeholders globally, believe that driving actions to reduce remuneration gaps is extremely important to promote a fairer and more equal society aligning to the expectations of stakeholders.

During 2023, we continued to conduct detailed reviews of our vertical pay gap between our highest and lowest paid employees. We continue to monitor our vertical pay gap by tracking three different measures, namely:

- The Gini coefficient: a measure of the distribution of income across a population, which uses coefficient ranges from 0 to 1 as an index, with 0 representing perfect equality and 1 representing perfect inequality. It compares the cumulative proportions of the population against the cumulative proportions of income they receive.
- The Palma ratio: a ratio of all income received by the 10% of people with the highest income divided by the share of income received by the 40% of people with the lowest income.
- The 5:5 ratio: the total or average earnings of the top 5% of the workforce, divided by the total or average earnings of the 5% of the workforce that earns the least.

All of these are measured using the total on-target remuneration of the employees rather than actual remuneration for year-on-year comparisons to exclude impacts of external factors like the macroeconomic environment on specifically our STI and LTI awards.

Our vertical pay gap continues to be lower than the South African general market and the South African mining average, and we have also seen a year-on-year improvement in the three measures outlined above.

In 2023, we have also started a formal process of using our independent reward advisor to complete a horizontal pay gap analysis. The methodology utilised for this analysis focused on determining the average total guaranteed package (TGP) of comparable groups. Comparable groups were constructed in line with the criteria outlined in the Employment Equity Act. This was then used to calculate comparable employee ratios.

Our horizontal pay gap analysis yielded very favourable results, but we still have some gaps. We continue to take progressive steps to correct pay disparities between our employees. The committee also approved an additional annual budget to reduce these disparities.

We will continue to analyse market trends for measuring fair and responsible remuneration by tracking them through ongoing analyses of income differentials, horizontal pay gaps and pay equity outliers, while investigating how to drive and track fair and responsible remuneration as part of our sustainability strategy.

VOTING ON REMUNERATION AND SHAREHOLDER ENGAGEMENT

At Thungela's most recent AGM, our shareholders took part in a non-binding advisory vote on the remuneration policy, its implementation, and non-executive directors' fees.

The results of the non-binding advisory votes received for the last two years related to the remuneration report are as follows:

AGM voting outcomes	2023 (%)	2022 (%)
Remuneration policy	92.46	94.00
Implementation report	80.60	91.11
Non-executive directors' fees	93.24	98.25

Although the voting outcomes were favourable, we did see a reduction in the level of approval of the implementation report resulting from concerns related to levels of remuneration. We have taken the opportunity to constructively engage with our shareholders to understand some of the reasons for the dissenting votes.

The two key issues raised by investors in these engagements were:

Issue raised	Response
Excessive remuneration related to the milestone awards	The milestone awards were granted and approved by Anglo American prior to the demerger of Thungela and formed part of the demerger process. As these awards were awarded by Anglo American, the committee did not have discretion over the granting or vesting of these awards, which were accordingly a once-off occurrence and are not integrated into the ongoing Thungela remuneration policy. These have been and continue to be separately disclosed in the schedule of total single figure remuneration and in the table of unvested awards and cash flows.
Lack of detail related to vesting process for conditional shares and the impact of change of control	Specific detail is provided in section 2 focusing on the remuneration policy that covers the required details requested.

We will present our remuneration policy and implementation report, contained respectively in section 2 and section 3 of this remuneration report, for two separate, non-binding votes at the AGM on 4 June 2024.

If 25% or more of shareholders vote against either or both of these sections, Thungela will include a note of this in the announcement reflecting the results of the AGM.

Any dissenting shareholders will also be invited to engage with Thungela. The method of shareholder engagement will be decided by the committee, and could include:
- e-mails and video conferencing
- investor roadshows
- one-on-one meetings with shareholders

A summary of concerns and the committee's response will be included in the remuneration report for the year ending 31 December 2024.

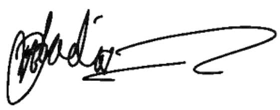
OUR FOCUS AREAS FOR 2024

During 2024, the committee will maintain its focus on our existing focus areas while also directing our attention to new elements arising from structural changes to the business. The overarching focus areas for the coming year are:
- continuing to drive a closer alignment between the strategic pillars of the business and remuneration outcomes
- monitoring the potential governance implications of the draft Companies Act Amendment Bill in South Africa
- further expansion and entrenchment of the pay gap measures that allow the committee to review and understand the level of pay fairness and equality in the Group
- review of the remuneration policy at the Ensham Business and an assessment of appropriate changes to better align with our core policy
- implementation of the cash-settled version of our share plan

CONCLUSION

The past year has been one in which Thungela continued to deliver value in line with our strategic priorities. Achieving these strategic priorities has required a re-evaluation of our remuneration environment, leading to some adjustments to ensure the effective integration of new and future acquisitions.

We believe that our remuneration policy has achieved its objectives in 2023. We will continue to engage with our stakeholders to understand how we can further improve our remuneration policy and principles to ensure that we balance all stakeholder interests and enable the delivery of our strategy and purpose.



Ben Kodisang
Remuneration and human resources committee chairperson

24 April 2024

SECTION 2: REMUNERATION PHILOSOPHY AND POLICY

REMUNERATION PHILOSOPHY

Thungela's reward philosophy enables the effective delivery of our strategy by driving a high-performance culture. Our culture allows our employees to continually reinforce our purpose and values through their ongoing performance.

We have adopted a remuneration philosophy that is designed to attract, retain and incentivise individuals to support the delivery of the Group's strategic objectives, thereby creating sustainable value for all stakeholders.

APPLICATION OF THE REMUNERATION POLICY

Our remuneration policy applies to all of Thungela and its subsidiaries on an organisation-wide basis, unless otherwise agreed. In instances where Thungela does not have effective management control, this policy will apply as far as it has been agreed with the other shareholders.

REMUNERATION PRINCIPLES

Our remuneration policy has been aligned with the recommendations of King IV and is based on the following principles, with the aim of delivering fair and responsible remuneration.

1 Alignment with Group strategy and culture

Remuneration practices are constantly re-assessed to ensure that they are aligned with the Group's strategy and support the entrenchment of its values and leadership behaviours.

2 Competitive pay level

Remuneration is set at a competitive level within the relevant market to ensure that the Group attracts, motivates and retains highly talented individuals.

3 Internal equity

Reward is managed to adhere to the principle of responsible, equal, fair and competitive pay.

4 Link with stakeholder interests

Incentive-based rewards are linked to achieving excellence and aligned with stakeholder interests over the short, medium and long term.

5 Risk-based approach

LTI schemes are designed and applied to minimise stakeholder exposure to unreasonable risk.

6 Relevance

Performance measures and targets for incentive plans are structured to operate effectively throughout the business cycle and support the business strategy. These are also continually reviewed to ensure that they remain aligned to market trends, stakeholder and any legislative or regulatory requirements.

7 Communication

Transparent communication of the reward policy and implementation to all our stakeholders through ongoing engagement using various channels.

REMUNERATION ELEMENTS

The committee, in collaboration with management and our advisors, conducts an annual total remuneration benchmarking analysis to ensure alignment with and facilitation of the Group's strategy. This review includes a comprehensive analysis of all remuneration elements including fixed remuneration, STIs and LTIs for the executive directors, prescribed officers, company secretary and non-executive directors. These elements are benchmarked against an appropriate comparator group and external survey data representative of the Group's size and complexity.

The elements of remuneration included in the policy are:

- fixed remuneration, including basic salary and benefits
- STIs comprised of cash payments and deferred bonus shares (DBS) awards
- LTIs

Fixed remuneration

The Group's fixed remuneration is currently structured on a 'basic salary plus benefits' basis.

Basic salary

Executive and management employees

The basic salary of employees is reviewed annually with increases effective from 1 January. This review revealed that the Group is positioned competitively against peers that are comparable in size, sector and business complexity. Group performance, affordability, prevailing consumer inflation and average industry and sector increases are considered in determining the annual adjustments.

Annual increases typically correlate with inflation, however an additional budget is allocated, where feasible, to address remuneration levels that deviate from internal pay ranges or market rates for a specific role. These market adjustments are informed by positioning current salaries within a tolerance pay range and comparative ratio for a specific discipline, job or grade. Pay levels that are not within the tolerance pay range are adjusted to align more closely to the market's 50th percentile.

Bargaining unit employees

In the case of bargaining unit employees, basic salary levels depend on the outcome of wage negotiations with representative unions.

Benefits

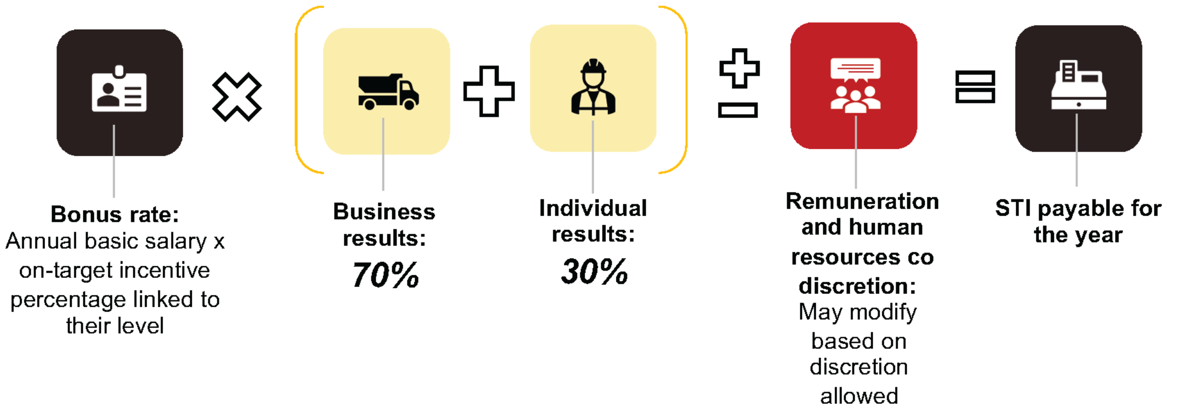
Core benefits are offered as a condition of service, with some elective flexible offerings for employees in our management group. Core benefits primarily comprise retirement, risk and medical scheme participation. We regularly review these benefits for affordability, flexibility and perceived value to employees.

Currently, management employees are restricted to a single recognised closed medical scheme and plan. However, this is continuously monitored to identify opportunities for additional flexibility. Retirement benefits are provided through defined contribution funds, with contribution levels aligned to market best practice and the rules of the fund.

Short-term incentives

In 2022, we introduced our new performance management process and associated STI structure. We have been continually reviewing this structure and believe that it is driving the right performance in the business. No changes have therefore been made to the STI structure in 2023.

The calculation of the STI for middle management and above employees is outlined below:

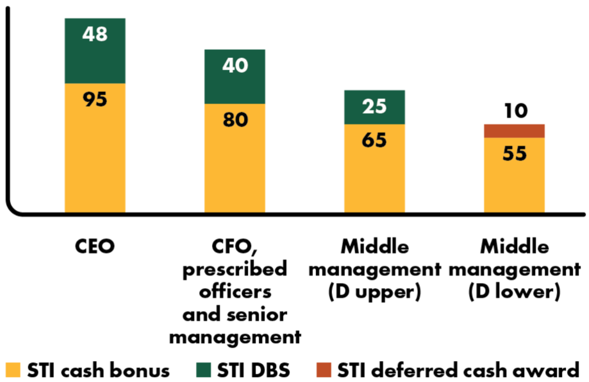


Business results are measured by an overall scorecard approved annually by the committee. The scorecard is split into four performance categories with 10 overarching metrics, namely:

Performance Category	Metric I Measure	Weighting (%)
Safety and health 10%	**TRCFR** I % improvement on average for the previous 3 years	5
	HIV % treatment I % of employees who know their HIV status	5
ESG 10%	**Level 4 – 5 environmental incidents** I number of incidents	2.5
	Energy intensity I % of annual improvement against 2025 target	2.5
	Inclusive procurement I % of addressable spend	2.5
	Inclusion and diversity I % historically disadvantaged people (HDPs) in management	2.5
Production 30%	**Export saleable production** I number of export saleable production tonnes	20
	FOB cost per export tonne I FOB cost per export tonne excluding royalties	10
Finance 20%	**Adjusted EBITDA** I Rand million	10
	Adjusted operating free cash flow I Rand million	10

Our annual STI is designed to encourage and reward individuals who demonstrate accountability for Thungela's success by consistently delivering exceptional results in a manner that aligns with our values. In accordance with the approved design principles outlined in our performance management process, as detailed in last year's remuneration report, we have updated the structure of the award for our management population.

The maximum STI award as a percentage of basic salary is outlined below:



More details of the composition of STI performance conditions are provided in the implementation report, together with the outcomes for the 2023 financial year as it relates to executive remuneration.

In the case of exceptional performance by an employee in achieving corporate milestones that add significant value to Thungela, the committee may approve discretionary cash bonuses of up to 25% of their annual basic salary. Such awards are not applicable to executive directors or prescribed officers. These awards are managed within the confines of the approved annual budget and payments are duly reported at the next applicable committee meeting to uphold the required governance standards.

Long-term incentives

Thungela's LTI plans have a time horizon of more than a year and are divided into two categories: conditional and forfeitable share awards.

Conditional share awards

Each year, we award shares in Thungela to eligible individuals, with vesting contingent on continuous employment over a three-year period and the achievement of key performance conditions. These conditions are aimed at delivering value for all stakeholders. Dividends paid on underlying shares are rolled up into the award and are settled as dividend equivalent shares on the vesting date, if and to the extent the awards vest.

Maximum awards of conditional shares expressed as a percentage of annual basic salary are as follows:

CEO **100%**	CFO **80%**
Prescribed officers **80%**	Senior management (E upper) **80%**

Forfeitable share awards

Annual or *ad hoc* awards of shares in Thungela, the vesting of which will be determined by the employee fulfilling the applicable employment condition. These shares are held by an escrow agent on behalf of the employee until the vesting date. These shares attract voting and dividend rights for the period they are held in escrow but can only be traded once they have vested. Thungela's remuneration policy makes provision for three types of forfeitable shares:

Deferred bonus shares	These make up a portion of the employee's STI *Governance: remuneration policy*
Sign-on shares	Used to compensate new employees for share values forfeited as a result of joining Thungela *Governance: remuneration policy and sign-on award policy*
Retention shares	Used in limited instances to retain key talent below the Group executive committee level *Governance: remuneration policy and retention award policy*

All references to the use of milestone shares have been removed from the remuneration policy as the last tranche of these shares, as approved as part of the demerger, vested during 2023 and will not be used under the Thungela remuneration policy.

Cash-settled awards

A new cash-settled share plan has been approved for employees outside South Africa. This plan provides for cash-settled awards closely resembling those of the above awards. However, in this plan awards are settled in cash at the value of a Thungela share on the vesting date.

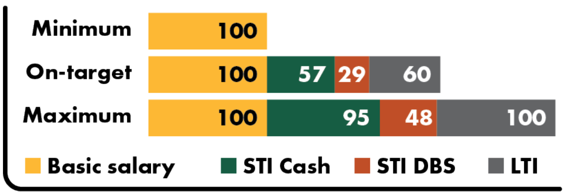
REMUNERATION MIX SCENARIOS

The graphs below illustrate the remuneration outcomes at different levels of performance, with each element disclosed as a percentage of annual basic salary.

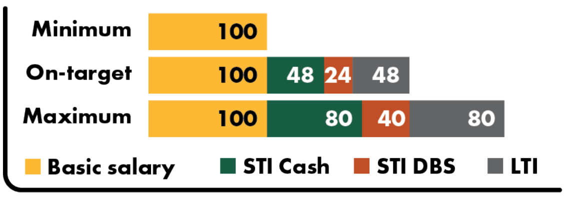
The maximum award values for the annual cash and DBS portions of the STI award and the conditional share award are aligned with the policy percentages provided above.

The 'on-target' values are determined as 60% of the maximum for the STI and LTI. The LTI value excludes share price movements and is disclosed based on the award value for the current year multiplied by the applicable vesting percentage.

CEO (%)



CFO AND PRESCRIBED OFFICERS (%)



USE AND APPLICATION OF REMUNERATION BENCHMARKS

We make use of reputable benchmarking survey providers such as RemChannel and Mercer to provide points of comparison for determining external equity within our remuneration environment. Macroeconomic factors, such as consumer price index (CPI), are taken into consideration when comparing remuneration to the external market, and survey information is always adjusted to take into account both the assumed movement in salaries and the time elapsed between the date of the survey and the date when the analysis is performed.

We also use this data in conjunction with external benchmarks from the mining industry to develop pay bands and incentive plans and for reviewing our employee benefits.

To benchmark the remuneration of our executive directors, prescribed officers and non-executive directors, we compare them against a select peer group of companies currently comprised of eight JSE listed mining companies with primarily South African resident executives.

External remuneration comparator group

Tharisa plc
Pan African Resources plc
DRD Gold Limited
Harmony Gold Mining Co Limited
Royal Bafokeng Platinum Limited
African Rainbow Minerals Limited
Northam Platinum Limited
Exxaro Resources Limited

CONDITIONAL SHARE AWARDS

The 2023 award of conditional shares was made in April 2023 and will be measured over the period from 1 January 2023 to 31 December 2026. Our executive directors will have an additional two-year holding period following the conclusion of the three-year performance and employment period.

The performance conditions for this award were changed as detailed in our previous remuneration report. This included the removal of the dividend yield metric and a change in focus from carbon emissions to carbon intensity. We have adjusted some of the targets by considering our current levels of performance and the changes in the environment in which we are operating.

The performance conditions for the 2023 conditional award are as follows:

Performance category	Performance area	Weighting (%)	Performance measure	Threshold	On-target	Stretch
Shareholders 25%	Relative local total shareholder return (TSR)	12.5	Performance against index return of local competitors	Index return	Index return + 3% p.a.	Index return + 6% p.a.
	Relative global TSR	12.5	Performance against index return of global competitors	Index return	Index return + 3% p.a.	Index return + 6% p.a.
Financial 20%	Cash margin per export saleable tonne	20	% change in cash margin from 2020 base (price and foreign exchange neutral)	(3)%	–	3%
Production sustainability 25%	Life of business	15	% life extended as a result of resource to reserve conversion (additional life of mine (LOM) saleable tonnes/base LOM saleable tonnes) (adjusted for reserve depletion)	–	10%	20%
	Lifex capital intensity	10	Capex per incremental saleable tonne from lifex projects relative to most recent projects (Mafube and Navigation weighted) (relative %)	(3)%	–	5%
ESG 30%	Carbon intensity	10	% reduction in carbon intensity (2022 baseline)	4.0%	4.3%	4.6%
	Fresh water import	2.5	ML reduction	123	137	151
	Potable water usage	2.5	ML reduction	249	269	296
	Water treatment	2.5	% change against a 40% target	(5)%	–	5%
	Water reuse/ recycle	2.5	% change against a 75% target	(8)%	–	5%
	Inclusion and diversity	10	% HDP representation in middle management and up against a 65% target	(3)%	–	5%

The TSR peer groups for the local and global metrics are outlined below:

Local TSR peer group
Salungano Group Limited
MC Mining Limited
Exxaro Resources Limited (excluding earnings and dividend per share from iron ore)

Global TSR peer group
Arch Resources Inc
New Hope Corp Limited
Peabody Energy Corp
Whitehaven Coal Limited
Yankuang Energy Group Company Limited
Banpu Power Public Company Limited
PT Adaro Energy Tbk

Vesting of the conditional share award
Performance conditions are measured over the three-year performance period applicable to the specific conditional share award. On the conclusion of the performance period, the committee will determine the level of achievement related to each individual performance condition.

For each performance condition, the following vesting rules apply:
- 0% will vest for performance below threshold
- 30% will vest for performance at threshold
- 60% will vest for performance at target
- 100% will vest for performance at stretch
- linear vesting will apply for performance between threshold, target, and stretch

The weighted average of the outcomes for each of the above conditions will determine the overall vesting percentage of the award. Any portion of the award that does not vest as a result of partial or non-fulfilment of the performance conditions will immediately lapse and the conditional shares constituting that portion of the award will consequently be forfeited.

The implementation report contains the extent to which the performance conditions for the 2021 conditional share award were met.

CHANGE OF CONTROL PROVISIONS AND THEIR IMPACT ON SHARE PLANS

In the case of a change of control, a portion of all outstanding awards vest early, on a time-prorated basis, and adjusted to reflect the impact of applicable performance conditions. The balance of the awards will continue in force, based on the original conditions, unless this is not feasible. In this case, they will be exchanged for replacement awards with similar conditions and a similar fair value on the transaction date.

In the case of changes in capital structure, including rights offers, distributions of capital, share splits and consolidations, then all outstanding awards must be adjusted so that the participants are no worse off than before the transaction. The determination and verification that participants are no worse off will be performed by an independent expert.

MINIMUM SHAREHOLDING REQUIREMENTS

Executive directors and prescribed officers are required to accumulate and hold a predetermined and market-aligned minimum shareholding. The minimum shareholding requirements (MSR) must be accumulated from personal investment shares and committed shares from the forfeitable and conditional shares.

These individuals are required to accumulate and hold an appropriate percentage of their share incentive awards to meet the target. The extent to which targets have been met is calculated by multiplying the closing share price at year end by the number of personal investment or committed shares held and expressing this as a percentage of their annual fixed remuneration at the time, with the following target holdings set for executives:

- **200%** for the CEO
- **100%** for the CFO and prescribed officers

Current members of the Group executive committee are required to build up the target shareholding over five years, starting on 7 June 2021. Members of the Group executive committee who are appointed in future will be required to build up the target shareholding over five years following the date of their Group executive committee appointment.

CONTRACTUAL COMMITMENTS

All executive directors and prescribed officers have permanent employment contracts with Thungela or its subsidiaries. These contracts prescribe a notice period of six months for executive directors and three months for prescribed officers. Executive directors and prescribed officers are subject to a restraint-of-trade period of six months from the date of termination of their contract.

EXTERNAL APPOINTMENTS

Executive directors are not permitted to hold external directorships or offices without the written approval of the remuneration and human resources committee, while for prescribed officers the approval lies with the chief executive officer. Based on the relevant approval being received, the Group's policy on internal and external directorships stipulates that:
- The executive director or prescribed officer may only retain fees payable from one external directorship. Fees for internal directorships or offices may never be retained and must be ceded to Thungela.
- The external appointments may not interfere with the executive director's or prescribed officer's duties and obligations to Thungela.

OTHER POLICY PROVISIONS

Termination benefits		**STI**	**LTI**
There are no contractual obligations to effect payment on termination, except for payment for the notice period and accrued leave balances. The STI and LTI will be determined based on the nature of the termination and at the discretion of the remuneration and human resources committee.	**Ineligible termination** Resignation and dismissal	Not eligible for any STI cash. Unvested DBS awards will be forfeited.	The right to receive any shares or cash awards will immediately be forfeited.
	Eligible termination Death, retirement, disability, dismissal for operational reasons	STI cash payments will be pro-rated for the year, and the vesting of all unvested DBS awards will be accelerated to the termination date.	All awards will be accelerated, but will be pro-rated to reflect the time served of the applicable vesting periods and the committee's assessment of the level of achievement of performance conditions.
	Mutual separation	At the discretion of the committee.	At the discretion of the committee.

Malus and clawback		**STI cash**	**STI DBS**	**LTI**
The malus and clawback policy may be implemented based on various trigger events, including: • material misstatement of Group results and performance measures that result in incorrect or inappropriate determination of variable pay awards • gross misconduct or behaviour by the individual bringing the Group into disrepute • material failing in risk management, especially in the case of events affecting the environment and communities • unacceptable safety outcomes, especially in the case of fatalities, or where safety outcomes are significantly below the thresholds for the year and management is deemed responsible for this outcome • material environmental incidents	**Malus** is the ability of the Group to reduce unvested or unpaid awards before the end of the vesting period or prior to payment.	From the end of the performance period to the STI payment date.	During the period prior to the vesting of the DBS awards.	During the performance period covered by the award (pre-vesting).
	Clawback is the ability of the Group to recoup, in full or in part, the value of vested shares for payments for the duration of the clawback period.	Three years from the STI payment date.	Three years from the vesting of each tranche of the DBS awards.	Three years from the vesting date.

Post-retirement medical aid benefits	**Eligibility**	
The post-retirement medical aid subsidy is a benefit that provides qualifying Thungela retirees with the continuation of 50% contributions from Thungela to the Witbank Coalfields Medical Aid Scheme (WCMAS).	Eligibility for the subsidy is limited to employees who were permanently employed by Thungela and have been a member of WCMAS prior to 1 January 2002. In addition, employees need to be permanently employed and active members of the fund at the time of retirement or death.	One Group executive committee member is eligible for this benefit: Leslie Martin, executive head of technical.

NON-EXECUTIVE DIRECTORS' FEES

Principle

The fees for non-executive directors are intended to reflect the responsibility, experience, time requirement and risk taken by directors in a growing, multinational coal company like Thungela. The fees are reviewed annually to ensure that they remain appropriate.

Basis of pay

Fees paid to non-executive directors are based on an annual retainer for board and board committee roles, excluding *ad hoc* meeting fees dependent on the requirements. The board chairman and the lead independent director's fees are determined on an 'all-inclusive' basis and additional fees are not paid for board committee membership. The other non-executive directors receive fees for their board roles in addition to the fees for their roles as chairpersons or members of board committees. If there is a change of committee membership for a non-executive director, the appropriate amended monthly fee will be paid.

Non-executive directors do not participate in any STI or LTI arrangements and do not receive any fees linked to their level of performance. They are reimbursed for incidental travel or business expenses incurred as part of the execution of their duties.

Service contracts

Non-executive directors are not employed by the Group. Non-executive directors are expected to disclose any conflicts of interest prior to and during their tenure. If any conflict identified is considered to impact their independence, they will not participate in any decision that is affected by this conflict.

Benchmarking

For the benchmarking of non-executive directors' fees, we make use of the same comparator group as for executive directors and prescribed officers.

The current fee policy, details of actual fees paid per non-executive director, and the fees proposed for the 2024 financial year are included in the implementation report. The proposed fees will be included in the Notice of the AGM for approval through a special resolution by the shareholders of Thungela.

NON-BINDING ADVISORY VOTE ON REMUNERATION POLICY

The remuneration policy, as described in section 2 of the remuneration report, excluding those arrangements specifically applicable to the Group's listing and that do not form part of the ongoing remuneration policy, as noted above, is subject to a non-binding advisory vote by shareholders at the AGM. If more than 25% (of those shareholders voting) vote against the policy, the committee will consult with dissenting shareholders to determine the reasons for their objections. Any such concerns will be considered by the committee when assessing changes for the subsequent year. A summary of the concerns and the committee's response thereto will be included in the following year's remuneration report.

SECTION 3: IMPLEMENTATION REPORT

SCOPE

This section outlines the remuneration received by Thungela's executive directors, prescribed officers and non-executive directors for the year under review. It covers the remuneration elements and awards that were made and settled during 2023 in the following two categories:

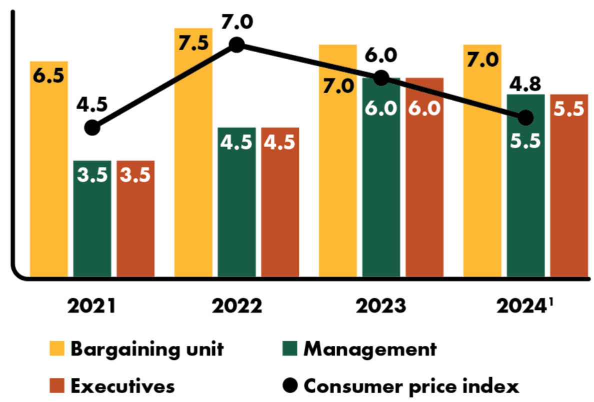
1 Awards approved by Anglo American to support and reward the successful listing of Thungela and retain talent to ensure stability during the transition.	• Retention and milestone awards (forfeitable shares)
2 Awards that were made in line with Thungela's remuneration policy.	• 2023 STI (cash) • 2023 DBS (forfeitable shares) • 2023 LTIP (conditional shares)

The implementation report highlights how we continued to deliver on our promises to stakeholders and how this translated into the remuneration outcomes of the executive directors, prescribed officers and non-executive directors.

BASIC SALARY ADJUSTMENTS

Based on market insights and benchmarking from Bowmans and RemChannel, supported by an analysis of the historical and forecasted CPI environment, a 4.5% increase on basic salary was approved by the committee for executive directors, prescribed officers and management employees as of 1 January 2024. Increases for bargaining unit employees are effected in the middle of the calendar year and these were negotiated with our recognised union for the three years from 2022 to 2024. The figure alongside provides a comparative view of increases between executive, management, and bargaining unit employees against CPI.

BASIC SALARY ADJUSTMENTS (%)



[1] For 2024, management and executive increases are as approved by the committee, bargaining unit increases based on the wage agreement concluded in 2022, and CPI as per the International Monetary Fund forecast.

During 2023, we re-evaluated the current roles of the prescribed officers because of the changes in the business structure such as the Ensham acquisition and the opening of our export marketing hub, and the associated changes to their responsibilities. With the assistance of our external reward advisor, we utilised redeveloped and approved role profiles to complete a job evaluation exercise for these roles. This resulted in the changing of the band and grade of several of our prescribed officers.

Based on the outcome of the job evaluation, the external reward advisory service provider completed a remuneration benchmarking analysis for the Group executive committee. The evaluation identified that four of the prescribed officers are currently lagging the market in relation to their TGP by between 10% and 15%. Based on the outcome of the analysis, the committee approved additional adjustments to their basic salaries to the following effect:

Bernard Dalton	Executive head of marketing	5% over two years
Lesego Mataboge	Executive head of human resources	7% over two years
Mpumi Sithole	Executive head of corporate affairs	7% over two years
Carina Venter	Executive head of safety, health and environment	7% over two years

No other adjustments were made to the basic salaries for executive directors or prescribed officers during 2023.

2023 SHORT-TERM INCENTIVE OUTCOMES

As indicated in section 2 of the report, we have not made any changes to our STI calculation after it was updated in 2022. We believe that the current structure still reflects Thungela's requirements.

As part of the determination of the performance outcomes for 2023, the committee considered the impact of stock rehandling and the stock bound nature of some of our operations. This evaluation was driven by various factors including the continued underperformance of TFR and its impact on our ability to deliver on production and financial performance targets.

The processes followed to normalise the outcomes resulting from these challenges were independently reviewed to ensure that they are reflective of Thungela's performance, agnostic of non-controllable external factors.

The calculation of the STI was outlined in section 2, but the actual outcomes are presented in this section.

The figure below outlines the four performance categories which comprise the business results (70%) component of the STI with the proportional weighting thereof. It further includes the outcome of the business results when compared to the 'on-target' percentage.

BUSINESS RESULTS PERFORMANCE CATEGORIES AND OVERALL RESULT

Performance category	Metric I Measure	Weighting (%)	Result	%
Safety and health 10%	TRCFR	5		0
	HIV % treatment	5		100
ESG 10%	Level 4 – 5 environmental incidents	2.5		100
	Energy intensity	2.5		100
	Inclusive procurement	2.5		100
	Inclusion and diversity	2.5		100
Production 30%	Export saleable production	20		58
	FOB cost per export tonne	10		100
Finance 20%	Adjusted EBITDA	10		60
	Adjusted operating free cash flow	10		100
		70		75

The remaining portion of the STI (30%) is determined by individual results for each executive director and prescribed officer. For the executive directors, the committee approves a balanced scorecard on an annual basis. The balanced scorecard is comprised of three sections, namely:

- key priorities
- top risks
- our pillars of sustainable value

The pillars of sustainable value are shared, but the key priorities are specific outcomes required by the individual executive director and therefore comprise the individual deliverables. The following tables outline the individual results for each executive director against their balanced scorecard.

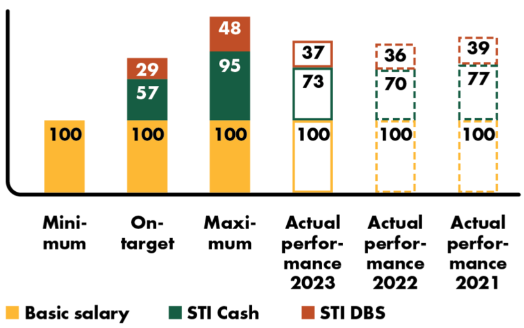
Individual performance results of the chief executive officer, July Ndlovu

Individual deliverable category	Weighting (%)	Performance description	Level of achievement
Safety	5	While a slight improvement has been observed in our TRCFR, the passing of Breeze Mahlangu is a stark reminder that more is required. The Group continues to execute on our elimination of fatalities programme as we believe that it remains appropriate.	Target not met
Drive our ESG aspirations	5	Carbon emissions targets as well our pathway to achieve net zero by 2050 have been published. Focused attention was directed towards renewable energy initiatives, exemplified by the 4MW solar plant currently being installed at Zibulo and further planned installations. Continued efforts to spike on the social element of ESG saw the Thuthukani enterprise supplier development (ESD) programme bear fruit and several Social and Labour Plan (SLP) projects completed.	Target exceeded
Maximise the full potential of existing assets	10	Approval was granted for the implementation of the Zibulo North Shaft project and Elders is on track to deliver first coal in quarter one of 2024. Productivity improvement programmes have also been launched at several of our operations which have yielded positive results.	Target exceeded
Create future diversification options	5	The Ensham Business transaction was successfully completed on 31 August 2023. The Ensham transition was delivered within the required three-month period and with additional saleable production. Pipelines of future merger and acquisition opportunities have also been defined.	Above stretch target
Optimise capital allocation	5	The promotion of our approved approach to capital allocation drove more balance sheet flexibility. Retained enough liquidity to ensure the delivery of our lifex build programme and derive significant value from interest and premiums on key financial instruments.	Target exceeded
Overall performance	30		Target exceeded

Above stretch target | Target exceeded | Target met | Target not met | Below minimum threshold

The performance outcomes for the chief executive officer for 2023 compared to minimum, on-target and stretch remuneration levels, and the 2022 and 2021 performance are illustrated below:

(%)



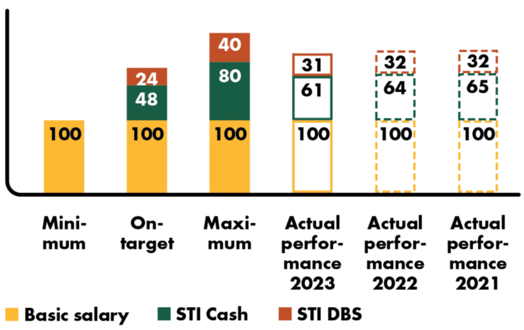
Individual performance results of the chief financial officer, Deon Smith

Individual deliverable category	Weighting (%)	Performance description	Level of achievement
Safety	2	While a slight improvement was observed in our TRCFR, the passing of Breeze Mahlangu is a stark reminder that more is required. The Group continues to believe that our elimination of fatalities programme remains appropriate and ongoing. Risk mitigation continues to receive the required focus by the chief financial officer.	
Drive our ESG aspirations	2	A consistent approach for determining the commercial value of the Group's ESG commitments was achieved. The Group's governance framework continues to evolve.	
Maximise the full potential of existing assets	5	The commercial construct that led to the approval of the Zibulo North Shaft lifex project was delivered. Successful separation of key services from Anglo American without major disruption to the business.	
Create future diversification options	8	Owner of this strategic pillar. Drove the close-out of the Ensham Business transaction and the execution of the deliverables as part of the transition deed. Ensured the effective definition of a pipeline of future merger and acquisition opportunities that are tracked as part of the investment committee meetings.	
Optimise capital allocation	13	Delivered on the Group's ability to effectively create balance sheet flexibility. Retained liquidity to ensure the delivery of our lifex build programme and allow for value generation from financial instruments. Secured facilities negotiated at market-related terms from several South African banks, even within the current global environment.	
Overall performance	30		

Above stretch target | Target exceeded | Target met | Target not met | Below minimum threshold

The performance outcomes for the chief financial officer for 2023 compared to minimum, on-target and stretch remuneration levels, and the 2022 and 2021 performance are illustrated below:

(%)



2021 LONG-TERM INCENTIVE PLAN OUTCOMES

The vesting of long-term incentive plan (LTIP) awards is based on achieving stretch performance conditions measured over a three-year period. The performance period for our first LTIP, which was allocated in November 2021, was from 1 January 2021 to 31 December 2023.

The extent to which performance measures for the 2021 award were met is detailed below. These awards will vest in November 2024 after the three-year vesting period has lapsed.

PERFORMANCE OUTCOMES PER PERFORMANCE AREA AND OVERALL RESULT

Performance category	Performance area	Weighting (%)	Description	Weighted achievement (%)
Shareholders 25%	Relative TSR (local)	7.5	The relative TSR performance condition related to local peers was fully achieved	7.5
	Relative TSR (global)	7.5	The relative TSR performance condition related to global peers was fully achieved	7.5
	Dividend yield	10	Dividend yield performance condition was fully achieved	10
Financial 20%	Cash margin per export saleable tonne	20	The cash margin improvement performance measure was not achieved	–
Production sustainability 25%	Life of business	15	The resource to reserve conversion measure was fully achieved	15
	Life capital intensity	10	The capex per attributable saleable tonne measure was fully achieved	10
ESG 30%	Carbon emissions	10	The measure related to the reduction on greenhouse gas (GHG) emissions from a 2016 baseline was fully achieved	10
	Fresh water import	2.5	The reduction in fresh water import measure was fully achieved	2.5
	Potable water usage	2.5	The reduction in potable water usage measure was fully achieved	2.5
	Water treatment	2.5	The water treatment measure was partially achieved	1.6
	Water reuse/recycle	2.5	The water reuse/recycle measure was fully achieved	2.5
	Inclusion and diversity	10	The HDP representation in middle management measure was fully achieved	10
Total		**100**		**79.1**

REMUNERATION OUTCOMES FOR OUR EXECUTIVE DIRECTORS AND PRESCRIBED OFFICERS

The disclosures that follow set out the details of the 2023 remuneration outcomes for the executive directors and prescribed officers of Thungela. The disclosures cover the following three components:

1 **Total single figure of remuneration**	The schedules are aligned with the total single figure of remuneration disclosure requirements of King IV and set out the total remuneration for the years ended 31 December 2023 and 31 December 2022.
2 **Statement of unvested awards and cash flows**	The schedules of unvested awards and cash flows are aligned with King IV disclosure requirements, which state that the value of awards at year end represents the face value of shares after adjusting for share price movements since award date and the targeted vesting level. The value on settlement represents the cash value of all awards that were settled during 2023.
3 **Minimum shareholding requirements**	The MSR achievement tables outline the percentage fulfilment of the MSR policy level as at 31 December 2023.

Remuneration outcomes for July Ndlovu – chief executive officer

1 Schedule of total single figure of remuneration

Rand thousand	2023	2022
Basic salary	8,131	7,671
Retirement and benefits[1]	1,276	1,203
Other[2]	81	30
Guaranteed pay	9,488	8,904
STI cash[3,4]	5,924	5,414
STI DBS[5,6]	2,993	2,736
Thungela LTIPs[7]	—	–
Total current policy	8,917	8,150
Thungela retention and milestone awards[8]	58,704	112,403
Total Anglo American policy and demerger	58,704	112,403
Total remuneration	77,109	129,457

1 Retirement and benefits include pension fund contributions, medical aid contributions and other allowances.
2 Other payments such as unemployment insurance fund (UIF), leave encashments and long service awards.
3 Thungela cash component of the STI which is attributable to the 2023 financial year, but to be paid in the 2024 financial year.
4 Thungela cash component of the STI which is attributable to the 2022 financial year, but to be paid in the 2023 financial year.
5 Thungela deferred bonus component of the STI which is attributable to the 2023 financial year but awarded in the 2024 financial year.
6 Thungela deferred bonus component of the STI which is attributable to the 2022 financial year but awarded in the 2023 financial year.
7 Thungela LTIP awards will be reflected in the final year of the performance period and therefore those awarded in 2021, 2022 and 2023 will only be reflected in the 2024, 2025 and 2026 financial years.
8 Thungela milestone awards granted on 11 November 2021. The second and final tranche of this award vested in full on 4 June 2023 based on the achievement of the employment condition.

2 Statement of unvested awards and cash flows for the 2023 financial year

Award type	Award date	Vesting date	Award price (Rand/ share)	Share Movements: Opening	Granted[1]	Forfeited	Vested	Closing	Cash on settlement (Rand)	Year-end fair value[2] (Rand)
Milestone shares[3]										
Milestone awards 2021 (2)	11-Nov-21	04-Jun-23	25.00	449,829	—	—	(449,829)	—	58,703,791	—
				449,829	—	—	(449,829)	—	58,703,791	—
Conditional shares[4]										
LTIP 2021	16-Nov-21	16-Nov-24	36.34	261,130	86,295	—	—	347,425	—	30,909,707
LTIP 2022	07-Mar-22	07-Mar-25	135.54	73,172	24,180	—	—	97,352	—	8,661,213
LTIP 2023	26-Apr-23	26-Apr-26	164.06	—	52,867	—	—	52,867	—	4,703,471
Forfeitable shares - Deferred bonus shares[5]										
DBS 2022 (1)	22-Mar-22	22-Mar-23	159.72	5,306	—	—	(5,306)	—	1,016,630	—
DBS 2022 (2)	22-Mar-22	22-Mar-24	159.72	5,306	—	—	—	5,306	—	786,774
DBS 2022 (3)	22-Mar-22	22-Mar-25	159.72	5,307	—	—	—	5,307	—	786,922
DBS 2023 (1)	27-Mar-23	27-Mar-24	195.56	—	4,663	—	—	4,663	—	691,430
DBS 2023 (2)	27-Mar-23	27-Mar-25	195.56	—	4,663	—	—	4,663	—	691,430
DBS 2023 (3)	27-Mar-23	27-Mar-26	195.56	—	4,663	—	—	4,663	—	691,430
				350,221	177,331	—	(5,306)	522,246	1,016,630	47,922,376

1 The LTIP awards granted include a total of 113,782 shares added to the LTIP awards as dividend equivalent share awards granted related to the dividends paid by Thungela in the year ended 31 December 2023.
2 The 30-day volume-weighted average price (VWAP) for determining the fair value of unvested awards on 31 December 2023 is R148.28 per share.
3 Milestone shares are special awards of forfeitable shares related to the listing and do not form part of the ongoing remuneration policy of the Group.
4 Conditional shares were granted under our remuneration policy. Conditional shares were calculated at a vesting rate of 60% which is the 'on target' percentage as stated in section 2 of this remuneration report.
5 Deferred bonus shares are forfeitable shares that are granted under our remuneration policy as part of our annual STI process.

3 Minimum shareholding requirements at 31 December 2023

MSR fulfilment date[1]	2026
Number of MSR shares[2]	748,162
Value of MSR shares[3] (R'000)	115,067
Total annual fixed remuneration (R'000)	9,488
MSR target holdings based on time elapsed (%)	80
Achieved MSR target holdings[4] (%)	**1,213**

1 The MSR fulfilment date is the financial year by which the executive is required to meet 100% of the MSR requirements.
2 The number of MSR shares is comprised of all personal investment shares and committed shares under the MSR policy but excludes any unvested shares under the STI DBS and LTIP plans.
3 The closing share price on 31 December 2023, used to determine the value of MSR shares, is R153.80 per share.
4 The fulfilment percentage is the value of the MSR shares divided by the executive's annual fixed remuneration as at 31 December 2023.

Remuneration outcomes for Deon Smith – chief financial officer

1 Schedule of total single figure of remuneration

Rand thousand	2023	2022
Basic salary	5,251	4,953
Retirement and benefits[1]	848	799
Other[2]	37	26
Guaranteed pay	**6,136**	5,778
STI cash[3,4]	3,222	3,182
STI DBS[5,6]	1,611	1,591
Thungela LTIPs[7]	—	—
Total current policy	**4,833**	4,773
Thungela retention and milestone awards[8]	29,352	56,202
Total Anglo American policy and demerger	**29,352**	56,202
Total remuneration	**40,321**	66,753

1 Retirement and benefits include pension fund contributions, medical aid contributions and other allowances.
2 Other payments such as UIF, leave encashments and long service awards.
3 Thungela cash component of the STI which is attributable to the 2023 financial year, but to be paid in the 2024 financial year.
4 Thungela cash component of the STI which is attributable to the 2022 financial year, but to be paid in the 2023 financial year.
5 Thungela deferred bonus component of the STI which is attributable to the 2023 financial year but awarded in the 2024 financial year.
6 Thungela deferred bonus component of the STI which is attributable to the 2022 financial year but awarded in the 2023 financial year.
7 Thungela LTIP awards will be reflected in the final year of the performance period and therefore those awarded in 2021, 2022 and 2023 will only be reflected in the 2024, 2025 and 2026 financial years.
8 Thungela milestone awards granted on 11 November 2021. The final tranche of this award vested in full on 4 June 2023 based on the achievement of the employment condition.

2 Statement of unvested awards and cash flows for the 2023 financial year

				Share movements						
Award type	Award date	Vesting date	Award price (Rand/share)	Opening	Granted[1]	Forfeited	Vested	Closing	Cash on settlement (Rand)	Year-end fair value[2] (Rand)
Milestone shares[3]										
Milestone awards 2022 (2)	11-Nov-21	04-Jun-23	25.00	224,915	—	—	(224,915)	—	29,351,961	—
				224,915	—	—	(224,915)	—	29,351,961	—
Conditional shares[4]										
LTIP 2021	16-Nov-21	16-Nov-24	36.34	109,473	36,177	—	—	145,650	—	12,958,189
LTIP 2022	07-Mar-22	07-Mar-25	135.54	37,802	12,492	—	—	50,294	—	4,474,557
LTIP 2023	26-Apr-23	26-Apr-26	164.06	—	27,312	—	—	27,312	—	2,429,894
Forfeitable shares – Deferred bonus shares[5]										
DBS 2022 (1)	22-Mar-22	22-Mar-23	159.72	2,647	—	—	(2,647)	—	507,165	—
DBS 2022 (2)	22-Mar-22	22-Mar-24	159.72	2,647	—	—	—	2,647	—	392,497
DBS 2022 (3)	22-Mar-22	22-Mar-25	159.72	2,647	—	—	—	2,647	—	392,497
DBS 2023 (1)	27-Mar-23	27-Mar-24	195.56	—	2,712	—	—	2,712	—	402,135
DBS 2023 (2)	27-Mar-23	27-Mar-25	195.56	—	2,712	—	—	2,712	—	402,135
DBS 2023 (3)	27-Mar-23	27-Mar-26	195.56	—	2,712	—	—	2,712	—	402,135
				155,216	84,117	—	(2,647)	236,686	507,165	21,854,040

1 The LTIP awards granted include a total of 50,378 shares added to the LTIP awards as dividend equivalent share awards granted related to the dividends paid by Thungela in the year ended 31 December 2023.
2 The 30-day VWAP for determining the fair value of unvested awards on 31 December 2023 is R148.28 per share.
3 Milestone shares are special awards of forfeitable shares related to the listing and do not form part of the ongoing remuneration policy of the Group.
4 Conditional shares were granted under our remuneration policy. Conditional shares were calculated at a vesting rate of 60% which is the 'on target' percentage as stated in section 2 of this remuneration report.
5 Deferred bonus shares are forfeitable shares that are granted under our remuneration policy as part of our annual STI process.

3 Minimum shareholding requirements at 31 December 2023

MSR fulfilment date[1]	2026
Number of MSR shares[2]	317,438
Value of MSR shares[3] (R'000)	48,822
Total annual fixed remuneration (R'000)	6,136
MSR target holdings based on time elapsed (%)	40
Achieved MSR target holdings[4] (%)	**796**

1 The MSR fulfilment date is the financial year by which the executive is required to meet 100% of the MSR requirements.
2 The number of MSR shares is comprised of all personal investment shares and committed shares under the MSR policy but excludes any unvested shares under the STI DBS and LTIP plans.
3 The closing share price on 31 December 2023, used to determine the value of MSR shares, is R153.80 per share.
4 The fulfilment percentage is the value of the MSR shares divided by the executive's annual fixed remuneration as at 31 December 2023.

Remuneration outcomes for prescribed officers

1 Schedule of total single figure of remuneration

	JPD van Schalkwyk		L Martin		LE Mataboge		N Sithole		C Venter		BM Dalton	
Rand thousand	**2023**	2022	**2023**	2022	**2023**	2022	**2023**	2022	**2023**	2022	**2023**	2022
Basic salary	**4,094**	3,862	**3,556**	3,354	**2,526**	2,383	**2,526**	2,383	**2,526**	2,383	**3,028**	2,856
Retirement and benefits[1]	**667**	628	**593**	559	**435**	410	**410**	389	**390**	369	**517**	488
Other[2]	**810**	46	**26**	25	**243**	24	**103**	150	**215**	72	**39**	35
Guaranteed pay	**5,571**	4,536	**4,175**	3,938	**3,204**	2,817	**3,039**	2,922	**3,131**	2,824	**3,584**	3,379
STI cash[3,4]	**2,512**	2,110	**2,182**	1,833	**1,428**	1,416	**1,428**	1,416	**1,428**	1,302	**1,858**	1,698
STI DBS[5,6]	**1,256**	1,055	**1,091**	916	**714**	708	**714**	708	**714**	651	**929**	849
Thungela LTIPs[7]	**—**	—	**—**	—	**—**	—	**—**	—	**—**	—	**—**	—
Total current policy	**3,768**	3,165	**3,273**	2,749	**2,142**	2,124	**2,142**	2,124	**2,142**	1,953	**2,787**	2,547
Thungela retention and milestone awards8	**—**	1,484	**—**	1,381	**—**	1,042	**—**	1,018	**—**	990	**—**	—
Total Anglo American policy and demerger	**—**	1,484	**—**	1,381	**—**	1,042	**—**	1,018	**—**	990	**—**	—
Total remuneration	**9,339**	9,185	**7,448**	8,068	**5,346**	5,983	**5,181**	6,064	**5,273**	5,767	**6,371**	5,926

1 Retirement and benefits include pension fund contributions, medical aid contributions and other allowances.
2 Other payments such as UIF, leave encashments and long service awards.
3 Thungela cash component of the STI which is attributable to the 2023 financial year, but to be paid in the 2024 financial year.
4 Thungela cash component of the STI which is attributable to the 2022 financial year, but to be paid in the 2023 financial year.
5 Thungela deferred bonus component of the STI which is attributable to the 2023 financial year but awarded in the 2024 financial year.
6 Thungela deferred bonus component of the STI which is attributable to the 2022 financial year but awarded in the 2023 financial year.
7 Thungela LTIP awards will be reflected in the final year of the performance period and therefore those awarded in 2021, 2022 and 2023 will only be reflected in the 2024, 2025 and 2026 financial years.
8 Prescribed officers received a cash-based incentive that is aimed at retaining key employees to ensure the stabilisation of Thungela as a separate entity.

2 Statement of unvested awards and cash flows for the 2023 financial year

JOHAN VAN SCHALKWYK

Award type	Award date	Vesting date	Award price (Rand/ share)	Share movements: Opening	Granted[1]	Forfeited	Vested	Closing	Cash on settlement (Rand)	Year-end fair value[2] (Rand)
Conditional shares[3]										
LTIP 2021	16-Nov-21	16-Nov-24	36.34	87,422	28,890	—	—	116,312	—	10,348,046
LTIP 2022	07-Mar-22	07-Mar-25	135.54	29,476	9,740	—	—	39,216	—	3,488,969
LTIP 2023	26-Apr-23	26-Apr-26	164.06	—	21,296	—	—	21,296	—	1,894,663
Forfeitable shares – Deferred bonus shares[4]										
DBS 2022 (1)	22-Mar-22	22-Mar-23	159.72	2,082	—	—	(2,082)	—	398,911	—
DBS 2022 (2)	22-Mar-22	22-Mar-24	159.72	2,082	—	—	—	2,082	—	308,719
DBS 2022 (3)	22-Mar-22	22-Mar-25	159.72	2,083	—	—	—	2,083	—	308,867
DBS 2023 (1)	27-Mar-23	27-Mar-24	195.56	—	1,798	—	—	1,798	—	266,607
DBS 2023 (2)	27-Mar-23	27-Mar-25	195.56	—	1,799	—	—	1,799	—	266,756
DBS 2023 (3)	27-Mar-23	27-Mar-26	195.56	—	1,799	—	—	1,799	—	266,756
				123,145	65,322	—	(2,082)	186,385	398,911	17,149,383

1 The LTIP awards granted include a total of 39,962 shares added to the LTIP awards as dividend equivalent share awards granted related to the dividends paid by Thungela in the year ended 31 December 2023.
2 The 30-day VWAP for determining the fair value of unvested awards on 31 December 2023 is R148.28 per share.
3 Conditional shares were granted under our remuneration policy. Conditional shares were calculated at a vesting rate of 60% which is the 'on target' percentage as stated in section 2 of this remuneration report.
4 Deferred bonus shares are forfeitable shares that are granted under our remuneration policy as part of our annual STI process.

LESLIE MARTIN

Award type	Award date	Vesting date	Award price (Rand/ share)	Share movements: Opening	Granted[1]	Forfeited	Vested	Closing	Cash on settlement (Rand)	Year-end fair value[2] (Rand)
Conditional shares[3]										
LTIP 2021	16-Nov-21	16-Nov-24	36.34	81,777	27,024	—	—	108,801	—	9,679,807
LTIP 2022	07-Mar-22	07-Mar-25	135.54	25,600	8,460	—	—	34,060	—	3,030,250
LTIP 2023	26-Apr-23	26-Apr-26	164.06	—	18,496	—	—	18,496	—	1,645,552
Forfeitable shares – Deferred bonus shares[4]										
DBS 2022 (1)	22-Mar-22	22-Mar-23	159.72	1,860	—	—	(1,860)	—	356,376	—
DBS 2022 (2)	22-Mar-22	22-Mar-24	159.72	1,860	—	—	—	1,860	—	275,801
DBS 2022 (3)	22-Mar-22	22-Mar-25	159.72	1,860	—	—	—	1,860	—	275,801
DBS 2023 (1)	27-Mar-23	27-Mar-24	195.56	—	1,562	—	—	1,562	—	231,613
DBS 2023 (2)	27-Mar-23	27-Mar-25	195.56	—	1,562	—	—	1,562	—	231,613
DBS 2023 (3)	27-Mar-23	27-Mar-26	195.56	—	1,563	—	—	1,563	—	231,762
				112,957	58,667	—	(1,860)	169,764	356,376	15,602,200

1 The LTIP awards granted include a total of 36,641 shares added to the LTIP awards as dividend equivalent share awards granted related to the dividends paid by Thungela in the year ended 31 December 2023.
2 The 30-day VWAP for determining the fair value of unvested awards on 31 December 2023 is R148.28 per share.
3 Conditional shares were granted under our remuneration policy. Conditional shares were calculated at a vesting rate of 60% which is the 'on target' percentage as stated in section 2 of this remuneration report.
4 Deferred bonus shares are forfeitable shares that are granted under our remuneration policy as part of our annual STI process.

LESEGO MATABOGE

Award type	Award date	Vesting date	Award price (Rand/ share)	Share movements: Opening	Granted[1]	Forfeited	Vested	Closing	Cash on settlement (Rand)	Year-end fair value[2] (Rand)
Conditional shares[3]										
LTIP 2021	16-Nov-21	16-Nov-24	36.34	61,362	20,277	—	—	81,639	—	7,263,259
LTIP 2022	07-Mar-22	07-Mar-25	135.54	18,183	6,009	—	—	24,192	—	2,152,314
LTIP 2023	26-Apr-23	26-Apr-26	164.06	—	13,138	—	—	13,138	—	1,168,862
Forfeitable shares - Deferred bonus shares[4]										
DBS 2022 (1)	22-Mar-22	22-Mar-23	159.72	1,350	—	—	(1,350)	—	258,660	—
DBS 2022 (2)	22-Mar-22	22-Mar-24	159.72	1,350	—	—	—	1,350	—	200,178
DBS 2022 (3)	22-Mar-22	22-Mar-25	159.72	1,350	—	—	—	1,350	—	200,178
DBS 2023 (1)	27-Mar-23	27-Mar-24	195.56	—	1,207	—	—	1,207	—	178,974
DBS 2023 (2)	27-Mar-23	27-Mar-25	195.56	—	1,207	—	—	1,207	—	178,974
DBS 2023 (3)	27-Mar-23	27-Mar-26	195.56	—	1,207	—	—	1,207	—	178,974
				83,595	43,045	—	(1,350)	125,290	258,660	11,521,712

1 The LTIP awards granted include a total of 27,108 shares added to the LTIP awards as dividend equivalent share awards granted related to the dividends paid by Thungela in the year ended 31 December 2023.
2 The 30-day VWAP for determining the fair value of unvested awards on 31 December 2023 is R148.28 per share.
3 Conditional shares were granted under our remuneration policy. Conditional shares were calculated at a vesting rate of 60% which is the 'on target' percentage as stated in section 2 of this remuneration report.
4 Deferred bonus shares are forfeitable shares that are granted under our remuneration policy as part of our annual STI process.

MPUMI SITHOLE

Award type	Award date	Vesting date	Award price (Rand/ share)	Share movements: Opening	Granted[1]	Forfeited	Vested	Closing	Cash on settlement (Rand)	Year-end fair value[2] (Rand)
Conditional shares[3]										
LTIP 2021	16-Nov-21	16-Nov-24	36.34	60,604	20,027	—	—	80,631	—	7,173,579
LTIP 2022	07-Mar-22	07-Mar-25	135.54	18,183	6,009	—	—	24,192	—	2,152,314
LTIP 2023	26-Apr-23	26-Apr-26	164.06	—	13,138	—	—	13,138	—	1,168,862
Forfeitable shares - Deferred bonus shares[4]										
DBS 2022 (1)	22-Mar-22	22-Mar-23	159.72	1,343	—	—	(1,343)	—	257,319	—
DBS 2022 (2)	22-Mar-22	22-Mar-24	159.72	1,343	—	—	—	1,343	—	199,140
DBS 2022 (3)	22-Mar-22	22-Mar-25	159.72	1,344	—	—	—	1,344	—	199,288
DBS 2023 (1)	27-Mar-23	27-Mar-24	195.56	—	1,207	—	—	1,207	—	178,974
DBS 2023 (2)	27-Mar-23	27-Mar-25	195.56	—	1,207	—	—	1,207	—	178,974
DBS 2023 (3)	27-Mar-23	27-Mar-26	195.56	—	1,207	—	—	1,207	—	178,974
				82,817	42,795	—	(1,343)	124,269	257,319	11,430,104

1 The LTIP awards granted include a total of 26,858 shares added to the LTIP awards as dividend equivalent share awards granted related to the dividends paid by Thungela in the year ended 31 December 2023.
2 The 30-day VWAP for determining the fair value of unvested awards on 31 December 2023 is R148.28 per share.
3 Conditional shares were granted under our remuneration policy. Conditional shares were calculated on a vesting rate of 60% which is the 'on target' percentage as stated in section 2 of this remuneration report.
4 Deferred bonus shares are forfeitable shares that are granted under our remuneration policy as part of our annual STI process.

CARINA VENTER

Award type	Award date	Vesting date	Award price (Rand/ share)	Share movements Opening	Granted[1]	Forfeited	Vested	Closing	Cash on settlement (Rand)	Year-end fair value[2] (Rand)
Conditional shares[3]										
LTIP 2021	16-Nov-21	16-Nov-24	36.34	58,325	19,275	—	—	77,600	—	6,903,917
LTIP 2022	07-Mar-22	07-Mar-25	135.54	18,183	6,009	—	—	24,192	—	2,152,314
LTIP 2023	26-Apr-23	26-Apr-26	164.06	—	13,138	—	—	13,138	—	1,168,862
Forfeitable shares – Deferred bonus shares[4]										
DBS 2022 (1)	22-Mar-22	22-Mar-23	159.72	1,323	—	—	(1,323)	—	253,487	—
DBS 2022 (2)	22-Mar-22	22-Mar-24	159.72	1,323	—	—	—	1,323	—	196,174
DBS 2022 (3)	22-Mar-22	22-Mar-25	159.72	1,324	—	—	—	1,324	—	196,323
DBS 2023 (1)	27-Mar-23	27-Mar-24	195.56	—	1,109	—	—	1,109	—	164,443
DBS 2023 (2)	27-Mar-23	27-Mar-25	195.56	—	1,110	—	—	1,110	—	164,591
DBS 2023 (3)	27-Mar-23	27-Mar-26	195.56	—	1,110	—	—	1,110	—	164,591
				80,478	41,751	—	(1,323)	120,906	253,487	11,111,214

1 The LTIP awards granted include a total of 26,106 shares added to the LTIP awards as dividend equivalent share awards granted related to the dividends paid by Thungela in the year ended 31 December 2023.
2 The 30-day VWAP for determining the fair value of unvested awards on 31 December 2023 is R148.28 per share.
3 Conditional shares were granted under our remuneration policy. Conditional shares were calculated at a vesting rate of 60% which is the 'on target' percentage as stated in section 2 of this remuneration report.
4 Deferred bonus shares are forfeitable shares that are granted under our remuneration policy as part of our annual STI process.

BERNARD DALTON

Award type	Award date	Vesting date	Award price (Rand/ share)	Share movements Opening	Granted[1]	Forfeited	Vested	Closing	Cash on settlement (Rand)	Year-end fair value[2] (Rand)
Conditional shares[3]										
LTIP 2021	16-Nov-21	16-Nov-24	36.34	77,788	25,707	—	—	103,495	—	9,207,743
LTIP 2022	07-Mar-22	07-Mar-25	135.54	21,797	7,203	—	—	29,000	—	2,580,072
LTIP 2023	26-Apr-23	26-Apr-26	164.06	—	15,749	—	—	15,749	—	1,401,157
Forfeitable shares – Deferred bonus shares[4]										
DBS 2022 (1)	22-Mar-22	22-Mar-23	159.72	1,247	—	—	(1,247)	—	238,925	—
DBS 2022 (2)	22-Mar-22	22-Mar-24	159.72	1,247	—	—	—	1,247	—	184,905
DBS 2022 (3)	22-Mar-22	22-Mar-25	159.72	1,248	—	—	—	1,248	—	185,053
DBS 2023 (1)	27-Mar-23	27-Mar-24	195.56	—	1,447	—	—	1,447	—	214,561
DBS 2023 (2)	27-Mar-23	27-Mar-25	195.56	—	1,447	—	—	1,447	—	214,561
DBS 2023 (3)	27-Mar-23	27-Mar-26	195.56	—	1,447	—	—	1,447	—	214,561
				103,327	53,000	—	(1,247)	155,080	238,925	14,202,613

1 The LTIP awards granted include a total of 33,895 shares added to the LTIP awards as dividend equivalent share awards granted related to the dividends paid by Thungela in the year ended 31 December 2023.
2 The 30-day VWAP for determining the fair value of unvested awards on 31 December 2023 is R148.28 per share.
3 Conditional shares were granted under our remuneration policy. Conditional shares were calculated on a vesting rate of 60% which is the 'on target' percentage as stated in section 2 of this remuneration report.
4 Deferred bonus shares are forfeitable shares that are granted under our remuneration policy as part of our annual STI process.

3 Minimum shareholding requirements as at 31 December 2023

	JPD van Schalkwyk	L Martin	LE Mataboge	N Sithole	C Venter	BM Dalton
MSR fulfilment date[1]	2026	2026	2026	2026	2026	2026
Number of MSR shares[2]	2,245	26,097	—	688	1,287	685
Value of MSR shares[3] (R'000)	345	4,014	—	106	198	105
Annual fixed remuneration (R'000)	5,571	4,175	3,203	3,039	3,131	3,583
MSR target holdings based on time elapsed (%)	40	40	40	40	40	40
Achieved MSR target holdings[4] (%)	6	96	—	3	6	3

1 The MSR fulfilment date is the financial year by which the executive is required to meet 100% of the MSR requirements.
2 The number of MSR shares is comprised of all personal investment shares and committed shares under the MSR policy but excludes any unvested shares under the STI DBS and LTIP plans.
3 The closing share price on 31 December 2023, used to determine the value of MSR shares is R153.80 per share.
4 The fulfilment percentage is the value of the MSR shares divided by the executive's annual fixed remuneration as at 31 December 2023.

TERMINATION OF OFFICE PAYMENTS

King IV recommends that the implementation report should contain details of payments made because of the termination of employment of executive directors or prescribed officers. During 2023, there have been no such termination payments made.

NON-EXECUTIVE DIRECTORS' FEES

The remuneration of non-executive directors is inclusive of board attendance fees, board committee attendance fees and *ad hoc* board fees for any additional work and meetings conducted.

The fees paid to non-executive directors during the year under review are set out as follows:

Director	Chairing	Appointment date	2023 fees (Rand thousand)	2022 fees (Rand thousand)
SS Ntsaluba[1]	Board	1 January 2021	1,622	1,568
KW Mzondeki[2]	Audit committee	12 February 2021	1,210	1,181
TML Setiloane[3]	Social, ethics and transformation committee	7 March 2021	1,130	1,097
BM Kodisang[4]	Remuneration and human resources committee	16 March 2021	1,130	1,097
SG French[5]	Health, safety, environment and risk committee	4 June 2021	1,094	1,040
YN Jekwa[6]	Investment committee	12 August 2022	921	268

1 The board chairman's fee is inclusive of all committee appointments. The board chairman also chairs the nomination and governance committee, serves on the health, safety, environment and risk committee, and the investment committee, and attends the audit committee, social, ethics and transformation committee and remuneration and human resources committee by invitation.
2 Kholeka Mzondeki also serves on the nomination and governance committee, as well as the investment committee.
3 Thero Setiloane also serves on the audit committee and the health, safety, environment and risk committee.
4 Ben Kodisang also serves on the audit committee and nomination and governance committee.
5 Seamus French also serves on the remuneration and human resources committee and the investment committee.
6 Yoza Jekwa also serves on the social, ethics and transformation committee and the remuneration and human resources committee.

PROPOSED NON-EXECUTIVE DIRECTORS' FEES

The following table outlines the non-executive directors' fees for each committee chairperson and member, along with the proposed non-executive directors' fees for 2024:

Position	Proposed fees for the year ending 31 December 2024	**Fees for the year ended 31 December 2023**
Board		
Chairman[1,2]	1,752,935	**1,661,550**
Lead independent director[1]	1,252,496	**1,187,200**
Member	584,312	**553,850**
Audit committee		
Chairperson	350,587	**332,310**
Member	200,163	**182,797**
Investment committee		
Chairperson	268,063	**243,694**
Member	181,935	**172,450**
Social, ethics and transformation committee		
Chairperson	257,097	**243,694**
Member	181,935	**172,450**
Remuneration and human resources committee		
Chairperson	257,097	**243,694**
Member	181,935	**172,450**
Nomination and governance committee[2]		
Chairperson	257,097	**243,694**
Member	181,935	**172,450**
Health, safety, environment and risk committee		
Chairperson	257,097	**243,694**
Member	181,935	**172,450**
***Ad hoc* meeting fees[3]**		
Per meeting	25,320	**24,000**

1 The board chairman and the lead independent director's fees are inclusive of all committee appointments.
2 The board chairman is also the chairperson of the nomination and governance committee.
3 *Ad hoc* meeting fees to deal with time critical board matters, limited to four additional meetings per annum.

The 2024 fees were benchmarked against the comparator group outlined in section 2. All fees were found to be in the relevant tolerance range, except for the fee for the chairperson of the investment committee and the fee for members of the audit committee. Based on the outcome of the benchmarking exercise, the committee has recommended the following:

- Application of a general increase of 5.5% in line with the approved increase for executive directors
- To ensure that the lagging fees are brought closer in line with median, the following additional increases be applied:
  - Investment committee chairperson — 10% over two years — 4.5% in year 1 and 5.5% in year 2
  - Audit committee member — 9.5% over two years — 4% in year 1 and 5.5% in year 2

The proposed non-executive directors' fees for 2024 were recommended by the committee and were approved by the board on 24 March 2024 for onward recommendation to the AGM. These fees will be voted on by the shareholders at the AGM on 4 June 2024 by special resolution.

DIRECTORS' INTERESTS IN SHARES

According to the register of directors' interests, maintained by Thungela in accordance with the provisions of section 30(4)(d) of the Companies Act of South Africa, the directors of Thungela have disclosed their interests in the ordinary shares of Thungela as at 31 December 2023.

The table below shows the number of Thungela shares held by each director as at 31 December:

	Direct beneficial	Indirect beneficial	2023	2022
Non-executive directors				
SS Ntsaluba	3,710	—	3,710	1,642
KW Mzondeki	788	—	788	788
TML Setiloane	—	—	—	—
BM Kodisang	—	—	—	—
SG French	—	26,487	26,487	26,487
YN Jekwa	—	—	—	—
Executive directors				
J Ndlovu	772,764	—	772,764	963,587
GF Smith	330,868	—	330,868	425,136

REMUNERATION POLICY COMPLIANCE

The disclosure outlined in the implementation report is based on rewards made in compliance with the Thungela remuneration policy. There have been no deviations from the Thungela remuneration policy in 2023.

NON-BINDING ADVISORY VOTE ON THE IMPLEMENTATION REPORT

The implementation report, as disclosed in section 3 of the remuneration report, is subject to a non-binding advisory vote by shareholders at the AGM. If more than 25% (of those shareholders voting) vote against the implementation report, the committee will consult with dissenting shareholders to determine the reasons for their objections. Any such concerns will be considered by the committee when considering changes for the subsequent year. A summary of the concerns and the committee's response thereto will be included in the following year's remuneration report.

SOCIAL, ETHICS AND TRANSFORMATION COMMITTEE REPORT

The committee oversees transformation, employment equity and compliance with the 10 principles of the UNGC. It is responsible for the management of B-BBEE, stakeholder relations, ethics and responsible business management as well as responsible corporate citizenship.

COMMITTEE

Thero Setiloane (chairperson)
Yoza Jekwa
Lesego Mataboge
July Ndlovu

The board chairman has a standing invitation to attend all committee meetings, while Group executive committee members and heads of department participate when required. The committee meets at least twice a year prior to scheduled board meetings. Attendance at meetings is set out on page 99.

ROLES AND RESPONSIBILITIES

The committee has various roles and responsibilities as detailed below.

Stakeholder engagement

- Oversight and reporting on ethics and stakeholder relations
- Reviewing and providing the board with assurance on the integrity of sustainability-related information in our Integrated Annual Report, Environmental, Social and Governance Report and Climate Change Report

Good corporate citizenship and community development

- Monitor policies and activities that promote equality, prevent unfair discrimination and reduce corruption
- Monitor activities that secure our licence to operate by meeting the Mineral and Petroleum Resources Development Act's (MPRDA) social requirements
- Monitor policies that manage social risks and impacts, including those associated with human rights, life extension projects and mine closure
- Review and approve our approach to socio-economic development, KPIs and objectives
- Consider and make recommendations to the board on our business's impact on host communities
- Periodically review sponsorships, donations and charitable contributions
- Review the identified social impacts of mine closure

Ethics and responsible business management

- Ensure that values and ethics have been fully considered in significant business decisions
- Perform an annual review of policies and processes relating to ethics and their effectiveness
- Provide guidance and input into the risk management framework, ensuring that appropriate ESG risks are considered and reviewed as part of the annual materiality assessment for integrated reporting

Labour and employment

- Review strategic people issues, including progress on transformation and major employee relations issues
- Review performance in human resources development, diversity and retention against internal transformation targets and legislative imperatives and make recommendations to the remuneration and human resources committee
- Review our standing in respect of the Employment Equity Act, the Organisation for Economic Co-operation and Development recommendations on corruption and the following 10 principles set out in the UNGC, to:
  - support and respect the protection of internationally proclaimed human rights
  - not be complicit in human rights abuses
  - uphold the freedom of association and the right to collective bargaining
  - eliminate all forms of forced and compulsory labour
  - effectively abolish child labour
  - eliminate discrimination in respect of employment and occupation
  - support a precautionary approach to environmental challenges
  - undertake initiatives to promote greater environmental responsibility
  - encourage the development and diffusion of environmentally friendly technologies
  - work against corruption in all its forms, including extortion and bribery

Broad-based black economic empowerment

- Review our B-BBEE status and compliance with the MPRDA
- Publish our B-BBEE annual verification certificate and ensure the submission of the compliance report to the B-BBEE commission
- Ensure the correct balance of transformation activities, including investment in skills that facilitate ESD, socio-economic development and maintaining Company stability
- Consider material external developments in the fields of transformation and sustainable development, have these assessed and provide appropriate strategic guidance
- Make recommendations to the board on possible participation, co-operation and consultation on transformation, community and social development issues with government, non-governmental and employee organisations

REPORTING

Every year, the committee reports to shareholders at the AGM and in the Integrated Annual Report.

KEY FOCUS AREAS IN 2023

- Conducted a gap analysis based on the UNGC Principles report, reviewed management's plan to close the gaps identified and facilitated participation as a member company
- Reviewed the Nkulo Community Partnership Trust activities to ensure its alignment with the business's objectives and approach to socio-economic development
- Guided the development of the Thungela Education Initiative
- Reviewed and implemented policies related to social, ethics and transformation
- Reviewed the transformation report and assessed progress
- Ensured human resources development spend remained in line with employment equity and skills development plans
- Guided the culture transformation journey, supporting our inclusion and diversity strategy and the goal to create a high-performance culture
- Reviewed the ethical business conduct report and ensured appropriate measures were in place to report, investigate and sanction those involved in unethical business
- Guided the plans for improvement on our B-BBEE scorecard
- Reviewed the risk assessment on the social impact of mine closure

KEY FOCUS AREAS FOR 2024

- Continuing the work to align ESG disclosures with the ISSB S1 and S2 reporting standards
- Optimising our B-BBEE scorecard
- Implementing the Thungela Education Initiative
- Promoting talent retention and attraction
- Gaining membership to the UNGC
- Considering responsible mine closure and social risks and impacts
- Training our workforce on human rights
- Continuing to drive the talent strategy through annual talent reviews and succession planning process, including tracking and delivering on talent KPIs
- Reviewing the root causes for whistleblowing incidents

Thero Setiloane
Social, ethics and transformation committee chairperson

24 April 2024

HEALTH, SAFETY, ENVIRONMENT AND RISK COMMITTEE REPORT

The committee has overall oversight of risk, information management and sustainability, with a focus on safety, health and the environment. It determines the Group's risk appetite and reviews legal matters.

COMMITTEE

Seamus French (chairperson)
Thero Setiloane
Sango Ntsaluba
July Ndlovu

The chief financial officer and other Group executive committee members attend meetings where appropriate. The committee convenes at least four times a year prior to scheduled board meetings. Attendance at meetings is set out on page 99.

ROLES AND RESPONSIBILITIES

Its functions are to:

- review and develop framework policies and guidelines for the management of sustainable development issues, including SHE and climate change
- review and oversee climate change-related risks and opportunities, including performance against targets and the implementation of the pathway to net zero
- commission and consider sustainable development audits for legal and internal compliance
- ensure management systems, such as hazard identification and risk assessment, medical surveillance and incident investigations, and other systems that aid in identifying and managing risks are in place
- review SHE elements of the Group's strategy and business plan, external SHE reporting and regulatory disclosures, and the findings of external auditors
- consider the performance of individual operating units
- consider material local and international regulatory and technical developments, and provide strategic guidance
- satisfy itself on the effectiveness of the Group's wellness programme
- consider the impact of Thungela's activities, products and services on the environment
- monitor regulatory compliance with, as a minimum, the following:
  - Mine Health and Safety Act
  - MPRDA
  - National Environment Management Act
  - National Environmental Management Waste Act
  - National Health Act
  - National Water Act
  - Occupational Health and Safety Act
- oversee the development and annual review of the risk management plan and the biannual review of the executive risk register
- ensure that the risk management plan is disseminated and integrated into day-to-day activities across the business
- ensure that frameworks and methodologies are implemented to enable the business to better anticipate unpredictable risks
- prioritise and rank risks to focus responses and interactions
- review the reports concerning the existence and effectiveness of controls to address controllable risks
- report risks with financial implications to the audit committee
- review and approve an IM governance framework for management's implementation
- report annually to shareholders through the Integrated Annual Report

KEY FOCUS AREAS IN 2023

- Reviewed the health, safety and environment report on a quarterly basis to ensure Thungela has adequate controls to adhere to relevant SHE standards and regulations
- Reviewed and recommended for board approval the committee terms of reference
- Provided governance oversight for IM as a standalone entity since separation from Anglo American as part of transitioning all IM services away from Anglo American's domain
- Focused on operating a fatality-free business
- Reviewed environmental incidents, risks and compliance with regulatory requirements, including tracking of progress on obtaining the relevant permits and licences
- Reviewed and approved the pathway to net zero
- Reviewed and monitored plans and performance related to the reduction of operational carbon and energy intensity
- Ensured appropriate water management and compliance with regulatory requirements
- Ensured the committee is kept abreast with high-risk legal matters
- Finalised the IM transition services in both the South African and Australian entities
- Considered and reviewed the integrated risk management report, the executive risk register and emerging business risks that might threaten the achievement of Thungela's strategic objectives
- Considered and reviewed the quarterly regulatory compliance and legal update report with a focus on litigation, and discussed legal matters which pose a potential risk to the business

KEY FOCUS AREAS FOR 2024

- Ensuring Thungela's safety and health objectives are achieved
- Reviewing the Ensham health and safety systems and controls, and aligning these to the Group's standards
- Guiding response plans to address the risks identified
- Reviewing rehabilitation and water management plans
- Reviewing climate change risks and opportunities and the organisation's management thereof
- Reviewing the pathway to net zero emissions and decarbonisation
- Successfully completing IM separation and transition services
- Managing IM risks effectively

Seamus French

Seamus French
Health, safety, environment and risk committee chairperson

24 April 2024

INVESTMENT COMMITTEE REPORT

The committee reviews and evaluates all investments and related financing, divestments, corporate restructuring and financing proposals that exceed the Group executive committee's authority and require ultimate board approval. It monitors execution and tracks performance post implementation.

COMMITTEE

Yoza Jekwa, (chairperson)
Sango Ntsaluba
Seamus French
Kholeka Mzondeki

The chief executive officer and the chief financial officer have standing invitations to this meeting.
The committee may invite members of the Group executive committee and senior management as considered appropriate.
This committee meets at least four times a year prior to scheduled meetings of the board. Attendance at meetings is set out on page 99.

ROLES AND RESPONSIBILITIES

The committee has the duty to:

- consider, make necessary recommendations to the board, monitor, and evaluate the following:
  - investments (including related financing), divestments, corporate restructurings and financing proposals
  - acquisitions and disposals
  - capital projects
  - capital allocation decisions
  - commercial and procurement agreements that require approval at board level and make such recommendations as it considers appropriate to the board in respect of such matters and as stipulated in the Thungela approvals framework
  - proposed plant and mine closures
- ensure that material investments, disposals or acquisitions are in line with the Group's overall strategy.
- conduct planning and forecasting to enable the board to make informed decisions with regard to major investment and divestment matters
- assess the risks and impacts of proposed projects and activities and outputs in the context of the economic, social and natural environments in which the Group operates
- monitor the execution of investments, mergers and acquisitions, divestments, disposals and takeover activities approved by the board
- confirm that appropriate due diligence procedures have been followed when acquiring or disposing of assets
- track the performance of investments, mergers and acquisitions and takeover activities as approved by the board
- perform such other investment related functions as may be determined by the board from time to time

KEY FOCUS AREAS IN 2023

- Considered and recommended for board approval the Ensham acquisition in Australia
- Considered and recommended for board approval the Zibulo North Shaft project from feasibility to implementation
- Reviewed and approved the quarterly capital expenditure report
- Reviewed and approved the quarterly merger and acquisitions pipeline including asset disposals
- Reviewed and recommended for board approval the quarterly capital allocation update
- Reviewed the quarterly report back on major projects and the Ensham Business acquisition
- Reviewed and recommended for board approval the investment committee terms of reference

KEY FOCUS AREAS FOR 2024

- Consider and recommend for board approval major investments and capital allocation decisions
- Consider and recommend for board approval possible disposals of assets in line with the requirements set out in the Thungela approvals framework
- Track the performance of major projects and acquisitions
- Consider and evaluate proposed mine and plant closures and make the necessary recommendations to the board
- Consider and evaluate major commercial and procurement agreements and make the necessary recommendations to the board in line with the requirements of the Thungela approvals framework

Yoza Jekwa
Investment committee chairperson

24 April 2024

NOMINATION AND GOVERNANCE COMMITTEE REPORT

The committee manages the process to nominate, elect and appoint board members, conducts board, chief executive officer and chief financial officer succession planning and evaluates board performance to ensure that the correct levels of expertise and knowledge are in place to support the organisational purpose and strategy. It reviews and recommends sound governance principles and monitors regulatory compliance.

COMMITTEE

Sango Ntsaluba (chairman)
Kholeka Mzondeki
Ben Kodisang

The chief executive officer and executive head of human resources have standing invitations to attend committee meetings. The committee may also invite other members of the Group executive committee when considered appropriate.

This committee meets at least twice a year prior to scheduled meetings of the board. Attendance at meetings is set out on page 99.

ROLES AND RESPONSIBILITIES

The committee has various roles and responsibilities as detailed below.

Nominations

The committee has the duty to:

- conduct a transparent process to identify and suitably assess candidates for board and chief executive officer vacancies and nominate candidates for board approval if and when a lack of skills is identified
- oversee the recruitment and appointment of a company secretary should a vacancy arise
- evaluate the independence and recommend to the board the continuation in service of directors who have served three terms of three years and longer
- recommend for re-election directors retiring by rotation at the AGM
- review notifications from board members to serve on other boards in line with the guidelines approved by the board
- ensure succession planning is implemented for executive and non-executive directors
- ensure that the board is of an appropriate size and composition, bearing in mind the Group's growth, economic circumstances and other factors
- ensure that the board is equipped to make appropriate decisions, with the benefit of a variety of perspectives and skills
- consider appointing a lead independent non-executive director, should the size or circumstances of the Group justify it
- oversee the development and implementation of an annual process for evaluating the performance of the board, its committees, individual directors and the company secretary, and implement corrective processes in the event of poor performance
- ensure the induction, ongoing training and professional development of new and current directors
- review the nomination and governance committee report for inclusion in the Integrated Annual Report
- annually review the terms of reference of this committee and recommend changes for board approval

Governance

The committee further has a responsibility to:

- promote sound corporate governance and deliver governance outcomes with a due regard for the UN SDGs
- review shareholder proposals for inclusion in the Notice of the AGM and make recommendations to the board
- approve governance policies and procedures for defining the role of the board, duties of directors and prescribed officers, nomination, selection, appointment and removal of directors, conflicts of interest procedures, and processes to enhance corporate governance
- ensure regular updates to the board on regulatory changes that may impact the business
- review the governance sections in the annual reporting suite of documents
- review the notice and the minutes of the AGM and recommend these for board approval
- review the governance policy and recommend for board approval, and review said policy every three years for relevance
- ensure that the Company and all group companies comply with policies regulating governance
- review developments in corporate governance and best practice and consider their impact and implication for the Group's processes and structures, and make recommendations to the board where necessary
- evaluate and monitor the regulatory governance requirements and code of business conduct within the Group
- have due regard to the principles of governance and code of best practice as contained in King IV, and any legislation with respect to governance requirements and standards of the jurisdictions in which we operate
- regularly review and make recommendations to the board regarding the governance section of the Thungela approvals framework

KEY FOCUS AREAS IN 2023

- Approved and recommended for board approval the terms of reference for the nomination and governance committee
- Reviewed the internal board evaluation feedback and considered action plans
- Reviewed and recommended for board approval the objectives for the proposed board development for 2024
- Reviewed and recommended for board approval the revised corporate governance policy
- Recommended for re-election the non-executive directors to retire by rotation at the June 2024 AGM of shareholders
- Considered and recommended for board approval the minutes of the 31 May 2023 AGM of shareholders
- Reviewed notifications from board members to serve on other boards
- Discussed and approved processes for chief executive officer and chief financial officer succession planning
- Reviewed the corporate governance report
- Considered the impact of the proposed changes to the Companies Act Amendment Bill
- Reviewed declaration of business interests for board members and the independence of non-executive directors

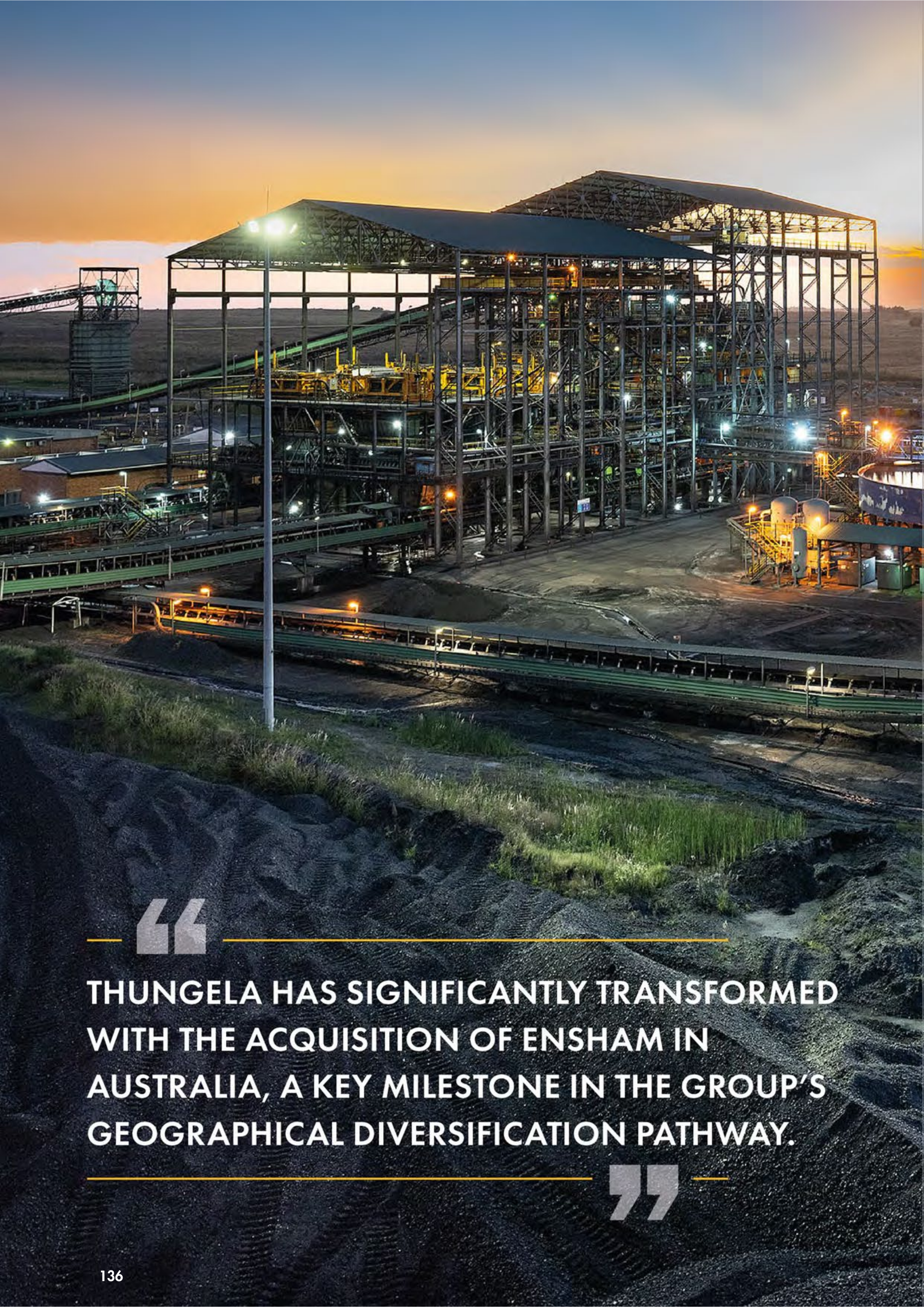
KEY FOCUS AREAS FOR 2024

- Implementation of the board developmental training: Team Management Profile
- Implementing actions in response to matters identified in the internal assessment process
- Assessment of the board, the committees, individual board members and the company secretary to be conducted by an independent external service provider and to focus on 360 degree assessments
- Review and recommend for board approval the Notice of the AGM of shareholders, scheduled for 4 June 2024
- Monitor the succession planning process for the chief executive officer and chief financial officer and implement processes for board succession
- Consider improvements to Group-wide corporate governance processes aligned with ISO 37000 requirements
- Recommend for re-election the non-executive directors to retire by rotation at the May 2025 AGM of shareholders
- Consider and recommend for board approval the minutes of the 4 June 2024 AGM of shareholders
- Review declarations of business interests for board members and the independence of non-executive directors
- Consider the changes to the Companies Act when promulgated and ensure effective compliance throughout the Group

Sango Ntsaluba
Nomination and governance committee chairman

24 April 2024


DRESSER
8200
MARION
Isibonelo



THUNGELA HAS SIGNIFICANTLY TRANSFORMED WITH THE ACQUISITION OF ENSHAM IN AUSTRALIA, A KEY MILESTONE IN THE GROUP'S GEOGRAPHICAL DIVERSIFICATION PATHWAY.

07

RESOURCES AND RESERVES

RESOURCES AND RESERVES

As at 31 December 2023

INTRODUCTION

For the reporting of South African Coal Resources, Coal Reserves and Gas Resources, Thungela conforms to the South African Codes for the Reporting of Exploration Results, Mineral Resources and Mineral Reserves, 2016 (the SAMREC Code) and the Reporting of Oil and Gas Resources, 2015 (the SAMOG Code) adopted by the JSE, and accepted as the minimum standards, recommendations and guidelines for public reporting of Coal Resources, Coal Reserves and Gas Resources. For the reporting of the Australasian Coal Resources and Coal Reserves, Thungela conforms to the Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, 2012 (the JORC Code). The JORC Code conforms to the standards of the Committee for Mineral Reserves International Reporting Standards (CRIRSCO), accepted by the JSE as compliant. The Group also conforms to the JSE Listings Requirements Section 12, Part 1.

The estimates (tonnes and qualities) for individual assets are reported on a 100% basis and the attributable ownership is stipulated in the Coal Resources and Coal Reserves statement. Resources are reported on an exclusive basis.

STATEMENT BY THE LEAD COMPETENT PERSON

By signing this statement, the lead competent person, Bart Van de Steen, confirms that the information disclosed in this section of the Integrated Annual Report is compliant with the various codes and the relevant JSE Listings Requirements section 12, Part 1. The Coal Resources, Coal Reserves and Gas Resources are published in the form and context in which they are intended. The lead competent person has not been unduly influenced by Thungela or any person involved in the compilation of this report and its content. The lead competent person has more than 30 years of relevant experience in the main commodity under consideration and is registered as a professional engineer with the Engineering Council of South Africa.

Bart Van de Steen
Head of resource development and operational excellence
PhD
ECSA, Registration No: 20050122

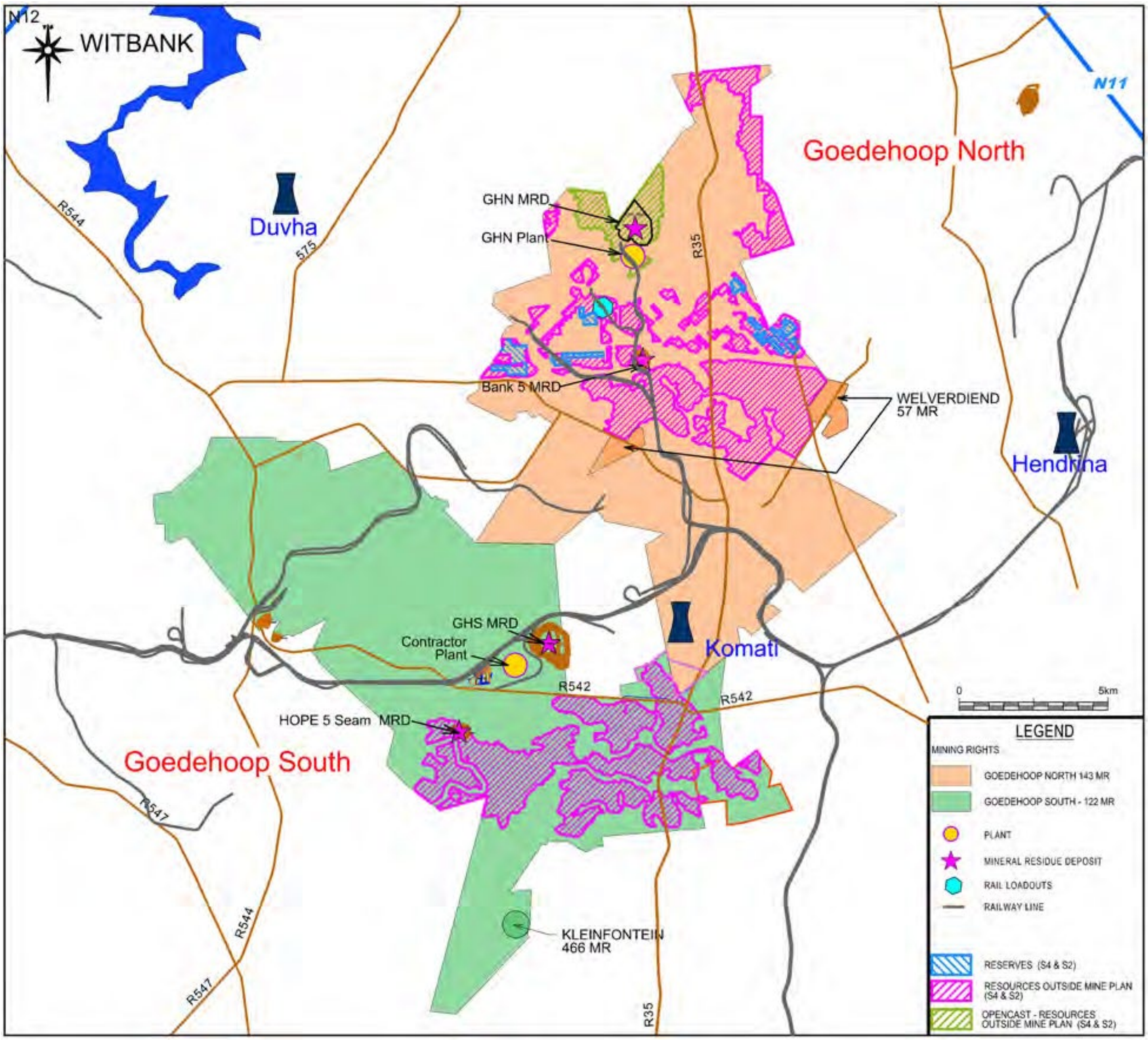
COMPETENCY

Pursuant to the requirements of the JSE Listings Requirements section 12, Part 1, clause 8 of the SAMREC Code, clause 5 of the SAMOG Code and clause 9 of the JORC Code, a written consent statement by the coal competent person has been signed in the individual asset competent person's report, declaring the Coal Resources and Coal Reserves, and a written consent statement by the qualified reserves evaluator for Gas Resources. They have consented to the inclusion of their estimates in the form and context in which they appear in this section of the Integrated Annual Report.

A list of the competent persons and qualified reserves evaluator, their affiliation and relevant years of experience is available at the end of this section.

OVERVIEW OF ASSETS – SOUTH AFRICA

GOEDEHOOP



The greater Goedehoop Colliery comprises the currently active Goedehoop North (GHN) Colliery (formerly known as Bank Colliery) and the closed Goedehoop South (GHS) Colliery. Since 2006, the two collieries have been managed as one operation. Although the GHS Colliery closed in 2019, some of the environmental and water management infrastructure remains intact. The collieries have their own processing plants (the GHS plant is now dismantled) and train loading facilities. There are also GHN and GHS mineral residue deposits (MRDs).

The GHN Colliery is an underground bord and pillar coal mine located approximately 165km east of Johannesburg in the Mpumalanga province of South Africa.

LEGAL TENURE

The Goedehoop Colliery is covered by three granted and executed new order mining rights (NOMRs), three granted and executed converted mining rights (MRs) and one MR that is awaiting grant (Komati Power Station MR).

Thungela Operations Proprietary Limited (TOPL) owns 100% of the MRs and has the exclusive right to mine coal on or under these areas.

GHN and GHS operate under several environmental management programme reports (EMPr), environmental authorisations (EAs) and water use licences (WULs). All the required permits are in place for the activities at the collieries.

The colliery does not require a waste management licence (WML) and no longer holds a valid air emission licence as incineration activities have ceased.

GHN and GHS await the outcome of several land claims, which require validation or claimant verification while others require gazetting, negotiation and settlement.

There are currently no known impediments to tenure security.

The surface rights are owned by various entities, including TOPL. Some of the TOPL-owned surface rights are leased to third-party tenants.

EXPLORATION ACTIVITIES AND EXPENDITURE

Exploration activities for 2023 include 11 vertically cored, collar surveyed boreholes targeting the mineable No 4 Seam around the western block. Additional cover is provided by underground in-seam, non-core directional drilling ahead of the mining faces.

Logging and sampling of the vertical cored boreholes are done as soon as possible after drilling to avoid deterioration of the coal core. The core is photographed with logging, sampling and analytical results uploaded to Minescape Geological Database (Minescape GDB), which includes validation processes during importing of data.

Coal samples collected during 2023 were sent to the South African National Accreditation System (SANAS) accredited laboratory, Bureau Veritas (BV), based in Middelburg, Mpumalanga.

For 2024, the planned exploration expenditure is estimated at R1.2 million, focusing only on the west block reserves.

GEOLOGICAL SETTING AND MODELLING

The Goedehoop Colliery is located in the Witbank Coalfield where, generally, five coal seams are present. These consist of, from bottom, the No 1 Seam sequentially to the No 5 Seam at the top, with inter-seam partings consisting of mainly siltstone and sandstone. The No 4 Seam and No 2 Seam are the only contributors to the GHN Colliery's export product.

The Goedehoop area has been intruded by transgressive Karoo dolerites in the form of sills and dykes and stringers. Minor faulting occurs infrequently.

The Ogies Dyke, a major west-east trending intrusion of up to 20m thick and over 100km in length, sub-divides GHN into two domains. Resources declared south of the Ogies Dyke host more complex structures.

The coal seams are modelled in the Datamine Minescape 3D modelling software, which uses pre-defined criteria with interpolators to construct the coal seam model with estimates of raw qualities as gridded surfaces, from borehole information. Washability data for each coal seam is utilised separately in the resource estimation process. An external, independent geological model audit was conducted on the above-mentioned resource area, to confirm the structural interpretations and the modelling processes.

MINING ACTIVITIES

The GHN Colliery has two sections mining the No 2 Seam and two sections mining the No 4 Seam, using mechanised bord and pillar mining. The minimum practical mining height in the No 4 Seam is 2.7m while in the No 2 Seam maximum mining height is 4.5m. The roof conditions are generally good and the pillar design appropriate.

Due to varying seam height restrictions of the No 4 Seam and No 2 Seam, the continuous miner (CM) equipment is adapted to ensure maximum productivity. The cutting heights in the No 2 Seam are dictated by an in-seam parting and safety factors rather than actual seam heights.

Mining equipment, other than CMs, used underground, includes shuttle cars, roof bolters, feeder breakers and a series of conveyor systems, all supported by the required ancillary equipment.

The remaining life of mine (LOM) is estimated at two years with a total run of mine (ROM) reserve of 6.6Mt. There are no Inferred Coal Resources included in the LOM plan.

PRODUCTION AND COAL PROCESSING

The annual production ROM for GHN Colliery for 2023 was 3.9Mt.

The 5,850kcal/kg net as received (NAR) (26.90MJ/kg) export product is produced in a single-stage processing wash plant, which treats the coarse and finer coarse coal separately in Wemco drums and dense medium cyclones, respectively.

Product and waste streams are sampled using automatic samplers as the coal leaves the plant. Saleable product is sent directly onto a stockpile. Coal is then loaded onto trains and dispatched to the Richards Bay Coal Terminal (RBCT).

GOEDEHOOP NORTH MINERAL RESIDUE DEPOSITS

The GHN MRD facility consists of coarse and fine fraction material, derived from previously mined and beneficiated coal. The coarse material, together with some of the as-arising discard from the coal handling preparation plant (CHPP), is currently being reclaimed and sold to a third party. The contractor has mined and beneficiated 2.1Mt during 2023.

The estimated Coal Resource is derived from a geological model constructed in the Datamine Minescape 3D modelling software, using drillhole data together with a flown digital terrain map (DTM) of the topography and a pre-mined topography surface as the estimated base.

Nine vertically stacked horizontal layers have been defined to reflect the variation in raw coal qualities. An assumed bulk density of 1.6g/cm^3 for the coarse fraction was used to estimate the tonnage. No fines material is included in the Coal Resources or Coal Reserves.

The material is loaded and transported directly to the contractor's plant for beneficiation.

GOEDEHOOP SOUTH MINERAL RESIDUE DEPOSIT

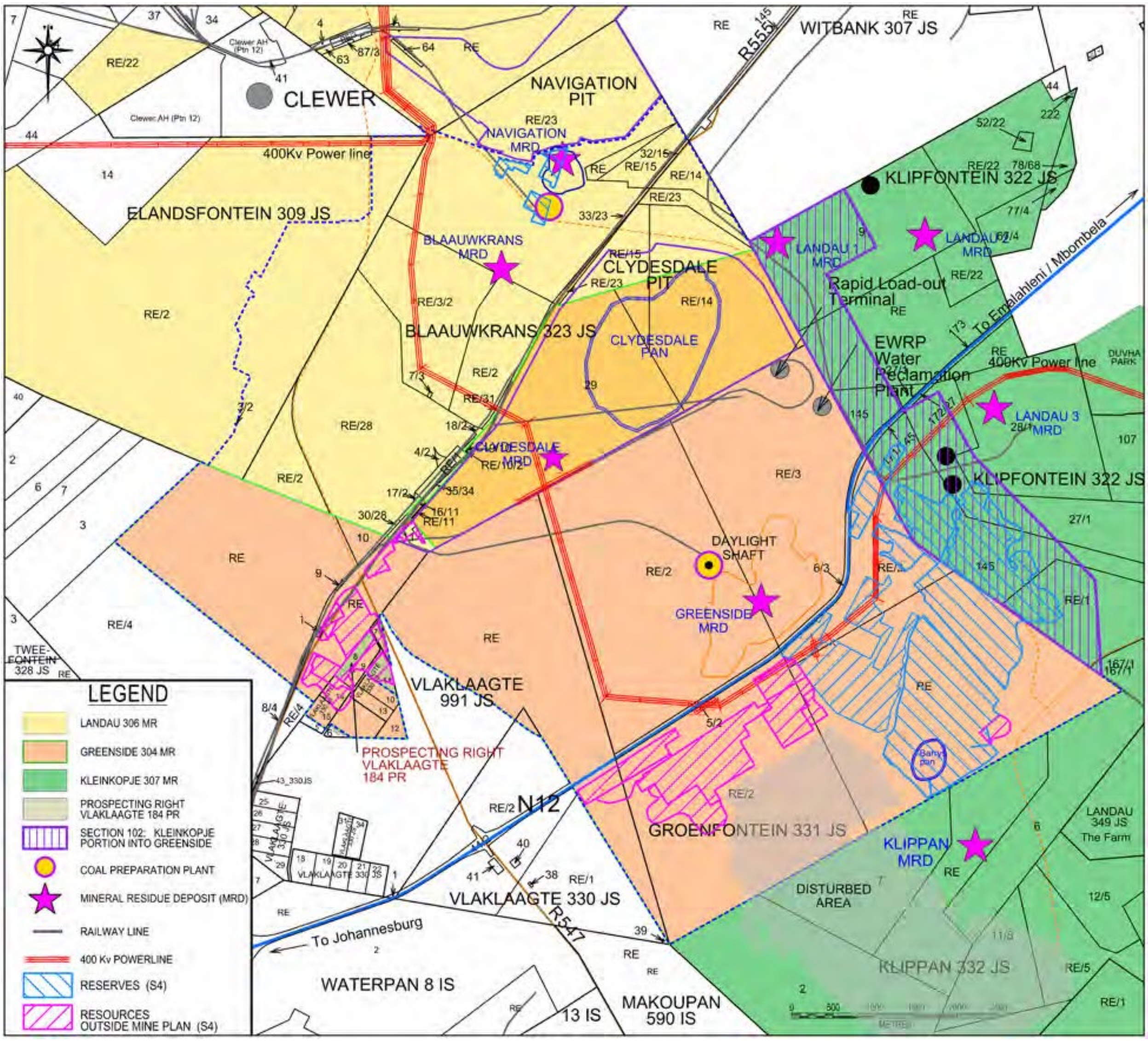
The GHS MRD Coal Resources and Coal Reserves were declared for the first time in 2021. The contractor has mined and beneficiated 2.3Mt for 2023 to produce a saleable 4,800kcal/kg product.

The GHS MRD comprises original coarse material and high-quality fines slimes compartments added in years later, all enclosed by coarse residue. A separate low grade slimes compartment was added on the eastern side which is used for slimes disposal.

The estimated Coal Resource is derived from a geological model constructed in the Datamine Minescape 3D modelling software, using drillhole data, a flown DTM of the topography and pre-mined topography surface as the estimated base.

Eight vertically stacked horizontal layers have been defined to reflect the variation in raw coal qualities. An assumed bulk density of 1.6g/cm^3 was used to estimate the tonnage. No fines material is included in the Coal Resources or Coal Reserves.

GREENSIDE



The Greenside Colliery is an underground coal mine located approximately 120km east of Johannesburg, close to the town of eMalahleni in the Mpumalanga province of South Africa.

It forms part of the South African Coal Estate (SACE) complex, together with Khwezela North (formerly known as Landau) and Khwezela South (previously known as Kleinkopje).

The rapid load-out terminal (RLT) and the eMalahleni Water Reclamation Plant (EWRP) lie approximately 2.5km northeast of the colliery. The colliery hosts an MRD, a CHPP complex and two inclined shafts to the underground workings.

LEGAL TENURE

The Greenside Colliery holds one granted and executed converted MR and one granted, executed new order prospecting right (NOPR) for which an MR application was lodged at the Department of Minerals and Energy (DMRE) and is pending approval.

There are a number of properties in the Greenside MR and Landau MR which are common to both. There is accordingly an overlap of the Greenside and Landau MRs. Through Thungela's resource optimisation strategy for the SACE complex, comprising the Greenside, Landau and Kleinkopje MRs, resources have been rationalised over the life of these mines to ensure profitable mining of the reserves.

Approval for a section 102 application, submitted to the DMRE in February 2021 for certain portions under the Kleinkopje MR (Khwezela South) to be included into the Greenside MR, is awaited.

Since receiving the original WUL, a selection of licences and an exemption have been issued for water use related activities. Greenside has a main WUL, an east block integrated water use licence (IWUL) and a 3A dump WUL. The colliery operates under one consolidated EMPr and several EAs.

The colliery does not require a WML in terms of the National Environmental Management: Waste Act 59 of 2008.

There are currently no known impediments to tenure security.

The surface rights are owned by a number of different entities, including TOPL. The TOPL-owned properties are commonly leased to third-party tenants.

EXPLORATION ACTIVITIES AND EXPENDITURE

Exploration activities for 2023 included 27 vertically cored, collar surveyed, standard downhole geophysical surveyed surface boreholes, targeting the mineable No 4 Seam. Additional cover is by annual underground in-seam panel and directional non-core drilling, ahead of the mining faces.

Logging and sampling of the vertical cored boreholes are done as soon as possible after drilling to avoid deterioration of the coal core. The core is photographed and logging, sampling and analytical results uploaded to Minescape GDB, which includes validation processes during importing.

Coal samples collected during 2023 were sent to the SANAS-accredited laboratory, BV, based in Middelburg, Mpumalanga.

For 2024, the planned exploration expenditure is estimated at R7.1 million.

GEOLOGICAL SETTING AND MODELLING

The Greenside Colliery is located in the Witbank Coalfield where five coal seams are present. These consist of, from bottom, the No 1 Seam, sequentially to the No 5 Seam at the top, with inter-seam partings consisting of mainly shale or siltstone and sandstone, with thicknesses ranging between 1.5m and 23m. The No 4 Seam is currently the only contributor to the colliery's export product.

The colliery is sub-divided into two distinct domains, by a major northwest, southeast trending normal fault system with a measured maximum throw of 30m in the southeast. The throw gradually decreases to an approximately 1m throw towards the northwest. Mining has been constrained by the fault system, with development from the east and west stopping on approaching the fault zone.

Several dolerite dykes have been identified by drilling and mining, but the impact on mining is limited to occasional cases of poor ground conditions experienced during mining.

The coal seams are modelled in the Datamine Minescape 3D modelling software which uses pre-defined criteria with interpolators to construct the coal seam model, with estimates of raw qualities as gridded surfaces, from borehole information. Washability data for each coal seam is utilised separately in the resource estimation process.

MINING ACTIVITIES

The Greenside Colliery is an underground coal mine with four sections (one prime section and three conventional sections) mining the No 4 Seam at relatively shallow depths, using the mechanised bord and pillar mining technique. The practical mining height ranges between 2.8m and 4.5m. The roof conditions are generally good and subsidence protection and undermining of surface structures are well managed.

Mining equipment used underground includes CMs, shuttle cars, roof bolters and a series of conveyor systems. Mining activities are further supported by the required ancillary equipment. Currently two incline shafts are used to access the underground workings.

Based on a 17.2Mt total ROM reserve, the LOM is estimated at five years. There are no Inferred Coal Resources included in the LOM plan..

The overall mine plan is to fully extract the remaining reserves in the north with the prime section, while the remaining four sections will continue mining the exposed reserves in the south-eastern portion (east block) of the mine.

PRODUCTION AND COAL PROCESSING

The annual production ROM for the Greenside Colliery for 2023 was 3.1Mt.

The washing plant complex produces a primary product 5,850kcal/kg NAR. The middlings product produced is a 5,000kcal/kg NAR.

The plant (also known as the No 4 Seam plant) consists of three modules, with modules 1 and 2 being identical and joined by a spiral plant circuit. Module 3 is separate and has its own spiral plant circuit. The plant is well maintained and quality control is good with sufficient numbers of automatic samplers being used.

A flotation plant recovers the ultra-fines material from the No 4 Seam plant discard stream using froth flotation.

The primary product is transported via a conveyor to RLT, from where it is railed to the RBCT for export. The middlings product is sold to the export and domestic markets.

GREENSIDE MINERAL RESIDUE DEPOSIT

The Greenside MRD consists of discard material, derived from the No 5 Seam, No 4 Seam, No 2 Seam, No 1 Seam and an old ash mound. The Bullnose, West Flanks and portions of the East Flank, reported as mineable reserves in 2021, were depleted. The East Flank resources were sterilised with waste piled on top. The South Flank East and the South West portions are reported to be mined.

New and old slimes areas are excluded. Volumes towards the base of the MRD are excluded from the estimate due to uncertainty of the base surface.

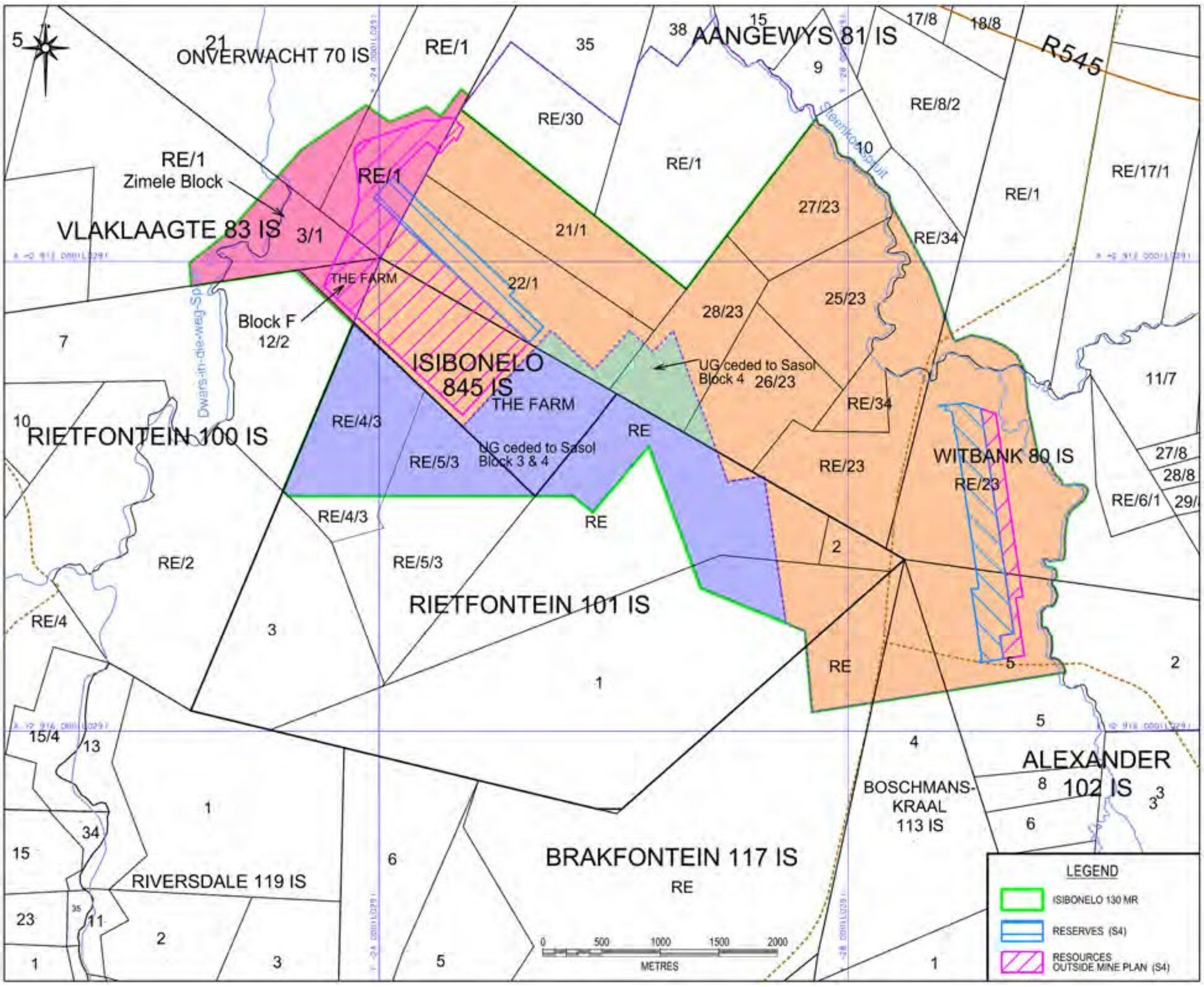
The total remaining volume of material in the MRD is significantly larger than indicated in the Coal Resource statement. Further evaluation is required before it can be fully classified.

The estimated Coal Resource is derived from a geological model constructed in the Datamine Minescape 3D modelling software, using drillhole data together with a DTM flown top surface.

Eleven vertically stacked horizontal layers define the variation in raw coal qualities. An assumed bulk density of 1.6g/cm^3 was used to estimate the tonnage.

A domestic product is derived from washing MRD material through the No 5 Seam plant and blending it with material derived from the No 4 Seam middlings. The product is then sold to the export market.

ISIBONELO



The Isibonelo Colliery comprises opencast reserves and resources and underground Coal Resources. The underground resources are pending a sale transaction, and for this reason are not declared in this report.

The colliery is located approximately 150km east of Johannesburg, 13km northeast of the town of Secunda in the Mpumalanga province of South Africa.

The opencast operation is constrained by the MR boundary, a 70m corridor between the opencast resource and the underground resource, and the rivers to the west and east of the resource area, which form part of the MR boundary.

The operation consists of a north and south pit, with the main offices and workshops approximately 16km south of the opencast operations.

LEGAL TENURE

The Isibonelo Colliery holds one granted and executed converted MR and two section 102 applications have been granted, which include the Zimele Block and the Block F Triangle areas into the current MR. An additional section 102 application is pending approval by the DMRE, which relates to the underground Block 4 sale transaction. In addition, a section 102 pertaining to a portion of portion RE/4 of the farm Rietfontein 101 IS, is yet to be submitted.

The Isibonelo Colliery operates under one WUL. The licence includes and supersedes all activities previously licensed under numerous water use related licences issued to the colliery. The colliery operates under two approved EMPrs and two approved EAs.

Three land claims are currently registered, of which two require validation and/or investigation, and the third negotiation and settlement. TOPL has fulfilled its obligations in this regard and any further action required is the responsibility of the Restitution Management Support Office (RMSO).

There are currently no known impediments to tenure security.

The surface rights are owned by a number of different entities of which the majority are owned by TOPL and leased to a number of tenants.

EXPLORATION ACTIVITIES AND EXPENDITURE

Exploration activities for 2023 included 19 vertically cored, collar surveyed, downhole geophysical surveyed surface boreholes. Additional geotechnical holes and overburden identification holes were also drilled.

Logging and sampling of the vertical cored boreholes are done as soon as possible after drilling to avoid deterioration of the coal core. The core is photographed and logging, sampling and analytical results uploaded to Minescape GDB, which includes validation processes during importing of data.

Coal samples collected during 2023 were sent to the SANAS-accredited laboratory, BV, based in Middelburg, Mpumalanga.

For 2024, the planned exploration expenditure is estimated at R3.8 million.

GEOLOGICAL SETTING AND MODELLING

The Isibonelo Colliery is located in the Highveld Coalfield where four coal seams are present. These consist of, from bottom, the underdeveloped No 2 Seam, sequentially to the No 5 Seam at the top. Only the No 4 Seam is declared as Coal Resources and Coal Reserves.

No faulting was detected during exploration drilling or mining activities. A sill identified on the aeromagnetic survey, as well as in boreholes, is situated above the No 4 Seam and has little effect on the coal seam. Three thin dolerite dykes were intersected during mining, but with little effect on the mining or coal seam.

The coal seams are modelled in the Datamine Minescape 3D modelling software, which uses pre-defined criteria with interpolators to construct the coal seam model, with estimates of raw qualities as gridded surfaces from borehole information. There are no washability analyses since the colliery produces a raw product.

MINING ACTIVITIES

The colliery is an opencast operation consisting of a north pit and a south pit. Both pits support a dragline operation and are assisted by a pre-strip truck and shovel fleet.

The main equipment used in the pits includes two draglines, hydraulic shovels, haul trucks, dozers, excavators, rotary drills, water bowsers and cranes, with the required ancillary support equipment. The mine layout was designed to suit the available mining equipment.

The revised mining schedule accelerates the mining of the south pit due to lower costs, with reserves converted to resources outside of mine plan (RoMP) in the north pit. This is due to constraints in the financial and economic modifying factors related to the coal suppy agreement (CSA) with Sasol Mining Proprietary Limited (Sasol) coming to an end in 2025. A potential new CSA is currently under discussion.

The remaining LOM is estimated at two years with total ROM reserves of 7.4Mt. There are no Inferred Coal Resources included in the LOM plan. The terms of the CSA with Sasol determine the LOM.

PRODUCTION AND COAL PROCESSING

The actual production ROM for 2023 was 3.2Mt with a 100% saleable raw product.

The colliery solely supplies to Sasol Synfuels Operations under the CSA. The CSA contract was revised on 1 June 2019 and expires on 30 June 2025. The targeted supply is 4.5Mtpa evenly distributed over a 12-month period, for 2023 and 2024, with a downscale in 2025.

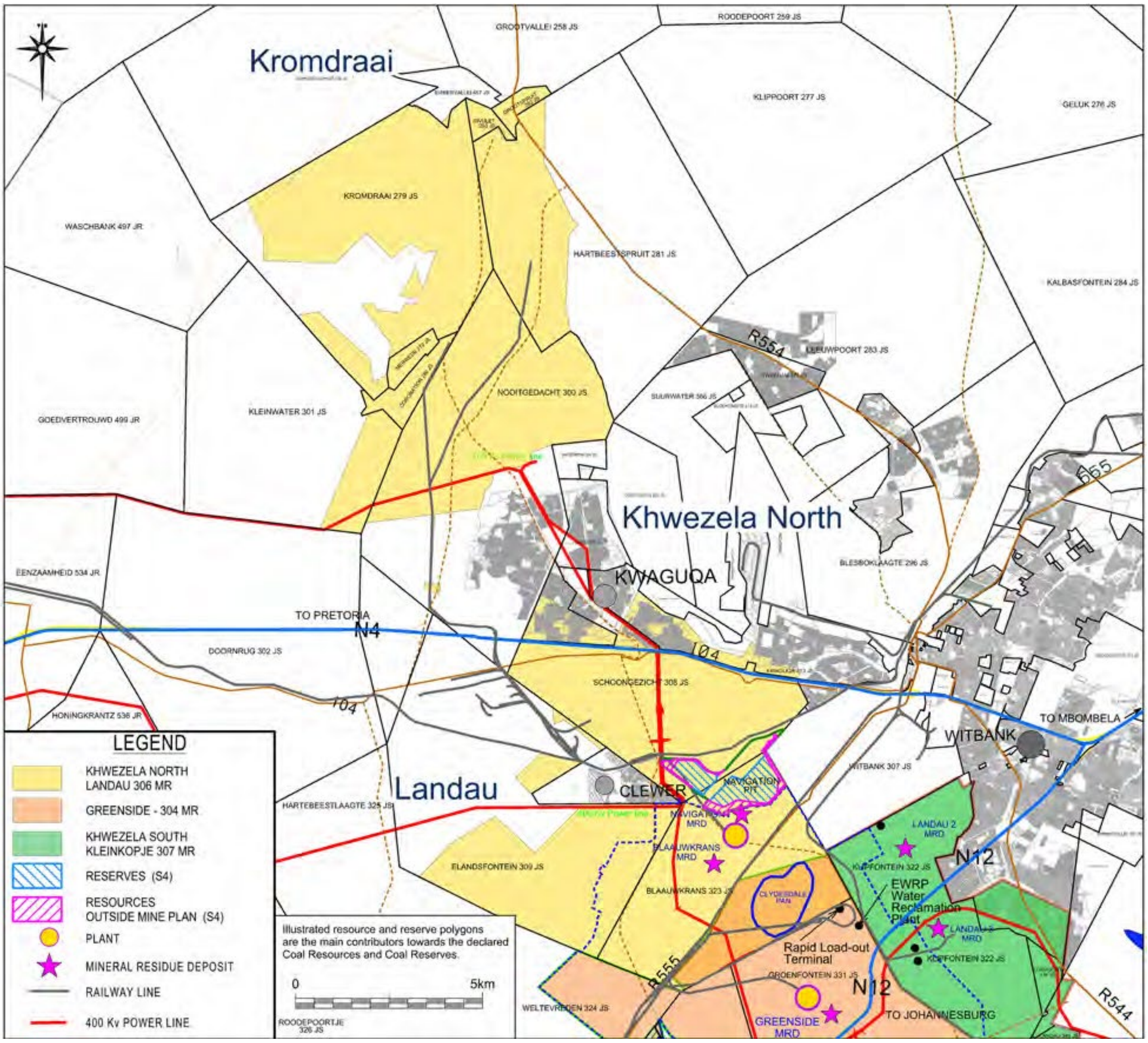
The coal from the pit is transported to the ROM tip by truck. The coal is crushed, screened and sized at the crushing and screening plant. There is an automatic satellite sampling plant at the point of sale. The coal analysis is critical to ensure quality compliance.

When available, additional raw coal is imported from other sources, which is blended with the in-pit coal at the ratio determined to meet the contractual obligations

The final product is transported by a 14km conveyor from the crusher plant to point of sale at the Isibonelo bunker. From there it is transported by a 22km long conveyor directly to the coal stockyard situated at the Sasol Synfuels Operations plant, just south of the town of Secunda.

KHWEZELA

KHWEZELA NORTH



Khwezela North (previously known as Landau) consists of the current operating Navigation pit as well as the Kromdraai and Umlalazi pits, which are currently being rehabilitated. The Clydesdale SACE life extension project lies on the southern boundary of the Landau MR. Coal Resources are not reported for this project due to current environmental permitting considerations. An active MRD (Blaauwkrans), receives as-arising material from the Navigation plant. Inactive or dormant MRDs are also located in the area.

The Navigation pit is located approximately 120km east of Johannesburg, 22km west of the town of eMalahleni in the Mpumalanga province of South Africa. It forms part of the SACE complex, together with Khwezela South (formerly known as Kleinkopje) and the Greenside Colliery (refer to the Greenside overview).

The Navigation pit is constrained by the MR boundary, Eskom powerlines, the Transnet railway to the north, bounding the Clewer settlement in the west, the Navigation CHPP and the Blaauwkrans MRD to the south.

The RLT as well as the EWRP lie south of the pit.

LEGAL TENURE

Khwezela North holds one granted and executed converted MR – the Landau MR.

Khwezela North operates under numerous approved EMPs, EAs and WULs.

The colliery does not have a WML. For the Kromdraai rehabilitation programme, a WML has been submitted and is pending a record of decision from the DMRE. An integrated water use license application (IWULA) amendment was submitted to the Department of Water and Sanitation to ensure that the Kromdraai section has an IWUL with conditions based on the current status regarding the rehabilitation phase.

Two land claims were settled by financial compensation and no further action is required.

There are currently no known impediments to tenure security.

The surface rights are owned by a number of different entities, of which the majority are owned by TOPL and leased to various tenants.

EXPLORATION ACTIVITIES AND EXPENDITURE

Exploration activities for 2023 included 19 vertically cored, collar surveyed, surface boreholes.

For 2024, the planned exploration expenditure is estimated at R8.2 million.

GEOLOGICAL SETTING AND MODELLING

Khwezela North is located in the Witbank Coalfield where five coal seams are present. These consist of, from bottom, the No 1 Seam, sequentially to the No 5 Seam at the top, and all contribute to the resource and reserve base. At the Navigation pit, all seams, with the exception of the No 3 Seam, to a greater or lesser extent, have previously been mined underground, with the select portion of the No 2 Seam mined most extensively. The No 4 Seam, No 2 Seam and No 1 Seam currently contribute to the colliery's export product.

Northwest-southeast striking faults encountered at the Greenside Colliery extend into the Navigation area, but do not impact mining. Northeast-southwest trending dolerite dykes are encountered, but with little impact on mining.

The coal seams are modelled in the Datamine Minescape 3D modelling software, which uses pre-defined criteria with interpolators to construct the coal seam model, with estimates of raw qualities as gridded surfaces from borehole information. Washability data for each coal seam is utilised separately in the resource estimation process.

MINING ACTIVITIES

The Navigation pit is an opencast operation with a pre-strip operation allocated to a truck and shovel fleet. The overall stripping ratio is low compared to other similar opencast operations. The main operational risk is the potential for spontaneous combustion in the old workings.

The primary mining equipment includes a dragline, hydraulic shovels, haul trucks, overburden drills and a coaling drill, and is supported by the necessary ancillary equipment.

The main boxcut is in the north of the pit near the railway line where the overburden is the shallowest. The boxcut is constrained by available spoil space and will be developed in two parts. The third boxcut will be developed once space has been made by completing some of the multi-stage mining operations.

The LOM is estimated at six years and the total ROM reserves at 28.5Mt. Inferred Coal Resources of 4% (equivalent to 1.0Mt reserves) are included in the LOM plan.

PRODUCTION AND COAL PROCESSING

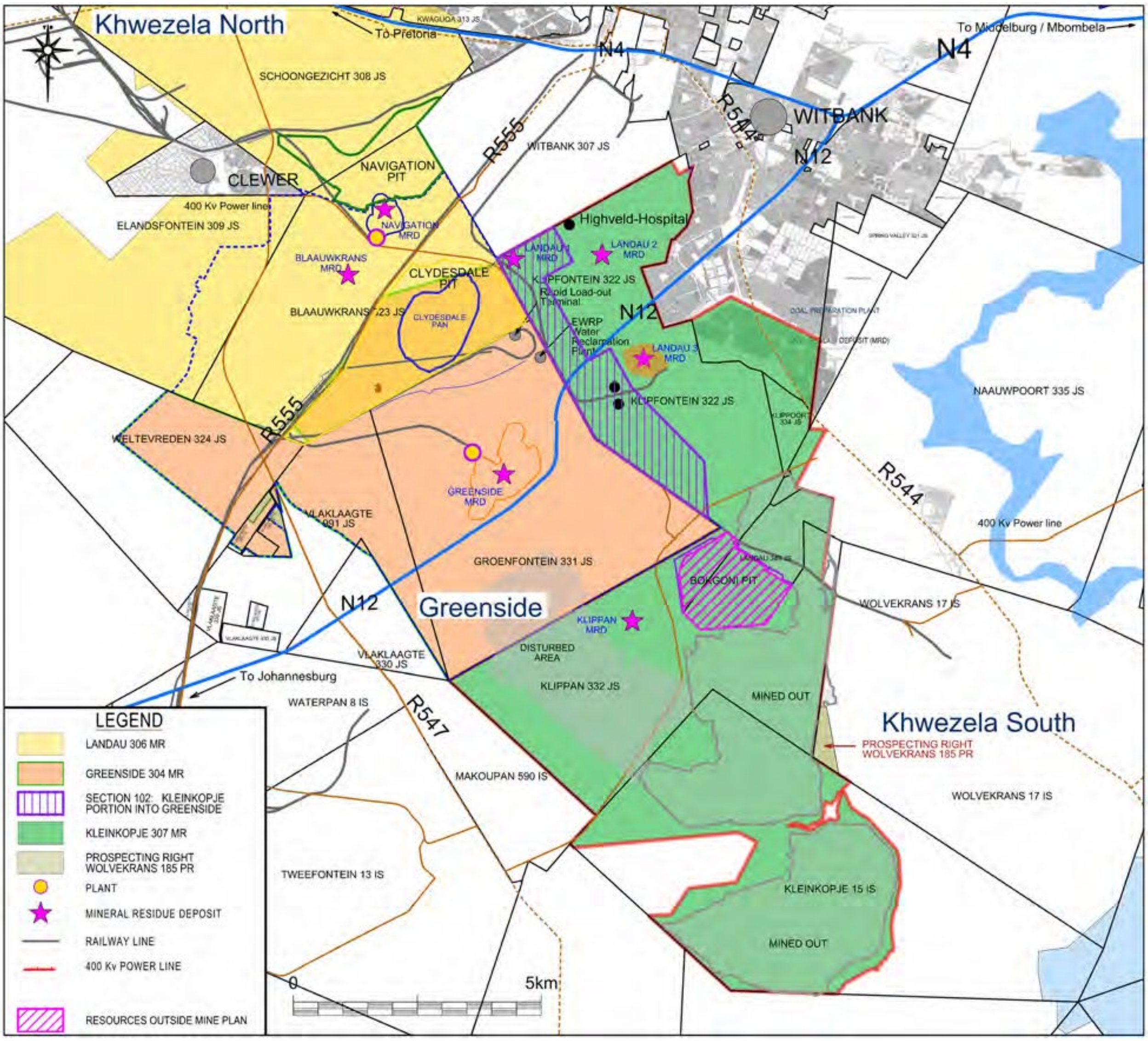
The annual production ROM for 2023 was 3.0Mt. Due to the constraints influencing pit extensions, little room is left for expansion of the resources and reserves footprint.

The CHPP produces a primary export product nominal calorific value of 5,700kcal/kg NAR. A production change to 5,850kcal/kg was implemented in the fourth quarter of 2022.

The plant consists of two identical modules, A and B. The fines are treated in spirals and the fines product coal added back to the export product.

The primary product is stockpiled and transported to the RLT via a conveyor, from where it is railed to the RBCT for export. During 2022, an additional stockpile was established at the Khwezela South Bokgoni pit, due to the Navigation product stockpile reaching its maximum capacity.

KHWEZELA SOUTH



Khwezela South (formerly known as Kleinkopje) consists of the Bokgoni 2A pit and the MRD (also known as Landau 3), both of which were placed on care and maintenance with effect from the first quarter of 2021. No Coal Reserves are declared. The remaining Coal Resource from Bokgoni 2A is declared under RoMP. Other coal remnants within the MR comprise the old Kleinkopje Colliery in the south, NorthWest and Landau 1 and 2 Blocks, as well as the MRD at Klippan.

LEGAL TENURE

Khwezela South holds one granted and executed converted MR (Kleinkopje MR), and one PR for which a renewal application has been submitted and is awaiting adjudication.

Approval for a section 102 application submitted to the DMRE for certain portions under the Kleinkopje MR to be excluded and included into the Greenside MR, is awaited. The Kleinkopje MR has an authorised EMPr and EA.

Three land claims require validation or gazetting by the department, while two claims have been settled.

EXPLORATION ACTIVITIES AND EXPENDITURE

Exploration activities have been suspended since 2020. Previous activities included vertical cored, collar surveyed, surface boreholes and aeromagnetic surveying with a minimal amount of standard downhole geophysics due to the flat-lying strata and the high density of cored boreholes.

Logging and sampling of the vertical cored boreholes were done as soon as possible after drilling to avoid deterioration of the coal core. The core was photographed and logging, sampling and analytical results uploaded in Minescape GDB, which included validation processes during importing.

Coal samples were sent to SANAS-accredited laboratories.

There is no 2024 budget for exploration activities at Khwezela South.

GEOLOGICAL SETTING AND MODELLING

Khwezela South is located in the Witbank Coalfield where five coal seams are present. These consist of, from bottom, the No 1 Seam, sequentially to the No 5 Seam at the top and are all, with the exception of the No 3 Seam, part of the resource base. A small graben with a 10m throw lies to the northeast of the Bokgoni 2A pit. No major dolerite intrusions have been encountered.

The coal seams are modelled in the Datamine Minescape 3D modelling software, which uses pre-defined criteria with interpolators to construct the coal seam model with estimates of raw qualities as gridded surfaces, from borehole information. Washability data for each coal seam is utilised separately in the resource estimation process.

MINING ACTIVITIES

The Bokgoni 2A Pit was put on care and maintenance in 2021 and no mining has taken place since then.

PRODUCTION AND COAL PROCESSING

No coal processing has taken place since the mine was placed on care and maintenance.

KHWEZELA SOUTH MINERAL RESIDUE DEPOSIT

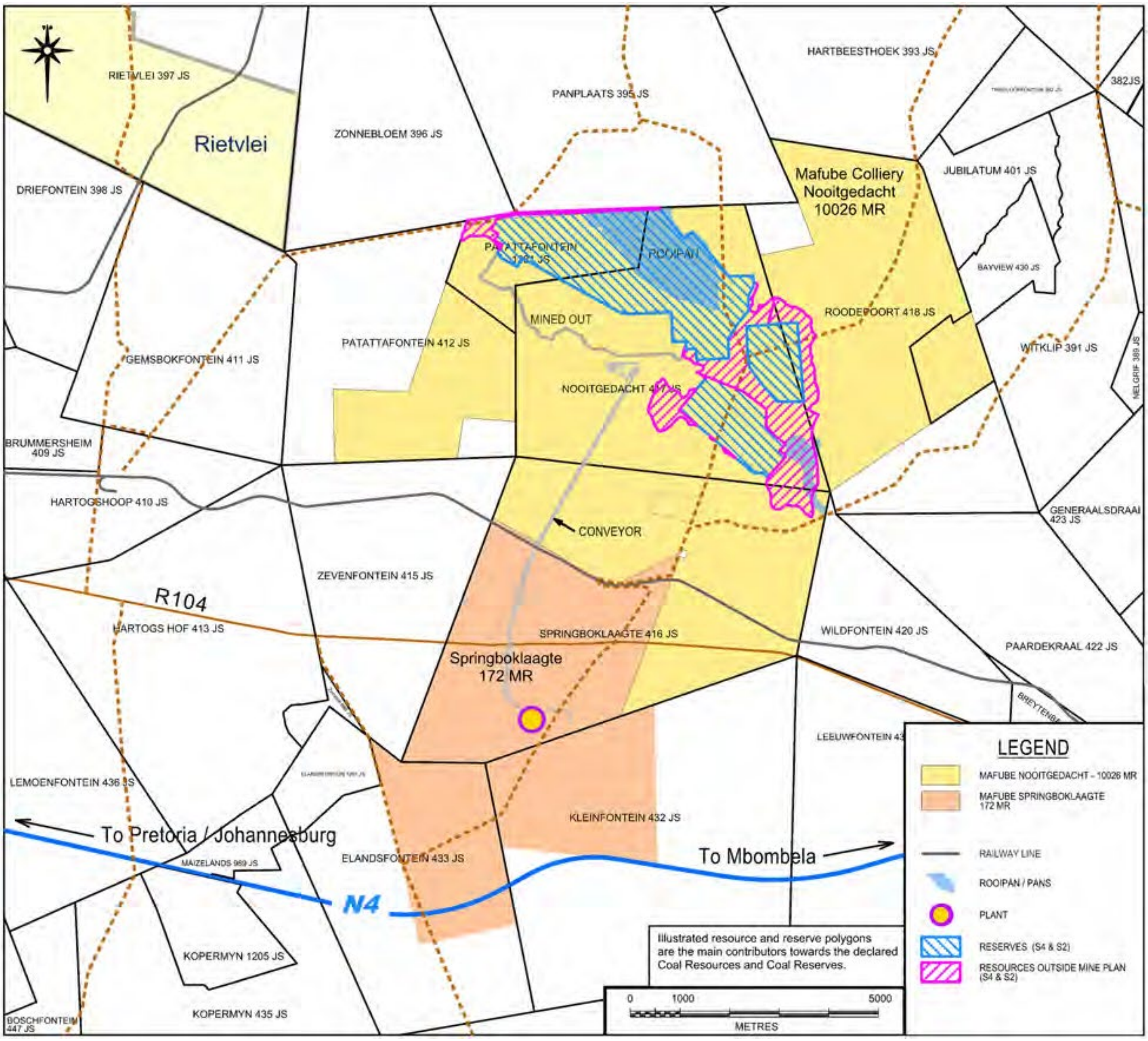
The Khwezela South MRD (also known as Landau 3) consists of discard material from the No 2 Seam, laid down during the early stages of the facility's construction, and an old ash dump. A poor-quality top zone was formed when the discard of rewashed MRD material was deposited during the last years of operation. The MRD was built up in two stages, resulting in an older, slightly better quality section, and a new poorer quality area.

The estimated Coal Resource is derived from a geological model constructed in the Datamine Minescape 3D modelling software, using drillhole data together with a flown DTM of the topography surface and a pre-mined basal topographic surface as the base of the MRD.

Seven vertically stacked horizontal layers represent the variation in raw coal qualities. An assumed bulk density of 1.5g/cm^3 was used to estimate the tonnage.

During 2023, 1.4Mt coal was mined from the declared RoMP. The coal was trucked to the Isibonelo Colliery where it was blended with in-pit coal at a ratio of 1:6 and then sold to Sasol Synfuels Operations.

MAFUBE



The Mafube Colliery is an opencast operation in which South Africa Coal Operations Proprietary Limited (SACO) holds a 50% direct interest and Exxaro Coal Mpumalanga Proprietary Limited (Exxaro) holds the remaining 50%. The JV is termed Mafube Coal Mining Proprietary Limited (Mafube Coal Mining).

The colliery is located approximately 160km east of Johannesburg and 30km east from the town of Middelburg in the Mpumalanga province of South Africa.

The opencast operation is constrained primarily by the MR boundary. Internal to the MR, the coal sub-crop defines the resource limit.

The operation consists of six planned pits. The mining strategy is to schedule the mining pits to maximise the Coal Reserve recovery by maintaining steady-state production up to the end of the LOM.

The declared resources and reserves are as evaluated and estimated through Exxaro.

LEGAL TENURE

The Mafube Colliery holds one granted and executed NOMR and one granted and executed converted MR. The coal in the Springboklaagte Reserve MR has been depleted. Mining operations currently occur in the Nooitgedacht Reserve MR.

The Mafube Colliery operates under numerous approved EMPrs, EAs and WULs. Amendments to the EMPr for the Mafube life extension Nooitgedacht and Wildfontein operations (debottleneck project) and the Nooitgedacht WUL have been issued.

The final environmental impact report (EIR) and EMPr for the approval of the mining of Rooipan were submitted to the DMRE and are currently under review. An application for a WUL for the mining of Rooipan is currently in progress.

Several land claims are registered. Some have been dismissed, others require validation or claimant verification and a few require further negotiations prior to settlement.

There are various competing applications over Mafube's MRs. Mafube has lodged objections and appeals against the applications and the outcomes from the DMRE are pending.

Mafube Coal Mining is aware of a legal challenge in respect of the competing application pertaining to the remaining extent of portion 1 of the farm Patattafontein 412 JS. If not resolved, the reserve base will be reduced by approximately 3%.

The surface rights are owned by a number of different entities, with some portions of the surface rights owned by Mafube Coal Mining and leased to a number of tenants for agricultural purposes.

EXPLORATION ACTIVITIES AND EXPENDITURE

Exploration activities for 2023 included 182 vertically cored and collar surveyed boreholes.

Logging and sampling of the vertical cored boreholes are done as soon as possible after drilling to avoid deterioration of the coal core. The core is photographed and logging, sampling and analytical results captured in an acQuire GIM Suite SQL database, managed by Exxaro.

Coal samples collected during 2023 were sent to the SANAS-accredited laboratory, BV, based in Middelburg, Mpumalanga.

For 2024, the planned exploration expenditure is estimated at R14 million.

GEOLOGICAL SETTING AND MODELLING

The Mafube Colliery is located close to the northern edge of the Witbank Coalfield where four coal seams are present. These consist of, from bottom, the No 1 Seam, sequentially to the No 4 Seam at the top. The No 2 Seam is the main source of the declared Coal Resources and Coal Reserves, with the No 4 Seam and No 1 Seam also contributing.

No faulting was detected during exploration drilling or mining activities. Dolerite intrusives, tentatively identified from the aeromagnetic survey, have not been confirmed by drilling or mining activities.

The geological model is constructed using the Geovia Minex Dassault Systems software and is managed and maintained by Exxaro. The gridded coal seam surfaces, interpreted from boreholes, were constructed using set criteria or relationships between the seams, using the growth algorithm. Raw and washability quality grids were also constructed.

MINING ACTIVITIES

Currently, the No 2 Seam and No 1 Seam are being extracted.

The main equipment used in the pits are dozers, excavators, haul trucks, coal and overburden drills with articulated dump trucks used for topsoil removal.

The LOM is estimated at 20 years with total ROM reserves of 114.7Mt. This is in line with the Mafube plant capacity of 5.8Mtpa ROM. Only 0.2% of the LOM plan is derived from Inferred Coal Resources (equivalent to 0.2Mt reserves).

PRODUCTION AND COAL PROCESSING

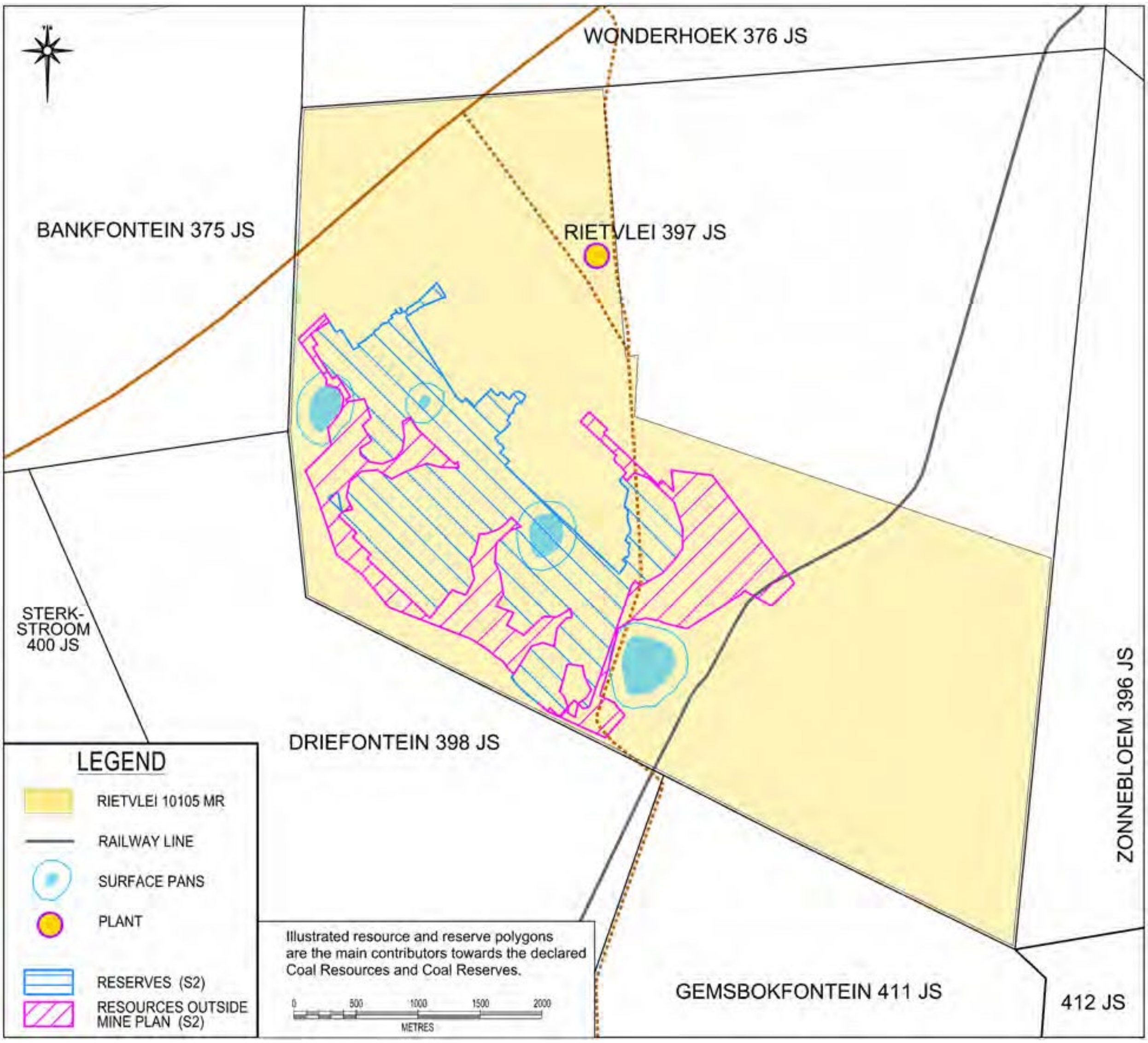
The actual ROM production for 2023 was 4.8Mt. After processing, this produced a 5,800kcal/kg NAR export product together with a 4,800kcal/kg NAR middlings export product. An additional raw domestic product has been identified and included in the declared saleable products, to be included for the remainder of the LOM.

The CHPP is operated by Mafube on behalf of the JV.

ROM coal is transported from the pit to the CHPP by a 7km overland conveyor. The CHPP is a single module, treating coarse and finer coal in separate dense medium cyclones. Both saleable export products are transported by a 14km overland conveyor to the RLT.

The CHPP also uses filter presses to process ultrafines. This product is sold on demand to the inland market.

RIETVLEI



The Rietvlei Colliery comprises an established truck and shovel opencast operation with two designed LOM pits, and a third representing RoMP. The colliery is located 27km northeast of the town of Middelburg in the Mpumalanga province of South Africa.

Butsanani Energy Investment Holdings Proprietary Limited (Butsanani Energy) holds a 51% share of Rietvlei Mining Company Proprietary Limited (RMC) and the balance is held by Mwelase Group of Companies Proprietary Limited (15%) and Emalangeni Mining Resources Proprietary Limited (34%).

Thungela holds 67% of Butsanani Energy through both TOPL and SACO, with Vunani Mining Proprietary Limited holding the remaining portion (33%). The effective ownership of RMC by Thungela is 34%.

The opencast operation is constrained by the MR boundary, sub-cropping of the coal seams, protected water features and a redundant railway line which passes through the southern portion of the area as well as the provincial road in the northwest.

The operation consists of three designed pits, with the main infrastructure close to the opencast operations.

LEGAL TENURE

The Rietvlei Colliery holds one granted and executed NOMR.

The colliery operates under one approved WUL, one approved EMPr and one EA. The colliery does not have a WML. The colliery has recently completed construction of a pollution control dam. The excess water is currently managed within the MR area.

There are currently no known impediments to tenure security.

The surface rights are owned by the South African government and a lease agreement is in place.

EXPLORATION ACTIVITIES AND EXPENDITURE

Historical exploration activities were conducted by Anglo American Coal South Africa. The information provided to RMC, when RMC acquired the Rietvlei licence, included complete borehole information.

The more recent geological activities, conducted by GM Geotechnical Consultants cc (GM), were carried out following GM's standard logging and sampling procedures. All pre-split holes possess downhole geophysical surveys, whereas the exploration boreholes are photographed, logged and sampled. All geological information is stored in Microsoft Excel spreadsheets/databases from where it is interrogated for errors.

For the most recent exploration drilling, all the samples were analysed at the accredited Siza Coal and Mineral Laboratory in Middelburg.

For 2024, the planned exploration expenditure is estimated at R6 million.

GEOLOGICAL SETTING AND MODELLING

The Rietvlei Colliery is located in the Witbank Coalfield where two of the five coal seams are present. These consist of the No 1 Seam and No 2 Seam, declared as Coal Resources and Coal Reserves and currently contributing to the raw product.

No faulting was detected during exploration drilling or mining activities. A dolerite intrusion in the far north was intersected by boreholes as well as mining, but the effect on the coal seams is minimal.

The coal seams are modelled in the Datamine Minescape 3D modelling software, which uses pre-defined criteria with interpolators to construct the coal seam model with estimates of raw qualities as gridded surfaces, from borehole information as well as structural information from the pre-split holes. The washabilities are available on all recent exploration boreholes, and this data was incorporated into the geological model and mine planning for 2023.

MINING ACTIVITIES

The colliery is an opencast operation consisting of three designed pits, with mining activity taking place in pit one and two. The colliery is a truck and shovel operation.

The main equipment used in the pits are excavators, haul trucks, dozers, rotary drills, water bowsers and graders.

The current LOM is estimated at eight years with total ROM reserves of 23.4Mt. There are no Inferred Coal Resources included in the LOM plan.

PRODUCTION AND COAL PROCESSING

The annual production ROM for 2023 was 2.5Mt.

The coal from the pit is transported to the ROM tip by articulated dump trucks. The coal is crushed, screened and analysed by an on-site control laboratory at the crushing and screening plant. The product line has an in-line sampler and belt scales.

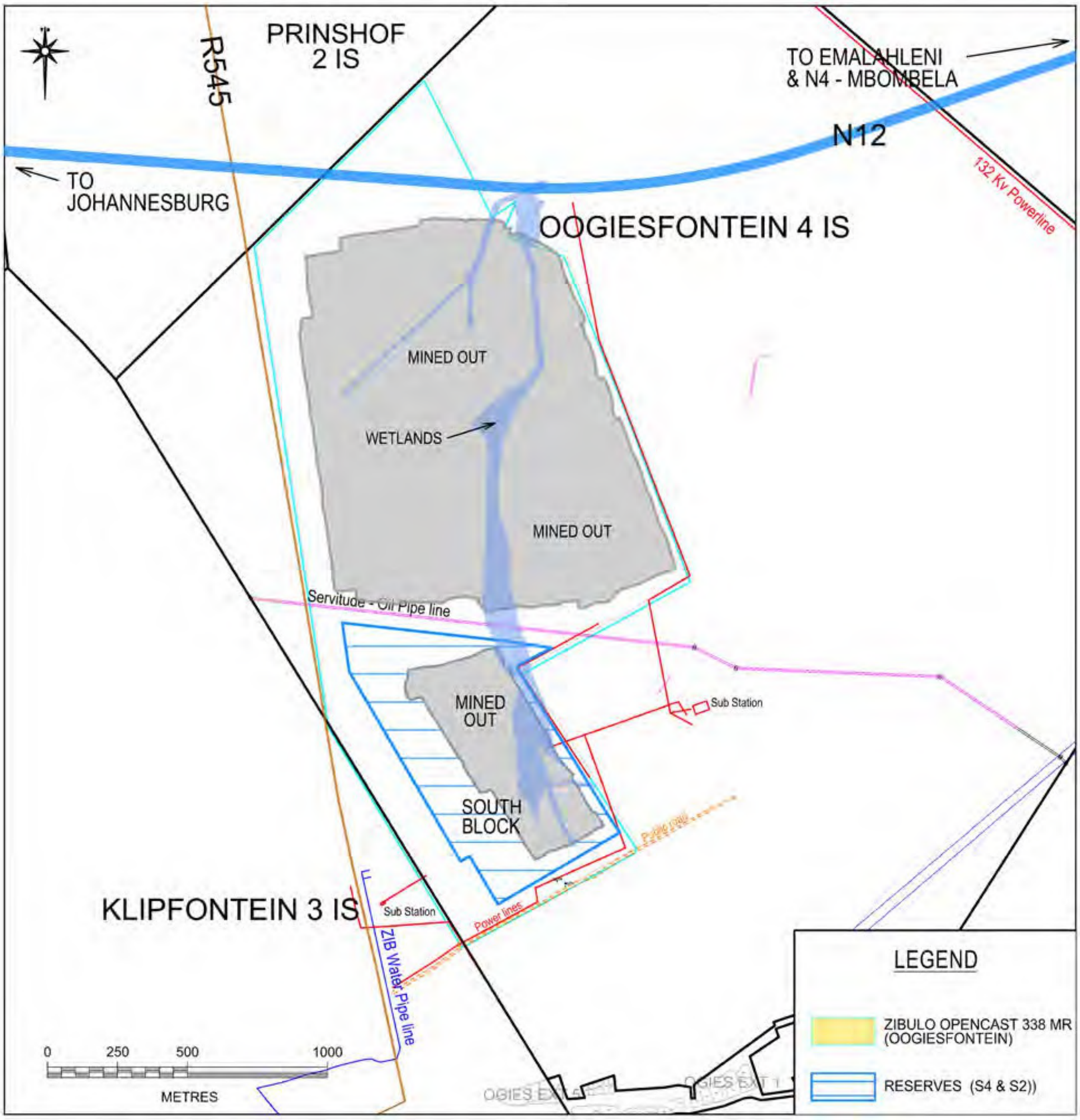
The initial LOM plan was based on both high grade and low grade product sales to Eskom. The contract for the high grade product came to an end in April 2021, with only a supply of low grade coal to Eskom until the end of 2023, when the contract lapses.

During 2022, a drum module was introduced for dense medium processing. The module has the capacity to process coarse coal. A further expansion with the inclusion of a two-cyclone module was completed in 2023, commissioned and first coal processed during August 2023. The aim is to increase the volume of coal available to access the domestic and export market, as well as to meet Eskom's upgraded power station specifications. The operation has been in negotiations with Eskom to secure a long-term contract, dedicating the site material to Eskom.

The CHPP is located adjacent to the boxcut. The saleable product will be transported from the plant to the pre-certified saleable stockpiles for truck loading.

ZIBULO

ZIBULO OPENCAST



Zibulo Opencast (OC) is located approximately 100km east of Johannesburg, close to the town of Ogies in the Mpumalanga province of South Africa. The Zibulo MR is held by Anglo American Inyosi Coal Proprietary Limited (AAIC).

It forms part of the Zibulo Colliery, which includes the underground (UG) bord and pillar operation situated 16km southwest of Ogies, as well as the Zondagsfontein West project area to the west of the underground operation.

The pit is constrained by the MR boundary as well as the N12 highway in the north and the R545 road in the south. The northern pit, nearing total extraction, is separated from the southern pit by the Strategic Fuel Fund (SFF) pipeline servitude.

LEGAL TENURE

Zibulo OC holds one granted and executed NOMR. The pit operates under several EMPrs, EAs and WULs. It does not require a WML, and all of the required environmental permits are in place. An amendment to the WUL has been submitted to license additional activities.

The surface rights are owned by AAIC and a third party.

No land claims are recorded over the Zibulo OC MR.

There are currently no known impediments to tenure security.

EXPLORATION ACTIVITIES AND EXPENDITURE

Exploration activities for 2023 included four vertically cored, collar surveyed, downhole geophysical surveyed surface boreholes. Some of the production (drill and blast) holes were used for the structural interpretation.

Logging and sampling of the vertical cored boreholes are done as soon as possible after drilling to avoid deterioration of the coal core. The core is photographed and logging, sampling and analytical results are uploaded in Minescape GDB, which includes validation processes during importing of data. Coal samples collected during 2023, were sent to the SANAS-accredited laboratory, BV, based in Middelburg, Mpumalanga.

For 2024 the planned exploration expenditure is estimated at R0.9 million.

GEOLOGICAL SETTING AND MODELLING

Zibulo OC is located in the Witbank Coalfield where typically five coal seams are present. However, at Zibulo OC only three seams occur, i.e. from bottom, the No 1 Seam, the No 2 Seam and the No 4 Seam at the top. The No 5 Seam has been eroded and the No 3 Seam is not present. The No 4 Seam and No 2 Seam both contribute to the colliery's export product.

Zibulo OC is sub-divided into two distinct domains, north and south, by the SFF pipeline servitude. No faults or dolerites are present in the area. Granted WULs to mine the wetlands to the east and south are available.

The coal seams are modelled in the Datamine Minescape 3D modelling software which uses pre-defined criteria with interpolators to construct the coal seam model, with estimates of raw qualities as gridded surfaces from borehole information. Washability data for each coal seam is utilised separately in the resource estimation process.

MINING ACTIVITIES

The Zibulo OC pit is a truck and shovel contractor-operated mini-pit. The northern portion of the pit is nearing total extraction, and the boxcut development in the southern pit commenced in 2021. Rock engineering aspects are well managed, with adequate risk controls implemented.

Zibulo OC has the required infrastructure including a substation and electrical reticulation, haul roads, mining equipment and a ROM crushing plant.

The remaining LOM is estimated at two years with total ROM reserves of 2.4Mt, if the current mining rates are maintained. There are no Inferred Coal Resources included in the LOM plan.

PRODUCTION AND COAL PROCESSING

The actual production ROM for 2023 was 0.9Mt. The coal is combined with the Zibulo UG coal, producing a saleable 6,000kcal/kg NAR export product and a 4,800kcal/kg NAR middlings export product.

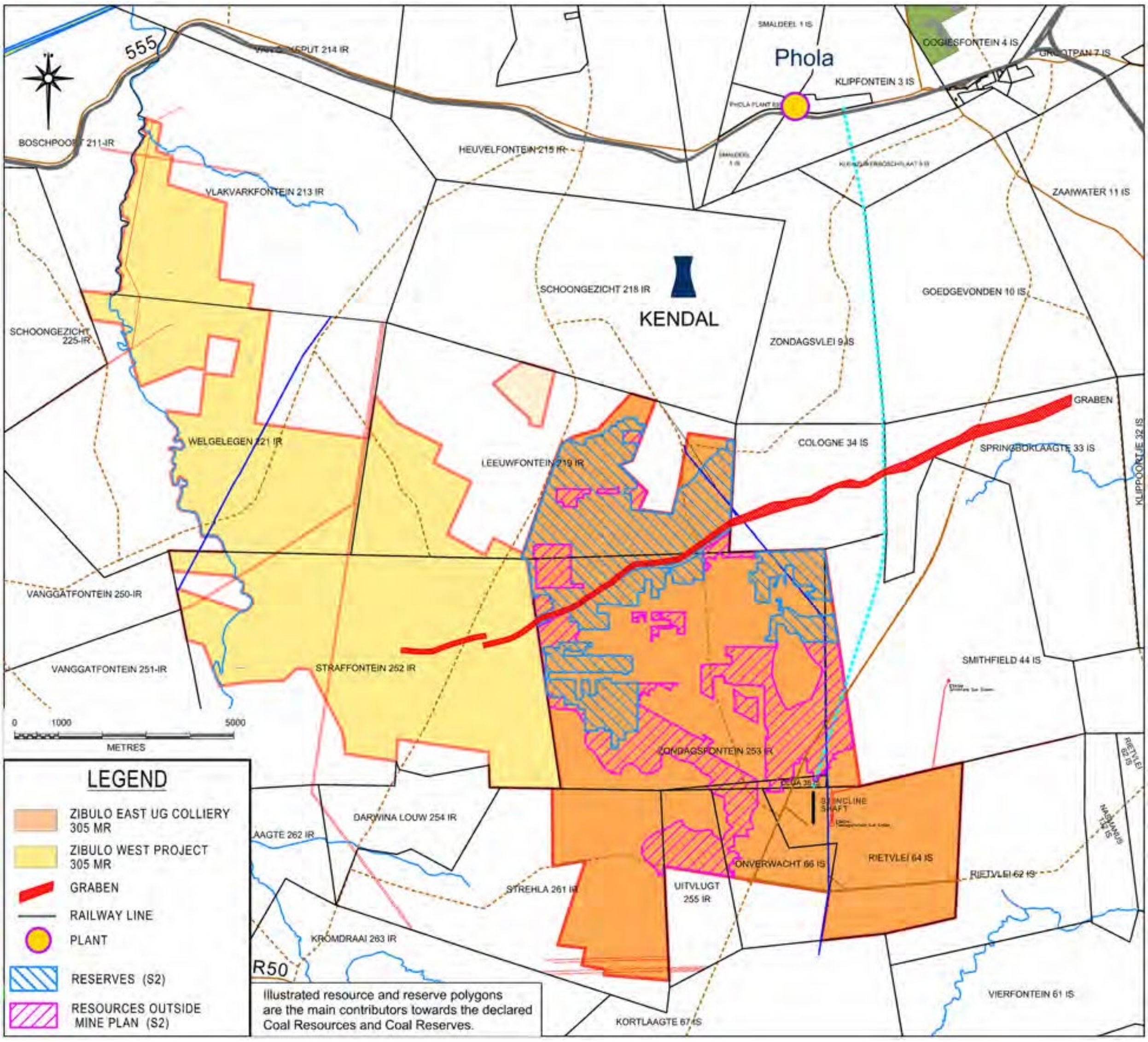
The Zibulo OC operation supplements the underground production ROM to the Phola Coal Processing Plant (PCPP) so that the maximum allocated throughput capacity of 8Mtpa can be achieved. The Zibulo OC coal is trucked to the PCPP which is situated on the western border of Ogies.

The PCPP is a 50:50 JV between AAIC and Seriti Power Proprietary Limited. The plant has a nominal capacity of 16Mtpa, of which the Zibulo Colliery is entitled to 8Mtpa according to the JV agreement. The ROM from both the Zibulo OC and the Zibulo UG is processed at the PCPP.

The PCPP has dedicated ROM and product stockpiles for each of the JV partners. There are two rail loops connected to Transnet Freight Rail with two load-out facilities. Fine coal is fed to spirals and the spirals product stream is split between the export and middlings product, depending on the quality produced.

A flotation plant was commissioned in 2021, with the ultra-fines feed only from the Zibulo Colliery. The product is mixed either with the 6,000kcal/kg export product or the 4,800kcal/kg export product, depending on the final quality.

ZIBULO UNDERGROUND



Zibulo UG is a bord and pillar operation located approximately 100km east of Johannesburg, 16km southwest of Ogies in the Mpumalanga province of South Africa.

It forms part of the Zibulo Colliery which includes the Zibulo OC operation and the Zondagsfontein West Project.

The Zibulo MR is held by AAIC.

LEGAL TENURE

Zibulo UG holds one granted and executed NOMR, which comprises the current underground mine and the Zondagsfontein West life extension project.

The colliery operates under several EMPrs, EAs and WULs. All the required environmental permits are in place for the operation. An amendment to the WUL has been submitted to license additional activities. Due to the inclusion of the Zondagsfontein West Project area in the LOM, an amendment to the current EMPr of Zibulo UG, to cover the underground workings and surface infrastructure, has been submitted to the DMRE and is awaiting approval.

The surface rights for Zibulo UG are currently owned by numerous different entities, including AAIC.

A purchase agreement has been concluded to secure surface rights for portion RE/11 of the farm Leeuwfontein 219 IR and is currently in the registration process. Subsequently, a purchase agreement has been concluded to secure portion RE/2 of the farm Zondagsfontein 253 IR, among others. The aforementioned portions are critical for the Zibulo life extension project.

Five land claims are registered over the Zibulo UG MR, which require either dismissal, gazetting, validation or approval by the RMSO. The claims do not impact the current underground mining.

There are currently no known impediments to tenure security.

EXPLORATION ACTIVITIES AND EXPENDITURE

Exploration activities for 2023 included 21 vertical cored, collar surveyed, standard downhole geophysical surveyed surface boreholes. Additional cover is by underground in-seam panel and directional non-core drilling ahead of mining faces.

Logging and sampling of the vertical cored boreholes are done as soon as possible after drilling to avoid deterioration of the coal core. The core is photographed and logging, sampling and analytical results captured in Minescape GDB, which includes validation processes during importing.

Coal samples collected during 2023 were sent to the SANAS-accredited laboratory, BV, based in Middelburg, Mpumalanga.

For 2024 the planned exploration expenditure is estimated at R16 million.

GEOLOGICAL SETTING AND MODELLING

Zibulo UG is located in the Witbank Coalfield where five coal seams are present. These consist of, from bottom, the No 1 Seam, sequentially to the No 5 Seam at the top, with inter-seam partings consisting of mainly siltstone and sandstone, with thicknesses ranging between 1m and 20m. The No 2 Seam is currently the only underground contributor to the colliery's export product.

Pre-Karoo paleo-highs influence the No 2 Seam thickness and elevation, particularly where the seam truncates against these paleo-highs.

The No 4 Seam and No 5 Seam are declared as RoMP and are considered to be economic Coal Resources for future mining, with the select No 4 Seam as a domestic product and the highly vitrinitic No 5 Seam as a possible metallurgical coal. However, the No 5 Seam potential is restricted by thickness, weathering and extensive sill influence.

Faulting is minimal across Zibulo UG except for the major graben structure in the north, striking east-west across the colliery. The graben consists of a series of sub-parallel faults with varying throws along strike. The graben was also intersected in the neighbouring underground workings of Khutala Colliery and has a magnetic signature clearly visible on the aeromagnetic survey. Five fence line patterns were drilled to better define the extent of the graben at Zibulo UG.

Dolerite intrusions and associated stringers occur throughout the area and large sills appear close to the surface affecting mostly the No 5 Seam.

The coal seams are modelled in the Datamine Minescape 3D modelling software, which uses set criteria with interpolators to construct the depositional coal seams environment together with the raw qualities as gridded surfaces, from the borehole information. Washability data is treated separately in the resource estimation process.

MINING ACTIVITIES

Zibulo UG is a bord and pillar operation targeting a selective mining horizon between 3.3m and 4.5m thick in the No 2 Seam. The current configuration comprises six conventional and two prime sections.

The operation is equipped with CMs, shuttle cars, feeder-breaker systems and conveyor belt systems. The UG infrastructure consists of a vertical shaft for transporting man and material, and an incline shaft for the conveyance of coal.

A graben in the north divides the reserve into two domains, the coal quality on either side is similar and both domains are scheduled to be mined.

The optimal LOM is estimated at eight years and is supported by a total ROM reserve base of 49.0Mt.

There are no Inferred Coal Resources included in the current underground colliery. A 25% Inferred Coal Resources in mine plan is included in the overall LOM with the inclusion of the Zondagsfontein West project in the total LOM. The Inferred Coal Resources in mine plan are envisaged to be mined from 2035 and an action plan is in place to reduce the percentage, before mining commences in the area.

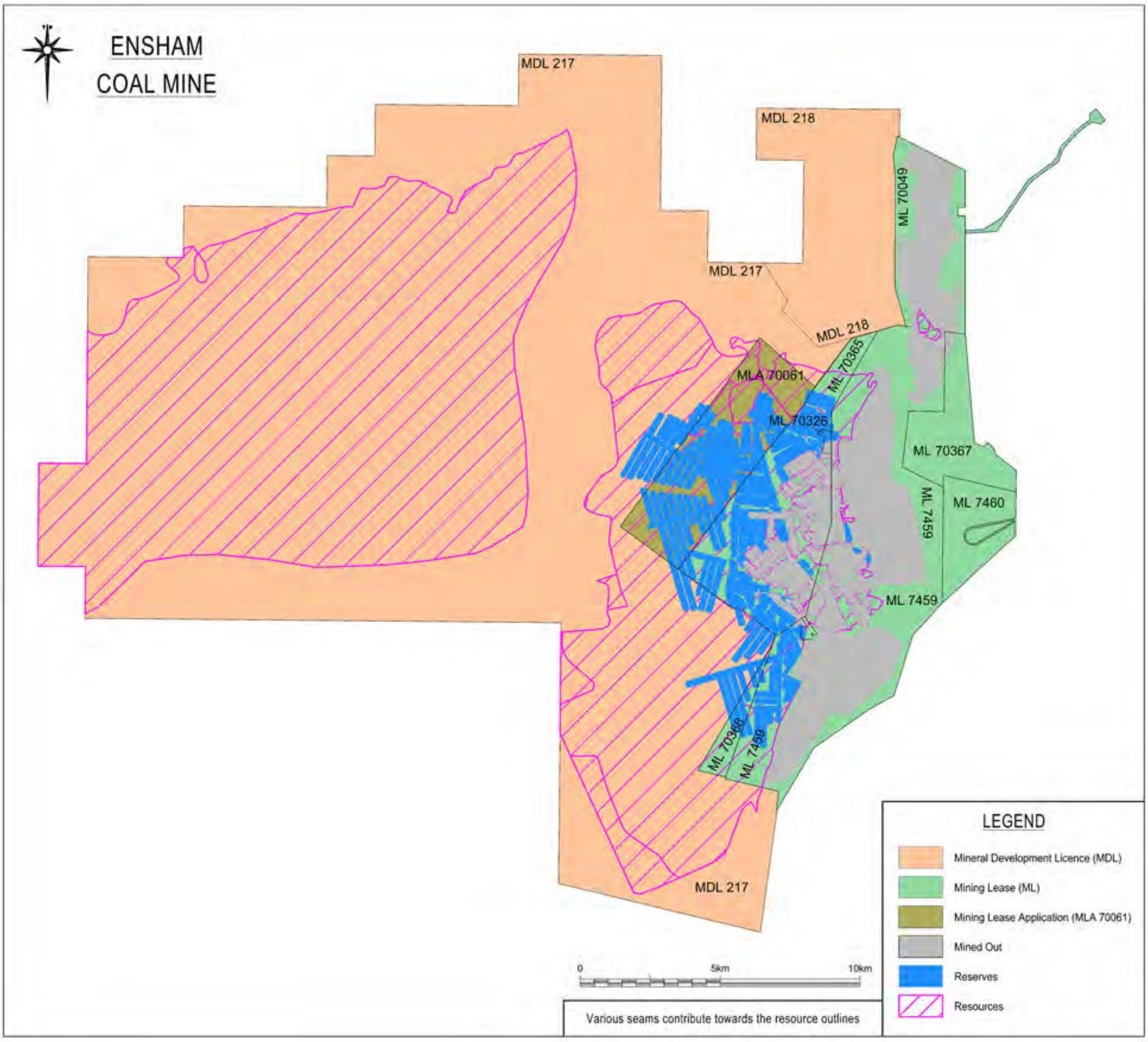
PRODUCTION AND COAL PROCESSING

The actual production ROM for Zibulo UG for 2023 is 4.7Mt, producing a combined saleable 6,000kcal/kg NAR export product and a 4,800kcal/kg NAR middlings export product.

The underground ROM coal is transported to the PCPP via a 16km long overland conveyor. The product coal from both the Zibulo OC and the Zibulo UG is loaded for export at the PCPP RLT and railed to the RBCT. The majority of the middlings coal is railed to the RBCT for blending with other coal products, with a small amount sold free on rail or free-on-truck to inland customers.

OVERVIEW OF ASSET – AUSTRALIA

ENSHAM



The Ensham Mine is the primary asset of the Ensham joint venture and comprises several tenements located within the western Bowen Basin in Queensland, Australia, approximately 40km northeast of the town Emerald and 200km west of Rockhampton. The mine is situated directly north of the Capricorn highway and the Central railway line.

Thungela acquired a majority interest in the Ensham Mine, through its wholly owned subsidiary, Thungela Resources Australia Proprietary Limited (Thungela Resources Australia). Thungela Resources Australia holds a controlling interest (73.5%) in Sungela Holdings Pty Ltd and its wholly owned subsidiary, Sungela Pty Ltd (Sungela). Sungela owns 85% of the Ensham Mine, through an unincorporated joint venture, with the remaining 15% owned by LX International.

Thungela assumed control of the operations on 1 September 2023.

The colliery consists of underground resources and reserves, with some opencast resources reported as well. Subject to some regulatory approvals, Ensham has a LOM through to 2039.

Open cut mining commenced in 1994, and currently there is one remaining pit on care and maintenance. The underground mining commenced in 2011 as a bord-and-pillar operation and a fifth production unit is being brought into operation.

LEGAL TENURE

The Ensham deposit comprises nine tenements, including seven mining leases and two mineral development licences (MDL).

Environmental approvals are in place for current operations which are within existing mining leases. Future underground operations are planned to extend into MDL217. Ensham has submitted a mining lease application to convert a portion of MDL217 into a mining lease to allow for the extension. The application process commenced in quarter one of 2020, with approval anticipated in 2025.

There are currently no known impediments to tenure security.

EXPLORATION ACTIVITIES AND EXPENDITURE

Exploration activities for 2023 included 13 vertical cored and 37 non-cored holes.

Drill cuttings and cored holes are logged and sampled. The core is photographed and where possible geophysical wireline logging of drillholes is routinely undertaken. Most lithological logging is adjusted to geophysics. The samples are analysed on a raw basis, with a small portion sent for float/sink analyses.

The drillhole spacing is deemed sufficient to define the areas of resource confidence. Geostatistical and classical statistical analysis is used to assist in determining the variability of the deposit.

2D seismic surveys were completed across the mine leases and MDL area. Seven 3D seismic surveys were undertaken over the target areas covering $39km^2$.

For 2024 the planned exploration expenditure is estimated at AUD9.6 million.

GEOLOGICAL SETTING AND MODELLING

Ensham is located in the south-central part of the Bowen Basin. The economic seams occur in the Rangal Coal Measures, which has an average thickness of 100m and a strike length of over 80km. The economic seams, contributing towards the reported resources and reserves, are the Aries and Castor with the Pollux seam included in the open cast resources. These seams have a typical economic thickness of 2m up to 6m. The Orion seam at the bottom of the package is considered uneconomical and is not reported.

The project area is bound in the east by the sub-crop on the Comet Ridge and in the west by depth. Normal faulting occurs throughout the deposit, ranging in throw from 2m to 20m. There are two principal orientation of faults, east-west and northwest-southeast.

The coal seams are modelled in the Maptek Vulcan V2023.4.3D geological modelling software, using both grid and block modelling techniques.

MINING ACTIVITIES

Ensham is an underground bord and pillar operating colliery, with five production units mining the coalesced Aries and Castor seams. Surface infrastructure is in place to support the operation at the current production levels.

The Aries-Castor Seam is typically 5m to 6m thick over most of the underground area, thinning to less than 3m in the west where the seams splits come in. The depth of cover in the reserve area ranges from less than 50m in the mined-out south eastern portion of the mine to over 200m in the west.

Mining equipment used underground includes CMs, shuttle cars, mobile bolters and a series of conveyor systems.

The orientation of the workings determines to a large extent the orientation of the panels and the overall mine layout. The underground workings are accessed through drifts from the final voids of the opencast.

Within the MDL boundary, the proved reserves were downgraded to probable reserves to reflect the necessity for mining lease approval prior to extracting the Coal Reserves.

The LOM is estimated at 16 years with the total ROM reserves at 66.6Mt. There are no Inferred Coal Resources in the mine plan.

PRODUCTION AND COAL PROCESSING

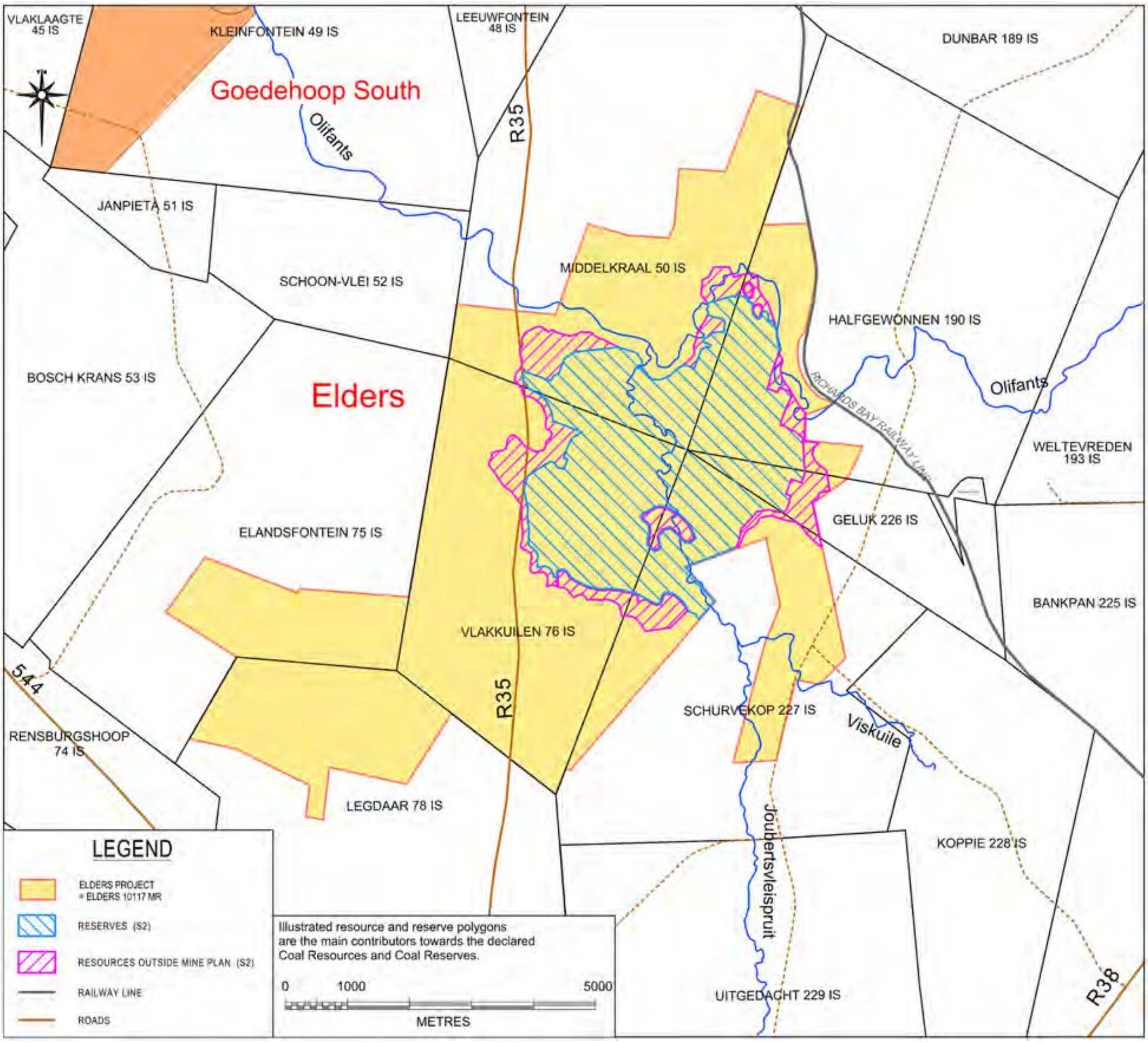
The total production for Ensham in 2023 was 2.9Mt ROM.

The coal is not washed, but removed from underground via a conveyor belt, crushed and sized in a coal handling plant and transported via rail to the Port of Gladstone, 340km from the Ensham Mine, for shipping as an export product. A product yield of a 100% is assumed and is considered representative of the remaining deposit.

There are no mine tailings as there is no coal washing process.

OVERVIEW OF ASSET PROJECTS – SOUTH AFRICA

ELDERS



The Elders project revised feasibility study (FS), covering the extraction of both the No 4 Seam and No 2 Seam, was completed in June 2022. Following this, the project was approved by the Thungela board in August 2022.

The Elders project area is located approximately 60km south of the town of Middelburg in the Mpumalanga province of South Africa.

Within the Elders MR, three distinct domains exist, with a far north opencast domain (not reported since not in line with the strategy for underground mining), the central underground domain (resources and reserves reported) and the southwest underground domain (not reported due to the impact of transgressive sills compartmentalising and devolatilising the coal seams).

The focused project area is the underground central area, with the economic target being the No 4 Seam and No 2 Seam, of which the No 2 Seam has the better quality.

The declared resources and reserves in this report are made up of these two economic seams.

The project area is constrained by the MR boundary, a railway line to the northeast, a paleo-high truncating the seams in the south and southeast as well as sub-crops in the north and west due to the pre-Karoo topography.

The Olifants River and Viskuile River flow through the north and centre of the study area and an extensive wetland is present in the area. The 1:100-year flood line of the rivers cuts across the planned mining areas.

LEGAL TENURE

TOPL holds one MR that was granted in terms of section 23(1) of the MPRDA in April 2018, under DMRE reference number MP 30/5/1/2/2/10117 MR ('the mining right').

The mining right and section 11 to cede the mining right to AAIC was executed in July 2020. The executed mining right and section 11 were simultaneously lodged at the Mining Titles Office for registration purposes.

A sale of a portion of the mining right and a property agreement were concluded with Sudor for Portion 5 of the farm Middelkraal 50 IS and Portion of Portion RE of the farm Middelkraal 50 IS (also known as Pit 4). Subsequently, a tripartite agreement was concluded with Umcebo for the aforementioned portions and a section 102 application will be submitted to the DMRE early in 2024 to abandon the portions in favour of Umcebo.

AAIC currently owns approximately 3,500ha of the total surface rights relating to the approved mining right area. The surface rights owned by AAIC sufficiently cover the planned surface infrastructure to facilitate the planned mining operations. Therefore, no additional surface rights will be acquired for the project.

The Elders project has two approved WULs and two EAs and EMPrs.

Four land claims are under investigation and registered with the Regional Land Claims Commissioner.

There are currently no known impediments to tenure security.

The surface rights are owned by a number of different entities, the majority of which are owned by AAIC and leased to various tenants.

EXPLORATION ACTIVITIES AND EXPENDITURE

Exploration activities for 2023 included seven vertical cored and collar surveyed boreholes.

Logging and sampling of the vertical cored boreholes is done as soon as possible after drilling, to avoid deterioration of the coal core. The core is photographed and logging, sampling and analytical results are uploaded to Minescape GDB, which includes validation processes during importing.

No exploration is planned for 2024.

GEOLOGICAL SETTING AND MODELLING

Elders is located close to the northern margin of the Highveld Coalfield where five coal seams are present. These consist of, from bottom, the No 1 Seam, sequentially to the No 5 Seam at the top, with the No 4 Seam and No 2 Seam declared as Coal Resources and Coal Reserves.

No faulting was detected during exploration drilling. However, dolerite intrusives were identified on two aeromagnetic surveys and a high resolution SkyTEM survey and results from the geophysics survey tool, the MagSQUID. Boreholes have confirmed some of these features and where the sills are close to the coal seams devolatilisation and/or burning may be evident.

The coal seams are modelled in the Datamine Minescape 3D modelling software which uses pre-defined criteria with interpolators to construct the coal seam model, with estimates of raw qualities as gridded surfaces from borehole information. Washability data for each coal seam is utilised separately in the resource estimation process.

MINING ACTIVITIES

The mine will be an underground bord and pillar operation using primarily CMs. Access to the underground workings is via a boxcut with portals onto the No 2 Seam and No 4 Seam horizons. The mining operation will mine the No 2 Seam first, followed by the No 4 Seam.

The mine is designed with production from three (during ramp-up) to five (at full production) CM sections during the different phases.

Construction on site commenced in quarter four of 2022, with the establishment of a site office and the initial phase of the boxcut development.

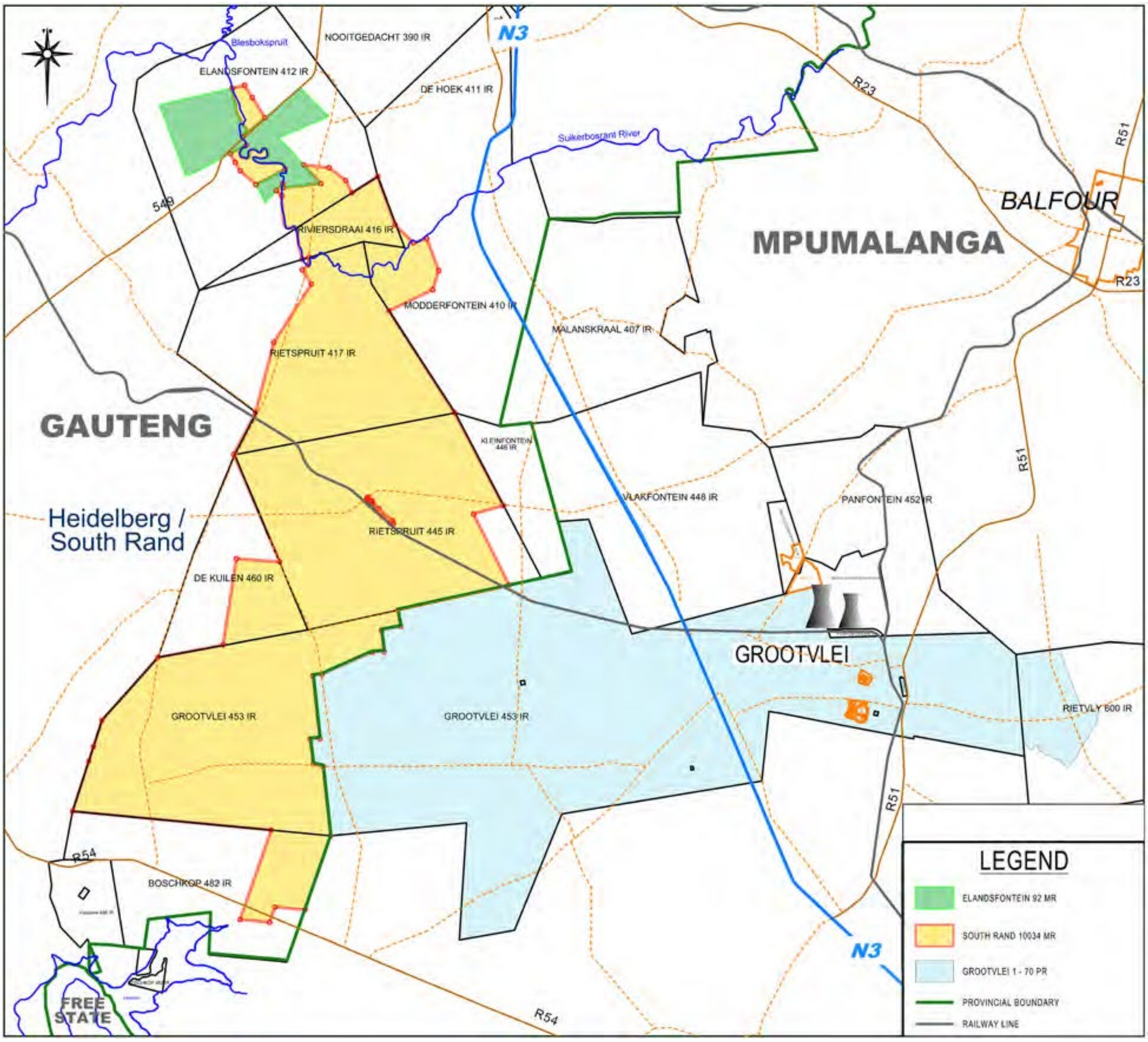
The LOM is estimated at 24 years (for both the No 2 Seam and No 4 Seam) and is supported by a ROM reserve base of 80.9Mt, with first coal planned during first quarter 2024. Only 1% of the LOM plan is derived from Inferred Coal Resources (equivalent to 0.7Mt reserves).

PRODUCTION AND COAL PROCESSING

The mine will produce around 3.5Mtpa, peaking at 4.2Mtpa ROM over the LOM. A 5,700kcal/kg NAR single product, from the No 2 Seam is earmarked for the export market, with a changeover to a domestic product of 4,500kcal/kg NAR, from the No 4 Seam, for the local market.

Coal from the colliery will be transported by road and processed at the existing third-party-owned and operated CHPP at Goedehoop South, approximately 23km from Elders.

SOUTH RAND



The South Rand project is part of a disposal process with the transfer of the granted MR, a pending MR and also the pending renewal PR. RoMP will be declared until the transaction is complete.

The South Rand project area is divided into two portions. The northern portion, named the Heidelberg Project area, and the Balance Project area, which is situated to the south of the Heidelberg Project. The project area is bounded to the north by an east-west trending paleo-high, which divides the two project areas. The Heidelberg Project is situated in the Gauteng province and the South Rand Balance Project area is situated in both the Gauteng and Mpumalanga provinces.

South Rand is owned by AAIC.

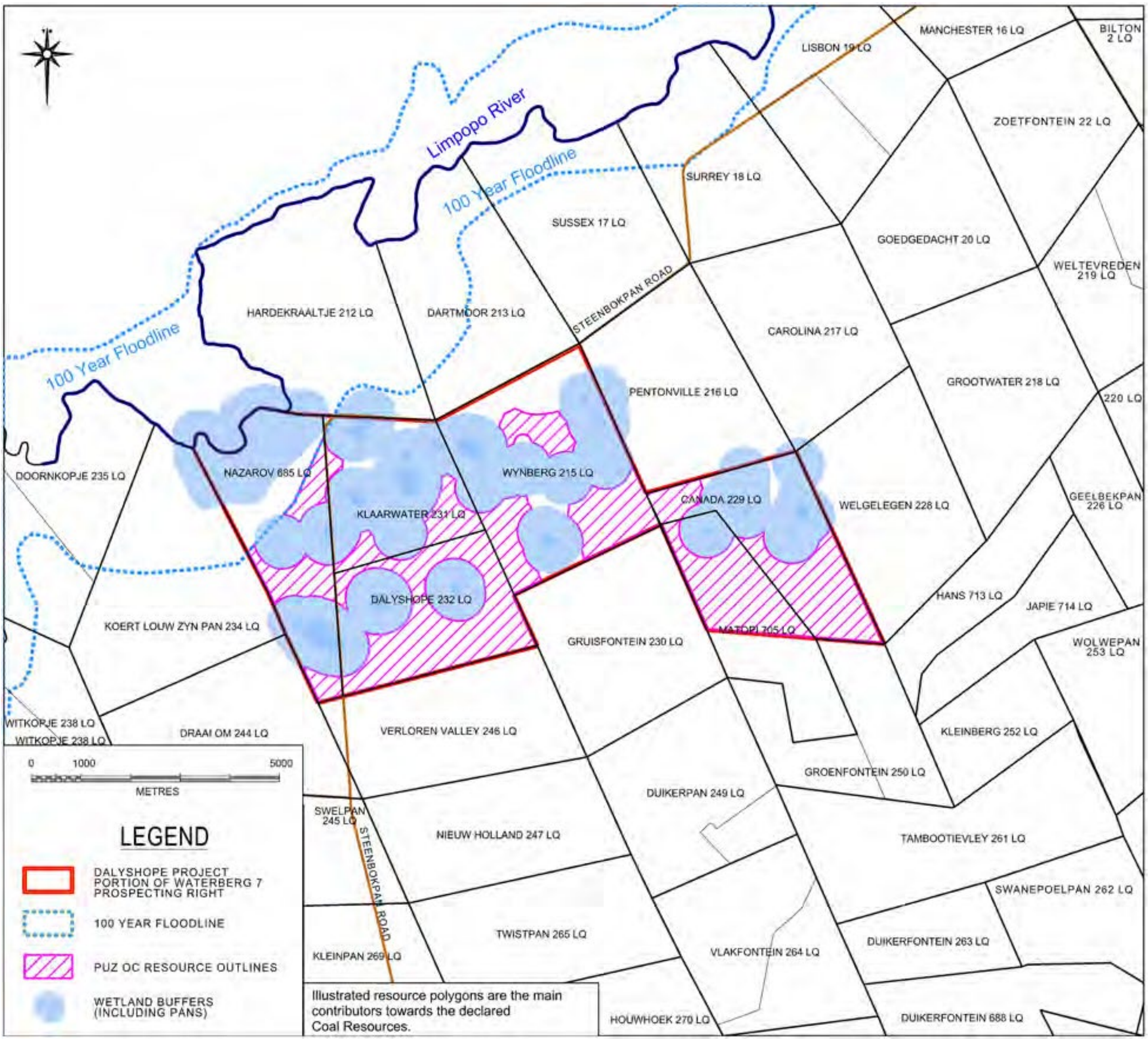
South Rand holds one granted MR (92 MR), one pending MR (10034 MR) and one pending renewal PR (70PR).

The area is well drilled with cored boreholes, quality analyses of the different coal seams and downhole geophysical surveys since the 2009 exploration programme. Exploration activities ceased at the end of 2013.

South Rand is located in the South Rand Coalfield and is structurally complex as a result of dolerite intrusions and faults.

The No 2 Seam is the main seam, with a select portion of the No 2 Seam, called the SM3, declared as Coal Resources.

WATERBERG COAL



The Waterberg project comprises six farms, collectively known as Dalyshope. It is a coal development project located close to the Botswana border, 55km northwest of the town of Lephalale in the Limpopo province.

Dalyshope is the main study area and does not include the other scattered areas which are part of the PR.

Dalyshope consists of two basic coal deposit types, i.e. the upper multiple seam coal deposit type (typical of the Waterberg Coalfield) and the lower thick interbedded seam coal deposit-type (typical of the Witbank and Highveld Coalfields). Both these coal deposit-types constitute the declared Coal Resources.

Dalyshope is constrained by the PR boundary and the 1:100-year flood line of the Limpopo River, which traverses the northwest corner of Dalyshope. A number of pristine pans, with high environmental sensitivity, are found across Dalyshope and the legal 500m buffer zones were added to the exclusion zones of the potential opencast portion of the resource.

LEGAL TENURE

The Waterberg project holds two converted PRs.

The Waterberg 5 PR pertains to the nearby farm Boompan 237LQ and other more distant farms, none of which are included in this report.

The Waterberg 7 PR consists of the Dalyshope study area and isolated farms. The isolated farms are not included in this report.

Both PRs have been renewed the permissible number of times and have now expired. However, a mining rights application (MRA) covering both PRs was accepted by the DMRE in 2020 and a decision is currently pending. Thungela may thus continue with prospecting activities unless the MRA is denied.

Various authorisations and licences were applied for in 2020 in support of the proposed mining operations, including an EA, a WML and a WUL as well as a Tree Permit. All these applications await approval.

There are no known land claims or other impediments to tenure security on the Dalyshope study area.

The surface rights are owned by different entities. TOPL owns the surface rights of the farms covering the declared resources. Operations on any of the other farms would need surface rights to be acquired.

EXPLORATION ACTIVITIES AND EXPENDITURE

Exploration activities performed by Anglo American Coal South Africa (ceased in 2015) included vertical cored, collar surveyed, surface boreholes and an aeromagnetic survey, as well as a 2D seismic survey. The majority of boreholes possess standard downhole geophysics data. The downhole geophysics are required to accurately correlate the coal zones and interbeds, and establish the correct sampling intervals.

Logging and sampling of the vertical cored boreholes are done as soon as possible after drilling to avoid deterioration of the coal core. The core is photographed and logging, sampling and analytical results captured in Datamine GDB, which includes validation processes during importing of data.

Exploration resumed in December 2019, and is managed under contract by Universal Coal Development IV Proprietary Limited (UCD). Exploration activities include surface drilling, downhole geophysics, geotechnical drilling and large diameter drilling.

Coal samples are sent to SANAS-accredited laboratories.

For 2024, there is no planned exploration expenditure.

GEOLOGICAL SETTING AND MODELLING

The Dalyshope study area is located close to the southwestern edge of the Waterberg Coalfield, within the Ellisras Basin.

At Dalyshope, the coal is found in the upper Grootegeluk Formation and the lower Goedgedacht Formation of the Ecca Group.

The interbedded Grootegeluk Formation is divided into the Prime Zone and the underlying Transition Zone. Coal Resources are derived from the Prime Zone.

The Goedgedacht Formation contains coal seams similar to the Witbank Coalfields. Three seams, ES1 Seam, ES2 Seam and ES3 Seam, are identified in the Dalyshope area, with the ES2 Seam being the target seam.

Several small displacement faults have been inferred by 2D seismic lines surveys in the southern portion of the Dalyshope area. Another anomaly in the north was identified by the low-resolution aeromagnetic survey and 2D seismic line, but no abnormal features were intersected by closely spaced boreholes drilled to target the anomaly. No dolerite intrusions have been intersected in any of the boreholes. The coal seams are modelled in the Datamine Minescape 3D modelling software which uses pre-defined criteria with interpolators to construct the coal seam model, with estimates of raw qualities as gridded surfaces from borehole information. Washability data is utilised to determine the percentage of a 1.8 cutpoint density product.

STUDIES RELATED TO MINING AND COAL PROCESSING

TOPL signed a farm-out agreement with UCD on 3 March 2020 over the Dalyshope project area. In terms of the agreement, UCD is appointed as contractor to conduct and fund the continuation of prospecting activities over Dalyshope, where for a minimum expenditure UCD can earn an agreed participating interest in the project.

Certain conditions are in place that must be met before UCD can earn the participating interest.

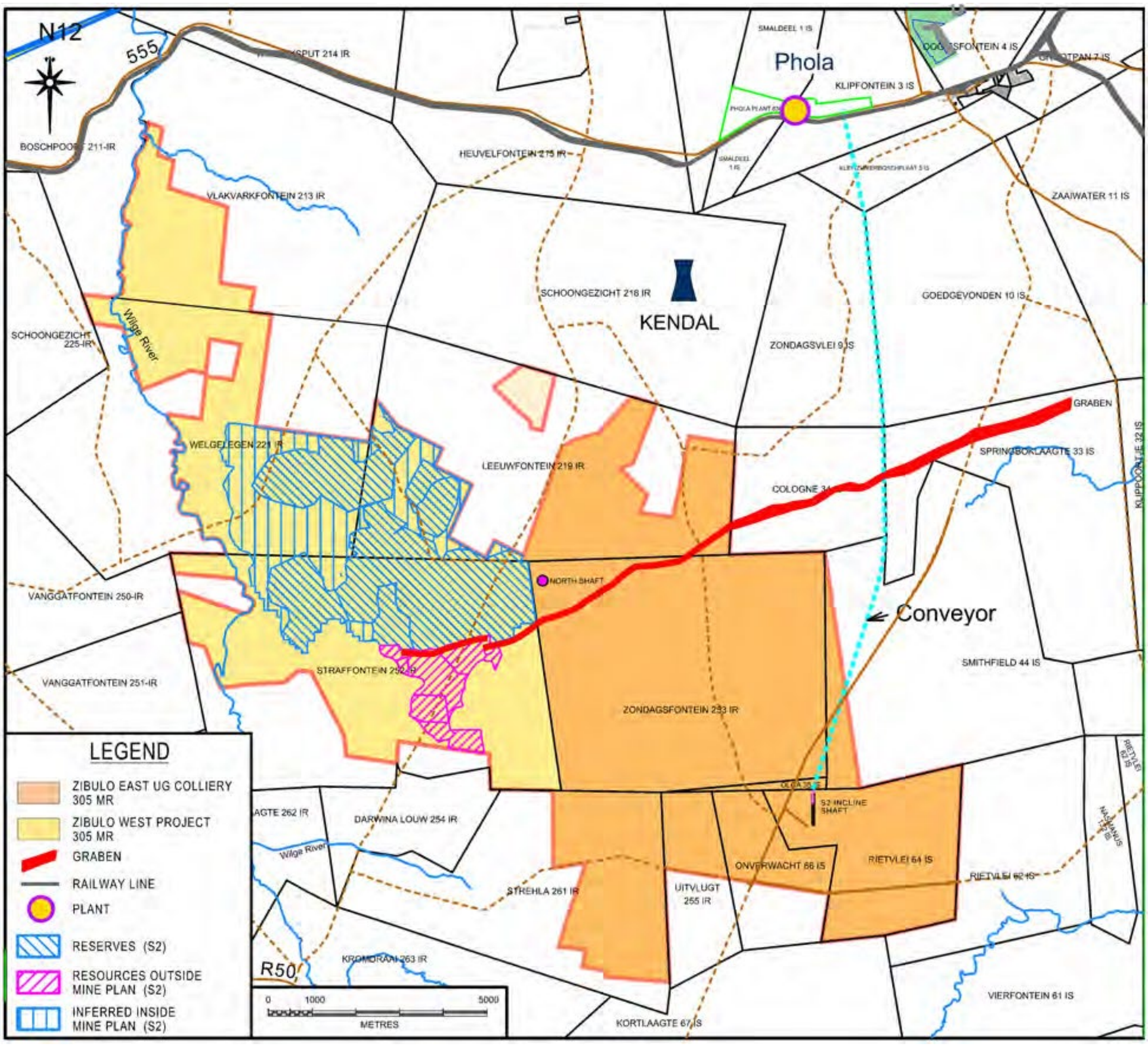
Various studies have been undertaken or are in progress to develop an appropriate exploitation plan. This work is managed by UCD, as part of the agreement.

The current plan envisages four open pits, but only two pits have been tentatively scheduled.

With borehole data being reviewed for the plant design parameters, a modular cyclone plant is under consideration to produce an export and domestic product.

A preliminary geotechnical assessment focused on civil aspects and studies is underway regarding the preparation of the block plan and layout. This is further supported by the associated mechanical, electrical and instrumentation designs and requirements. Water is planned to be sourced from multiple potential sources which may include the Gas Project (located in the northern part of the Coalfield) or the Mokolo and Crocodile River (West) water augmentation project. The respective pipeline routes are to be determined.

ZONDAGSFONTEIN WEST



Zondagsfontein West (ZFNW) project is an underground life extension project to the current Zibulo UG operation, with the North Shaft FS concluded in September 2022 and audited/reviewed in October 2022. The project was submitted for board consideration in 2023 and approved.

ZFNW forms part of the Zibulo Colliery, which includes the Zibulo OC operation situated 3km north of Ogies and the UG bord and pillar operation situated 16km southwest of Ogies. The project area is located approximately 90km east of Johannesburg, in the Mpumalanga province of South Africa.

The Zibulo MRs are owned by AAIC.

The Zibulo UG operation started in the southeast portion of the MR and is developing northwards, with plans to cross the graben structure (refer to the Zibulo overview) and then mine north of the graben, whereafter it is expected to expand into the ZFNW project area.

ZFNW is constrained by the MR boundary, the current Zibulo UG LOM in the east, and the Wilge River as part of the MR boundary in the west. Subcrops and pinch-outs against paleo-highs also restrict the resource base.

LEGAL TENURE

Zibulo UG holds one granted and executed NOMR, which comprises the current underground mine and also includes the ZFNW life extension project.

During the FS phase, an amendment to the current EMPr of Zibulo UG to cover the underground workings and surface infrastructure for the project was submitted to the DMRE and approval was obtained in May 2023.

Five land claims are registered over Zibulo UG MR which require either dismissal, gazetting, validation or approval by the RMSO. The claims do not impact the FS.

There are currently no known impediments to tenure security.

The surface rights for the Zibulo Colliery are currently owned by numerous different entities including AAIC.

A purchase agreement has been concluded to secure surface rights for portion RE/11 of the farm Leeuwfontein 219 IR and is currently in the registration process. Subsequently a purchase agreement has been concluded to secure portion RE/2 of the farm Zondagsfontein 253 IR, among others.

EXPLORATION ACTIVITIES AND EXPENDITURE

No exploration activities occurred during 2023.

The planned exploration expenditure for 2024 is incorporated in the Zibulo UG estimated expenditure of R16 million.

GEOLOGICAL SETTING AND MODELLING

ZFNW is located towards the western edge of the Witbank Coalfield where five coal seams are present. These consist of, from bottom, the No 1 Seam, sequentially to the No 5 Seam at the top, with inter-seam partings consisting of mainly siltstone and sandstone. The No 2 Seam is currently the only contributor to the declared UG Coal Resources. No opencast Coal Resources are declared at present.

Pre-Karoo paleo-highs influence the No 2 Seam thickness and coal qualities, where the seam is truncated against these paleo-highs. A paleo-valley is also evident in the west.

Faulting is expected to be minimal except for the area adjacent to the graben structure. The magnetic signature of the graben, clearly visible on the aeromagnetic survey at Zibulo UG, disappears in the west. Since no significant displacement has been identified by the drilling, it is assumed that the effect of the graben tails off to the southwest of the study area.

Dolerite intrusions and associated stringers, with minimal effect on the coal seams, occur at Zibulo UG and it is anticipated that these will continue in the ZFNW study area. Several dykes have been interpreted from the aeromagnetic survey. Based on experience from Zibulo UG, these are likely to be Pre-Karoo in age and would have no impact on the coal seams.

The coal seams are modelled in the Datamine Minescape 3D modelling software which uses pre-defined criteria with interpolators to construct the coal seam model, with estimates of raw qualities as gridded surfaces from borehole information. Washability data for each coal seam is utilised separately in the resource estimation process.

MINING ACTIVITIES

An underground bord and pillar operation using CMs, similar to the Zibulo UG operation, is planned. Construction of a new access shaft north of the graben, in the Zibulo UG mining area, and an overland conveyor to tie into the current Zibulo UG overland conveyor are anticipated.

All surface and underground access infrastructure for the planned mining operation were finalised during the FS.

The LOM for the extension is estimated at 16 years with the planned start of shaft bottom development in the north towards the west envisaged for 2025, and increase to at least 4.0Mtpa by 2029. There will be a simultaneous ramp-down in the Zibulo UG reserves from 2028.

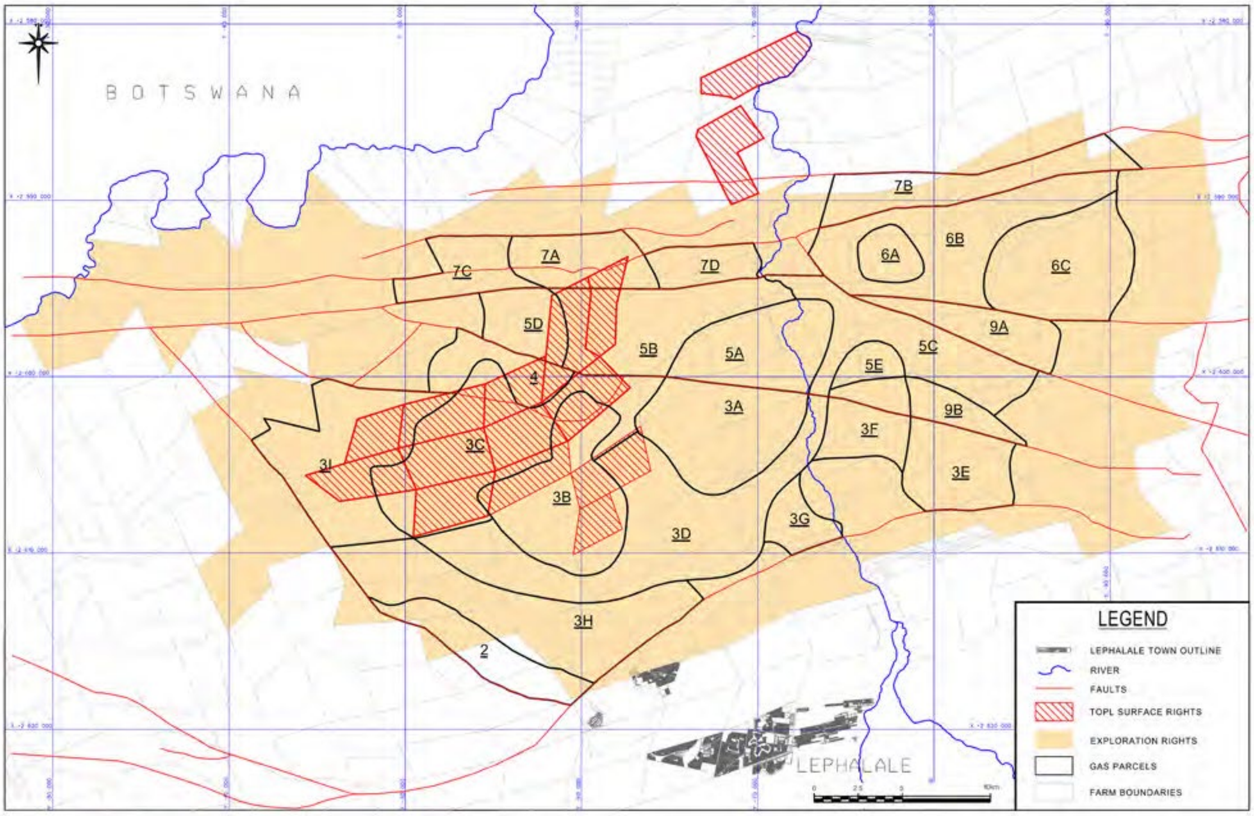
The LOM is supported by a total ROM reserve base of 85.1Mt, with a 33% Inferred Coal Resources in mine plan (equivalent to 28.1Mt reserves), included in the overall LOM. The Inferred Coal Resources in mine plan is envisaged to be mined from 2035, and an action plan is in place to reduce the percentage before mining commences in the area.

PRODUCTION AND COAL PROCESSING

ROM production is expected to peak at 8.4Mtpa, which is equivalent to the plant capacity. A 6,000kcal/kg NAR from the No 2 Seam is in line with the Zibulo UG export product, with the remainder of the coal producing a product for the domestic market.

Coal processing is scheduled to occur through the PCPP, which will have spare capacity due to the expected closure of the Zibulo OC in the next four years.

LEPHALALE COAL BED METHANE



The Lephalale coal bed methane (LCBM) project is in the northwest of the Limpopo province close to the Botswana border. The project covers a resource area of 83,400ha in the centre of the Waterberg Coalfields and is near the town of Lephalale.

Thungela holds an exploration right, which covers a total area of approximately 134,000ha, and owns approximately 12,500ha of surface rights within the exploration right footprint.

The prospective coal formation in the Waterberg Basin is confined to the Grootegeluk or Beaufort No 1 Seam (BS1) formation. Faulting occurs throughout the basin affecting and compartmentalising the coal material and underlying basement.

Thungela has gathered degasification and permeability data from 85 cored holes and 31 percussion holes throughout the area. An additional 5-well pilot production test site has been operational for a ten-year period resulting in valuable historical production data.

Advanced Resource International Inc. has independently conducted an assessment on the gas-in-place (GIP) and recoverable resources for the project. All the resource definitions and estimations presented in this report are in accordance with the Petroleum Resource Management System (PRMS) classifications and definitions. The resource assessment was constrained to 25 parcels covering priority areas for development within the LCBM rights owned by Thungela.

The resources are classified as contingent resources with an assigned maturity level of 'development pending'. Based on the level of certainty, the contingent resources are categorised as 2C resources, meaning that there is at least a 50% probability (P50) that the quantities recovered will equal or exceed the resources defined in the four different well spacing cases (16.2, 24.3. 32.4 and 40.5 hectare spaces requested by TOPL).

Total GIP (Tscf) = 3.54

Based on the PRMS, the resource attributable to the LCBM project is classified as 2C Contingent Resources and ranges between 725.5Bscf and 1,569.3Bscf, depending on the selected field development plan.

ESTIMATED COAL RESOURCES AND COAL RESERVES STATEMENT

CLASSIFICATION AND ESTIMATION OF COAL RESOURCES AND COAL RESERVES

Coal Resource classification for the South African assets is based on the South African guide to the systematic evaluation of coal exploration results, Coal Resources and Coal Reserves (SANS10320:2020) and outlined in the SAMREC Code, which classifies Coal Resources into categories (Reconnaissance, Inferred, Indicated and Measured) on a function of increasing geological confidence in the estimate and is based on the density of points of observation, physical continuity of the coals seams and the distributions of coal qualities. Coal Resources at the Group's South African based operations and projects exceed the minimum drillhole density criteria outlined in SANS 10320:2020. Other geological parameters considered include seam depth, seam thickness and structural features (faults, dykes, sills, paleo-highs etc.). For the South African operations producing a saleable export product, cored drill holes with sampled and analysed washability data points of observations are used to define the resource classification category for each seam individually.

For the Australian Ensham Mine, Coal Resources are classified according to the guidelines in the JORC Code. To determine optimal ranges for each category, statistical analysis was conducted on each seam included in the resource. Variables with most influence on the resource estimate are the seam thickness and raw ash. A single set of ranges for both structure and coal quality were determined across the underground working section. Geostatistical studies support the distances used.

All Coal Resources must have reasonable prospects for eventual economic extraction (RPEEE). Typically, the term "eventual" refers to a period of up to 50 years. Other parameters to consider include, but are not limited to, legal tenure and regulatory compliance (particularly environmental compliance), cultural and socio-political aspects, engineering parameters including mining methods and geotechnical considerations, marketing and commercial (including economic) assumptions and infrastructure development requirements.

Geological factors applied during the Coal Resource estimation process are similar for most of the operations/projects where Coal Resources are declared. They include, but are not limited to, minimum/maximum seam thickness cutoffs, maximum raw ash percentage, coal qualities (e.g. calorific value, volatiles, sulphur), overburden ratio limits (opencast), depth below surface limits (underground), exclusion zones due to areas of structural complexity and/or igneous intrusions and geological loss percentages which reflect the confidence in the resource estimate.

The South African Coal Resource estimates are derived from resource models, built in the 3D geological modelling software Minescape, a Datamine product. The resource models are reviewed internally every year. For the 2023 reporting cycle, the resources estimates for most operations are on a first principle report basis, resulting from a re-evaluation of the Coal Resources, except for Khwezela North where estimations are based on depletion.

The Ensham Coal Resource estimate is derived from a resource grid and block model, built in the 3D geological modelling package, Vulcan V2023.4, a Maptek product. For the 2023 reporting cycle, the resource estimate is on a first principle report basis, resulting from a re-evaluation of the Coal Resource. The resource estimates were managed and are signed off by Measured Group (Pty) Ltd (Measured Group).

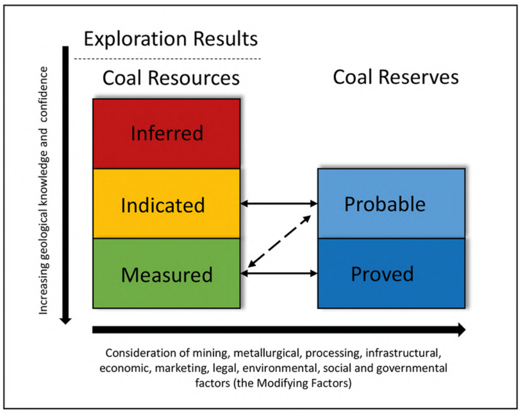
Coal Reserves are classified as either Proved or Probable Coal Reserves dependent upon the Coal Resource classification included in the Coal Reserves, along with other factors of uncertainty pertaining to accessing the reserves.

Modifying factors used to convert Coal Resource estimates to Coal Reserve (ROM and saleable) estimates include, but are not limited to, mining method, mining loss, mining extraction, practical mining heights, contamination/dilution, overall mining recovery, wash plant factors, surface moisture (correction factor), and commodity prices, among other financial parameters. Application of the modifying factors should create a reasonable schedule of the expected performance on a ROM and a saleable coal product basis. The modifying factors for each South African operation are signed off by the relevant responsible persons and this provides assurance that all factors are appropriate. The modifying factors are tracked and reconciled to ensure accurate estimations of Coal Reserves.

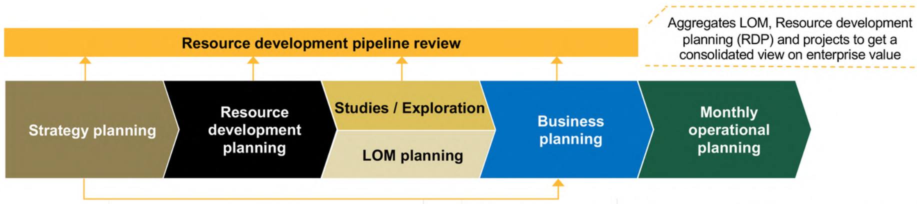
The South African Coal Reserve estimates are derived from a mining model scheduled in the scheduling software package XPAC, an RPM product. For the 2023 reporting cycle, estimations for most operations are on a first principle reporting basis, resulting from a re-evaluation of the Coal Reserves, except for Khwezela North where estimations are based on depletion.

The Ensham Coal Reserve estimates are derived from a mining model scheduled in the software package Deswik, which is part of the Sandvik Mining and Rock Solution business area. The Coal Reserve estimate is by depletion resulting from underground mining operations between the previous 2021 reserve estimate and at 31 December 2023. The reserve estimates were managed and are signed off by Measured Group.

The figure in the illustration shows the relationship between Exploration Results, Coal Resources and Coal Reserves and sets out the framework for classifying tonnage and quality estimates as outlined in the SAMREC Code and the JORC Code.



The following flow chart illustrates the complete planning cycle and the LOM plan forms the basis for reporting reserves from first principle:



	Purpose	Planning Level	Horizon	Frequency	Lead
Strategy planning	• ***Formulates*** the overall company strategy • **Sets the framework** for all other plans	Thungela	Unlimited	Yearly	EXCO
Resource development planning	• ***Identifies full potential*** of resource value • ***Outlines path*** to reach full resource value	Asset	Asset Life	3 Years Cycle	Operation
Studies / Exploration	• ***Investigates value-add-options*** in detail • ***Establishes roadmap*** for implementation	Asset	Depending on Asset	Ongoing	Projects
Life of mine planning	• Describes plan on ***how to exploit*** resource • Contains all ***approved projects and options*** • Basis of ***reserves Reporting***	Asset	Asset Life	Yearly	Operation
Business planning	• Translates LOM into ***detailed 2-year plan*** • Becomes the ***main benchmark for execution***	Asset	2 years	Yearly	Operation
Monthly operational planning	• Translates BP into **short-term plan** (monthly) • Allows **re-forecasting** using actuals	Asset	18 months	Monthly	Operation
Resource development pipeline review	• Aggregates LOM, RDP and projects to get a **consolidated view** on enterprise value	Thungela	Asset Life	Yearly (Trade Configuration)	Mine Planning

Risks that could result in a material change of the Coal Resources or Coal Reserves are also assessed and quantified. The main Coal Reserve risks for the South African operations are the South African rand coal price for the product together with the rail capacity constraints. There are limited Coal Resource risks due to the conservative approach Thungela takes in environmentally sensitive areas.

ESTIMATED GAS RESOURCES STATEMENT

The reporting of Gas Resources in South Africa is in accordance with the SAMOG Code, providing the basis for minimum disclosure. The SAMOG Code adopted the classification principles of the PRMS and the Canadian Oil and Gas Evaluation Handbook.

The evaluation and disclosure of Gas Resources must be prepared by a qualified reserves evaluator (QRE), who is conversant with the content of the SAMOG Code.

The SAMOG Code definition for the project, defined as coal bed methane, means natural gas, primarily made up of methane, contained in coal deposits. The disclosed 2C Contingent Resources classification can be described in terms of certainty and maturity. Based on the level of certainty, 2C Contingent Resources corresponds to P50, which means it has at least a 50% probability (P50) that the quantities recovered will equal or exceed the resources defined in each of the four well spacing cases. The maturity level assigned to these resources is "Development Pending" and the PRMS describes this maturity level as a "discovered accumulation where project activities are ongoing to justify commercial development in the foreseeable future".

COAL RESERVES[1] SOUTH AFRICA

At 31 December 2023

	Ownership %	Life (years)	Mining method	Classification	2023 ROM tonnes[2] Mt	2023 Yield[3] ROM %	2023 Saleable tonnes[2] Mt	2023 Saleable qualities[4] kcal/kg	2022 ROM tonnes[2] Mt	2022 Yield[3] ROM %	2022 Saleable tonnes[2] Mt	2022 Saleable qualities[4] kcal/kg
Goedehoop	100	2	UG									
Thermal (Export)				Proved	6.4	46.8	3.0	6,190	11.7	47.7	5.4	6,080
				Probable	0.2	46.3	0.1	6,190	0.4	43.6	0.2	6,100
				Total	6.6	46.8	3.1	6,190	12.1	47.5	5.6	6,080
Greenside	100	5	UG									
Thermal (Export)				Proved	15.0	56.2	8.3	6,300	15.9	58.6	9.3	6,320
				Probable	2.1	45.7	1.0	6,320	0.9	42.2	0.4	6,390
				Total	17.2	54.9	9.2	6,300	16.8	57.7	9.7	6,320
Isibonelo	100	2	OC									
Synfuel				Proved	7.4	100.0	7.4	4,820	12.6	100.0	12.6	4,820
				Probable	—	—	—	—	0.0	0.0	0.0	0
				Total	7.4	100.0	7.4	4,820	12.6	100.0	12.6	4,820
Khwezela North	100	6	OC									
Thermal (Export)				Proved	26.4	44.3	11.5	6,040	29.2	51.0	12.6	6,040
				Probable	2.1	35.0	0.7	6,040	2.1	42.5	0.7	6,050
				Total	28.5	43.6	12.2	6,040	31.3	50.4	13.3	6,040
Mafube	50	20	OC									
Thermal (Export)				Proved	82.6	65.3	46.9	5,320	80.6	65.0	44.2	5,260
				Probable	32.1	64.2	20.6	5,370	40.8	64.7	25.6	5,300
				Total	114.7	65.0	67.5	5,330	121.4	64.9	69.8	5,270
Thermal (Domestic)				Proved		100.0	9.7	4,470		100.0	12.7	4,470
				Probable		100.0	0.6	4,520		100.0	1.2	4,520
				Total		100.0	10.3	4,470				
Rietvlei	34	8	OC									
Thermal (Domestic)				Proved	20.9	78.1	16.3	5,510	10.0	60.0	5.3	5,850
				Probable	2.5	78.1	1.9	5,510	—	—	—	—
				Total	23.4	78.1	18.2	5,510	10.0	60.0	5.3	5,850
Zibulo	100	8										
Thermal (Export)			UG	Proved	24.7	64.4	16.0	5,560	36.0	65.5	23.4	5,710
				Probable	24.3	69.7	17.0	5,600	21.2	65.3	13.7	5,790
				Total	49.0	67.0	32.9	5,580	57.2	65.4	37.1	5,740
Thermal (Domestic)			UG	Proved		—	—	—		0	0	0
				Probable		—	—	—		0	0	0
				Total		—	—	—		0.0	0	0
Thermal (Export)			OC	Proved	2.4	77.1	1.8	5,730	5.0	78.8	3.7	5,690
				Probable					—	—	—	—
				Total	2.4	77.1	1.8	5,720	5.0	78.8	3.7	5,690
Thermal (Domestic)			OC	Proved		—	—	—		0.0	0.0	0
				Probable		—	—	—		—	—	—
				Total		—	—	—		0.0	0.0	0
Total	73											
Thermal (Export)				Proved	185.8	61.1	87.5	5,590	201.0	62.3	98.6	5,630
				Probable	63.2	65.5	39.4	5,510	65.4	64.2	40.6	5,490
				Total	249.2	62.5	126.9	5,570	266.4	62.9	139.2	5,590
Total	40											
Thermal (Domestic)				Proved		86.3	26.0	5,120		88.2	18.0	4,880
				Probable		83.3	2.5	5,280		38.7	1.2	4,520
				Total		86.0	28.5	5,130		85.1	19.2	4,860
Total	100											
Synfuel				Proved		100.0	7.4	4,820		100.0	12.6	4,820
				Probable		—	—	—		0.0	0.0	0
				Total		100.0	7.4	4,820		100.0	12.6	4,820

Mining method: OC = Opencast/Cut, UG = Underground.
Reserve Life = The scheduled extraction period in years for the total Coal Reserve in the approved LOM plan.
For the multi-product operations, the ROM tonnes apply to each product.
The saleable tonnes cannot be calculated directly from the ROM Reserve tonnes and should not be directly applied to the ROM tonnes.
Ownership percentages for totals are weighted by saleable tonnes and should not be directly applied to the ROM tonnes.
Table footnotes appear at the end of the section.

COAL RESERVES[1] MRDS SOUTH AFRICA

At 31 December 2023

	Ownership %	Life (years)	Classification	2023 ROM tonnes[2] Mt	2023 Yield[3] ROM %	2023 Saleable tonnes[2] Mt	2023 Saleable qualities[4] kcal/kg	2022 ROM tonnes[2] Mt	2022 Yield[3] ROM %	2022 Saleable tonnes[2] Mt	2022 Saleable qualities[4] kcal/kg
Goedehoop North MRD	100	1									
Thermal (Domestic)			Proved	—	—	—	—	—	—	—	—
			Probable	1.9	100.0	1.9	3,020	1.3	100.0	1.3	3,020
			Total	1.9	100.0	1.9	3,020	1.3	100.0	1.3	3,020
Goedehoop South MRD	100	1									
Thermal (Export)			Proved	—	—	—	—	—	—	—	—
			Probable	3.2	100.0	3.2	3,340	5.8	100.0	5.8	3,340
			Total	3.2	100.0	3.2	3,340	5.8	100.0	5.8	3,340
Greenside MRD	100	1									
Thermal (Export)			Proved	—	—	—	—	—	—	—	—
			Probable	1.9	34.3	0.7	5,500	2.4	34.9	0.8	5,500
			Total	1.9	34.3	0.7	5,500	2.4	34.9	0.8	5,500
Total Reserves MRDs	100										
Total (Export)			Proved	—	—	—	—	—	—	—	—
			Probable	5.1	88.2	3.9	3,730	8.2	92.1	6.6	3,600
			Total	5.1	88.2	3.9	3,730	8.2	92.1	6.6	3,600
Total Reserves MRDs	100										
Total (Domestic)			Proved	—	—	—	—	—	—	—	—
			Probable	1.9	100.0	1.9	3,020	1.3	100.0	1.3	3,020
			Total	1.9	100.0	1.9	3,020	1.3	100.0	1.3	3,020

MRD = Mineral residue deposit.
Table footnotes appear at the end of the section.

COAL RESOURCES[5] SOUTH AFRICA

At 31 December 2023 (exclusive from Reserves)

	Ownership %	Mining method	Classification	2023 MTIS[5] Mt	2023 Coal quality[6] kcal/kg[6]	2022 MTIS[5] Mt	2022 Coal quality[6] kcal/kg[6]
Goedehoop	100	OC/UG	Measured	243.8	5,240	225.5	5,240
			Indicated	5.8	5,520	6.0	5,550
			Total Measured and Indicated	249.6	5,250	231.5	5,250
			Inferred (in LOM plan)[7]	—	—	—	—
			Inferred (excl LOM plan)[8]	6.8	5,540	6.9	5,530
			Total Inferred	6.8	5,540	6.9	5,530
Greenside	100	UG	Measured	8.5	5,620	8.8	5,600
			Indicated	4.0	5,570	4.5	5,570
			Total Measured and Indicated	12.5	5,600	13.3	5,590
			Inferred (in LOM plan)[7]	0.0	0	1.3	5,450
			Inferred (excl LOM plan)[8]	1.6	4,950	4.0	5,620
			Total Inferred	1.6	4,950	5.3	5,580
Isibonelo	100	OC	Measured	16.4	5,260	16.0	5,180
			Indicated	—	—	0.0	0
			Total Measured and Indicated	16.4	5,260	16.0	5,180
			Inferred (in LOM plan)[7]	—	—	—	—
			Inferred (excl LOM plan)[8]	—	—	—	—
			Total Inferred	—	—	—	—
Khwezela North	100	OC	Measured	10.7	5,030	11.0	5,170
			Indicated	4.5	5,080	4.5	5,200
			Total Measured and Indicated	15.1	5,040	15.5	5,180
			Inferred (in LOM plan)[7]	1.0	5,310	1.0	5,310
			Inferred (excl LOM plan)[8]	2.1	5,000	2.2	5,440
			Total Inferred	3.1	5,100	3.2	5,400
Khwezela South	100	OC	Measured	28.8	6,020	28.8	6,020
			Indicated	5.0	6,010	5.0	6,010
			Total Measured and Indicated	33.8	6,020	33.8	6,020
			Inferred (in LOM plan)[7]	—	—	—	—
			Inferred (excl LOM plan)[8]	0.5	6,190	0.5	6,190
			Total Inferred	0.5	6,190	0.5	6,190
Mafube	50	OC	Measured	26.6	5,190	15.9	5,090
			Indicated	1.4	5,190	0.0	0
			Total Measured and Indicated	28.0	5,190	15.9	5,090
			Inferred (in LOM plan)[7]	0.2	4,690	1.7	4,210
			Inferred (excl LOM plan)[8]	0.5	5,050	0.9	4,700
			Total Inferred	0.7	4,950	2.6	4,380
Rietvlei	34	OC	Measured	5.0	4,910	19.7	5,020
			Indicated	0.8	4,960	3.0	5,020
			Total Measured and Indicated	5.8	4,910	22.7	5,020
			Inferred (in LOM plan)[7]	—	—	—	—
			Inferred (excl LOM plan)[8]	—	—	—	—
			Total Inferred	—	—	—	—
Zibulo	100	UG	Measured	376.4	4,900	221.6	4,900
			Indicated	55.5	4,700	107.4	4,750
			Total Measured and Indicated	431.9	4,870	329.0	4,850
			Inferred (in LOM plan)[7]	—	—	—	—
			Inferred (excl LOM plan)[8]	1.4	6,000	78.7	4,720
			Total Inferred	1.4	6,000	78.7	4,720
Total Resources	97		Measured	716.2	5,090	547.3	5,150
			Indicated	77.0	4,930	130.4	4,880
			Total Measured and Indicated	793.2	5,070	677.7	5,100
			Inferred (in LOM plan)[7]	1.2	5,210	4.0	4,890
			Inferred (excl LOM plan)[8]	12.9	5,440	93.2	4,840
			Total Inferred	14.1	5,420	97.2	4,840

MTIS = Minable tonnes *in situ*.
Mining method: OC = Opencast/Cut, UG = Underground.
Ownership percentages for total is weighted by Total MTIS.
2023/2022 Zibulo MTIS and Coal Qualities excludes Project Zondagsfontein West (reported separately under Projects).
2023/2022 Total Resource excludes Project Zondagsfontein West.
Table footnotes appear at the end of the section.

COAL RESOURCES[5] MRDS SOUTH AFRICA

At 31 December 2023 (exclusive from Reserves)

			2023		2022	
			MTIS[5]	Coal quality[6]	MTIS[5]	Coal quality[6]
	Ownership %	Classification	Mt	kcal/kg[6]	Mt	kcal/kg[6]
Goedehoop North MRD	100	Measured	12.9	3,290	15.6	3,290
		Indicated	—	—	—	—
		Total Measured and Indicated	12.9	3,290	15.6	3,290
		Inferred (in LOM Plan)[7]	—	—	—	—
		Inferred (excl LOM Plan)[8]	—	—	—	—
		Total Inferred	—	—	—	—
Goedehoop South MRD	100	Measured	0.4	3,340	—	—
		Indicated	—	—	—	—
		Total Measured and Indicated	0.4	3,340	—	—
		Inferred (in LOM plan)[7]	0.4	3,130	1.0	3,130
		Inferred (excl LOM plan)[8]	0.6	3,070	—	—
		Total Inferred	1.0	3,090	1.0	3,130
Greenside MRD	100	Measured	—	—	—	—
		Indicated	—	—	—	—
		Total Measured and Indicated	—	—	—	—
		Inferred (in LOM plan)[7]	—	—	—	—
		Inferred (excl LOM plan)[8]	—	—	—	—
		Total Inferred	—	—	—	—
Khwezela South MRD	100	Measured	2.9	3,790	2.9	3,790
		Indicated	—	—	—	—
		Total Measured and Indicated	2.9	3,790	2.9	3,790
		Inferred (in LOM plan)[7]	—	—	—	—
		Inferred (excl LOM plan)[8]	—	—	—	—
		Total Inferred	—	—	—	—
Total Resources MRDs	100	Measured	16.2	3,380	18.5	3,370
		Indicated	—	—	—	—
		Total Measured and Indicated	16.2	3,380	18.5	3,370
		Inferred (in LOM plan)[7]	0.4	3,130	1.0	3,130
		Inferred (excl LOM plan)[8]	0.6	3,070	—	—
		Total Inferred	1.0	3,090	1.0	3,130

MTIS = Minable tonnes *in situ*
MRD = Mineral residue deposit.
Table footnotes appear at the end of the section.

COAL RESERVES[1] PROJECTS SOUTH AFRICA

At 31 December 2023

	Ownership %	Life (years)*	Mining Method	Classification	2023 ROM tonnes[2] Mt	2023 Yield[3] ROM %	2023 Saleable tonnes[2] Mt	2023 Saleable qualities[4] kcal/kg	2022 ROM tonnes[2] Mt	2022 Yield[3] ROM %	2022 Saleable tonnes[2] Mt	2022 Saleable qualities[4] kcal/kg
Elders	100	24										
Thermal			UG	Proved	43.0	57.6	26.3	5,880	43.0	57.6	26.3	5,880.0
(Export)				Probable	37.2	34.6	0.1	5,900	37.2	34.6	0.1	5,900.0
				Total	80.2	46.9	26.4	5,880	80.2	46.9	26.4	5,880.0
Thermal			UG	Proved		—	—	—		—	—	—
(Domestic)				Probable		100.0	34.0	4,490		100.0	34.0	4,490.0
				Total		100.0	34.0	4,490		100.0	34.0	4,490.0
Zondagsfontein West	100	16										
Thermal			UG	Proved	—	—	—	—	—	—	—	—
(Export)				Probable	57.0	58.0	33.2	5,420	57.0	58.0	33.2	5,420.0
				Total	57.0	58.0	33.2	5,420	57.0	58.0	33.2	5,420.0
Thermal			UG	Proved		—	—	—		—	—	—
(Domestic)				Probable		—	—	—		—	—	—
				Total		—	—	—		—	—	—
Total Projects	100											
Thermal				Proved	43.0	57.6	26.3	5,880	43.0	57.6	26.3	5,880.0
(Export)				Probable	94.2	57.9	33.3	5,420	94.2	57.9	33.3	5,420.0
				Total	137.2	57.8	59.6	5,620	137.2	57.8	59.6	5,620.0
Total Projects	100											
Thermal				Proved		—	—	—		—	—	—
(Domestic)				Probable		100.0	34.0	4,490		100.0	34.0	4,490.0
				Total		100.0	34.0	4,490		100.0	34.0	4,490.0

*Reserve Life = The scheduled extraction period in years for the total Coal Reserve in the approved LOM Plan.
For the multi-product reserves, the ROM tonnes apply to each product.
The saleable tonnes cannot be calculated directly from the ROM Reserve tonnes and should not be directly applied to the ROM tonnes.
Ownership percentages for totals are weighted by saleable tonnes and should not be directly applied to the ROM tonnes.
Table footnotes appear at the end of the section.

COAL RESOURCES[5] PROJECTS SOUTH AFRICA

At 31 December 2023 (exclusive from Reserves)

	Ownership %	Classification	2023 MTIS[5] Mt	2023 Coal quality[6] kcal/kg[6]	2022 MTIS[5] Mt	2022 Coal quality[6] kcal/kg[6]
Elders	100	Measured	29.4	5,040	29.4	5,040
		Indicated	8.3	4,860	8.3	4,860
		Total Measured and Indicated	37.6	5,000	37.6	5,000
		Inferred	8.4	4,940	8.4	4,940
South Rand	100	Measured	79.5	4,860	79.5	4,860
		Indicated	171.8	4,850	171.8	4,850
		Total Measured and Indicated	251.3	4,850	251.3	4,850
		Inferred	233.5	4,590	233.5	4,590
Waterberg	100	Measured	892.1	2,930	892.1	2,930
		Indicated	532.3	2,850	532.3	2,850
		Total Measured and Indicated	1,424.4	2,900	1,424.4	2,900
		Inferred	672.1	2,980	672.1	2,980
Zondagsfontein West	100	Measured	6.5	4,910	6.5	4,910
		Indicated	7.4	4,780	7.4	4,780
		Total Measured and Indicated	14.0	4,840	14.0	4,840
		Inferred	44.8	4,670	44.8	4,670
Total Projects	100	Measured	1,007.5	3,160	1,007.5	3,160
		Indicated	719.8	3,370	719.8	3,370
		Total Measured and Indicated	1,727.3	3,250	1,727.3	3,250
		Inferred	958.8	3,470	958.8	3,470

MTIS = Minable tonnes *in situ*.
Project Zondagsfontein West reported separately (excluded from Zibulo).
Projects Elders and Zondagsfontein West Inferred resources includes Inferred included LOM Plan and excluded LOM Plan.
Project Waterberg combined OC and UG MTIS and qualities.
Due to the uncertainty attached to Inferred Coal Resources, it cannot be assumed that all or part of an Inferred Coal Resource will necessarily be upgraded to an Indicated or Measured Coal Resource after continued exploration.
Table Footnotes appear at the end of this section.

COAL RESERVES[1] AUSTRALIA

At 31 December 2023

	Ownership %	Life (years)*	Mining Method	Classification	2023 ROM tonnes[9] Mt	2023 Yield[3] ROM %	2023 Saleable tonnes[9] Mt	2023 Saleable qualities[4] kcal/kg	2022 ROM tonnes[9] Mt	2022 Yield[3] ROM %	2022 Saleable tonnes[9] Mt	2022 Saleable qualities[4] kcal/kg
Ensham	62.48	16	UG									
Thermal				Proved	32.0	100.0	32.0	6,680	—	—	—	—
(Export)				Probable	34.6	100.0	34.6	6,420	—	—	—	—
				Total	66.6	100.0	66.6	6,540	—	—	—	—

*Reserve Life = The scheduled extraction period in years for the total Coal Reserve in the approved LOM Plan.

COAL RESOURCES[10] COLLIERIES AUSTRALIA

At 31 December 2023 (exclusive from Reserves)

	Ownership %	Mining Method	Classification	2023 MTIS[10] Mt	2023 Coal quality[6] kcal/kg[6]	2022 MTIS[10] Mt	2022 Coal quality[6] kcal/kg[6]
Ensham	62.48	OC/UG	Measured	66.4	6,420	—	—
			Indicated	969.8	6,380	—	—
			Total Measured and Indicated	1,036.2	6,380	—	—
			Inferred (in LOM plan)[7]	—	—	—	—
			Inferred (excl LOM plan)[8]	47.0	6,400	—	—
			Total Inferred	1,083.2	6,380	—	—

The saleable tonnes cannot be calculated directly from the ROM Reserve tonnes and should not be directly applied to the ROM tonnes.
Table footnotes appear at the end of the section.

GAS RESOURCES[1] PROJECTS SOUTH AFRICA

At 31 December 2023

	Ownership %	2023 Gas-in-place Tscf[2]	2023 2C Contingent Resources[5] Range[4] Bscf[3]	2022 Gas-in-place Tscf[2]	2022 2C Contingent Resources[5] Range(4) Bscf[3]
Lephalale CBM [1]	100	3.5	725.5 and 1,569.3	—	—

(1) Coalbed Methane
(2) Tscf = Trillion standard cubic feet
(3) Bscf = Billion standard cubic feet
(4) Range = Value dependent on selected field development plan
(5) Resource Classification in accordance with the PRMS classification

TABLE FOOTNOTES

1. Coal Reserves are quoted on a ROM basis in million tonnes, which represents the tonnes delivered to the plant. Saleable reserve tonnes represent the estimated product tonnes. Rounding of figures may cause minor computational discrepancies.
2. ROM tonnes are quoted on an as delivered moisture basis and saleable tonnes on a product moisture basis.
3. Yield – ROM % represents the ratio of saleable reserve tonnes to ROM reserve tonnes and is quoted on a constant moisture basis or on an air-dried to air-dried basis.
4. The coal quality for Coal Reserves is quoted as kilocalories per kilogram (kcal/kg). Kilocalories per kilogram represent calorific value (CV) on a gross as received (GAR) basis. CV is rounded to the nearest 10kcal/kg.
5. Coal Resources are quoted on a mineable tonnes *in situ* (MTIS) basis in million tonnes, which are additional to those Coal Resources that have been modified to produce the reported Coal Reserves. Coal Resources are reported on an *in situ* moisture basis. Rounding of figures may cause minor computational discrepancies.
6. The coal quality for Coal Resources is quoted on an *in situ* heat content as kilocalories per kilogram (kcal/kg), representing CV rounded to the nearest 10kcal/kg.
7. Inferred (in LOM plan) refers to inferred Coal Resources that are included in the LOM extraction schedule of the respective operations and are not reported as Coal Reserves.
8. Inferred (excl LOM plan) refers to inferred Coal Resources outside the LOM plan but within the mine lease area.
9. ROM tonnes are quoted on an as delivered moisture of 12% and saleable tonnes on a product moisture of 12%.
10. Coal Resources are quoted on a MTIS basis in million tonnes, which are additional to those Coal Resources that have been modified to produce the reported Coal Reserves. Coal Resources estimated at 10% *in situ* moisture. Rounding of figures may cause minor computational discrepancies.

EXPLANATORY NOTES

OPERATIONS

Estimations for most operations are on a first principle report basis, resulting from a re-evaluation of the Coal Resources and Coal Reserves, except for Khwezela North where estimations are based on depletion.

Goedehoop: Coal Reserves decreased primarily due to production and downgrading of Coal Reserves due to geological conditions, partially offset by the conversion of Coal Resources in the western block. Coal Resources increase in areas south of the Ogies Dyke, meeting the RPEEE criteria.

Greenside: Coal Reserves decreased due to production partially offset by Inferred Resources (in LOM plan) converted to reserves as a result of additional drilling information.

Isibonelo: Coal Reserves decreased due to production and the reallocation of Coal Reserves to Coal Resources from the South Pit.

Khwezela North: Coal Reserves decreased primarily due to production and in pit losses.

Mafube: Coal Reserves decreased due to production and adjustment to mine layout, partially offset by the increase from additional drilling information. Coal Resources also increased from additional drilling information.

Rietvlei: Coal Reserves decreased due to production, offset by the conversion of Coal Resources to Coal Reserves due to the reasonable expectation of a new domestic contract.

Zibulo OC: Coal Reserves decreased due to production and removal of end of cut strip.

Zibulo UG: Coal Reserves decreased due to production, end of panel losses and the transfer to Coal Resources in areas with poor ground conditions.

Goedehoop North MRD: Conversion of Coal Resources to Coal Reserves for production 2024.

Goedehoop South MRD: Transfer of Coal Reserves to Coal Resources due to contract expiry.

Ensham: Acquisition of the Australian operation. First time reporting.

PROJECTS

Both Elders and Zondagsfontein West are reported on an unchanged basis as the LOM was not updated.

South Rand: Coal Resources are part of a pending sale process.

Lephalale coal bed methane: First time reporting of Gas Resources.

RESOURCE AND RESERVE RECONCILIATION

2022 VS 2023

The 2023 Coal Resources and Coal Reserves estimations are derived from first principle competent person reports. Only significant and material changes to the resource and reserve base between 2022 and 2023 are recorded. These changes are tracked by the various reconciliation categories in the below graphs.

For the LCBM project, the resource is classified as a 2C Contingent Resource ranging between 725.5Bscf and 1569.3Bscf. Since these resources are reported for the first time, no reconciliation graph is required.

The comparison between the total Coal Reserves including MRDs of 31 December 2022 and 31 December 2023 is illustrated in Figure 1.

Production: The tonnes mined and adjustments for the over/underestimations of mining from the previous reporting period.

Conversion: Resources to reserves mainly due to the inclusion of the Goedehoop west resources to reserves, and an increase in the Rietvlei reserves due to a reasonable expectation of a new domestic contract. Resources to reserves conversion for the 2024 production at the Goedehoop North MRD.

Economic assumptions: Reallocation of reserves to resources outside mine plan at the Isibonelo Colliery from South Pit.

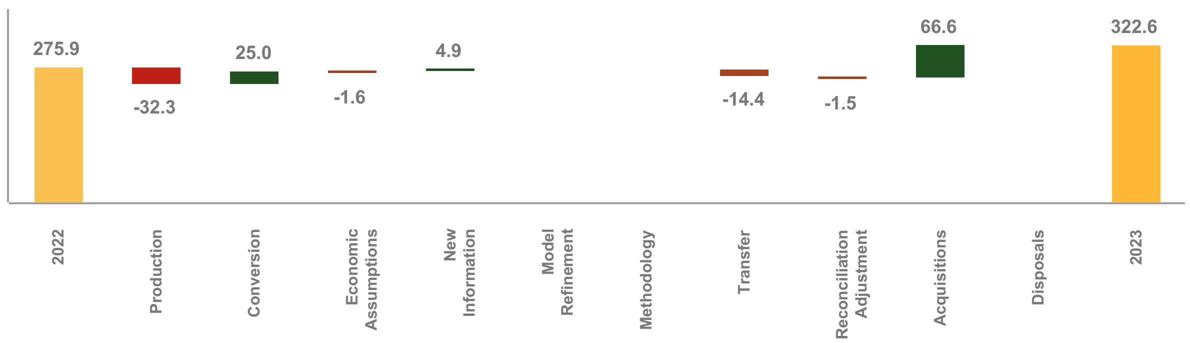
New information: Additional drilling information at Mafube and Greenside upgrading the classification.

Transfer: Reallocation of reserves to resources outside the mine plan due to geological conditions mainly at Goedehoop and Zibulo UG. Mafube reallocation due to adjustment to mine plan. Due to an expired contract, the remaining reserves at Goedehoop South MRD have been reallocated to RoMP.

Reconciliation adjustment: Losses/gains from layout changes and sterilised coal.

Acquisition: Acquisition of the Ensham Coal Reserves.

FIGURE 1: OPERATIONS – YEAR-ON-YEAR CHANGES IN COAL RESERVES 2022 VS 2023



The comparison between the total Coal Resources (excluding projects) of 31 December 2022 and 31 December 2023 is illustrated in Figure 2.

Conversion: Resources to reserves mainly due to inclusion of the Goedehoop west resources to reserves. Increase in the Rietvlei reserves from resources, due to the reasonable expectation of a new domestic contract. Resources to reserves for the 2024 production at the Goedehoop North MRD.

Economic assumptions: Reallocation of reserves to RoMP at the Isibonelo Colliery from South Pit.

New information: Additional drilling information at Greenside, Mafube and Zibulo UG.

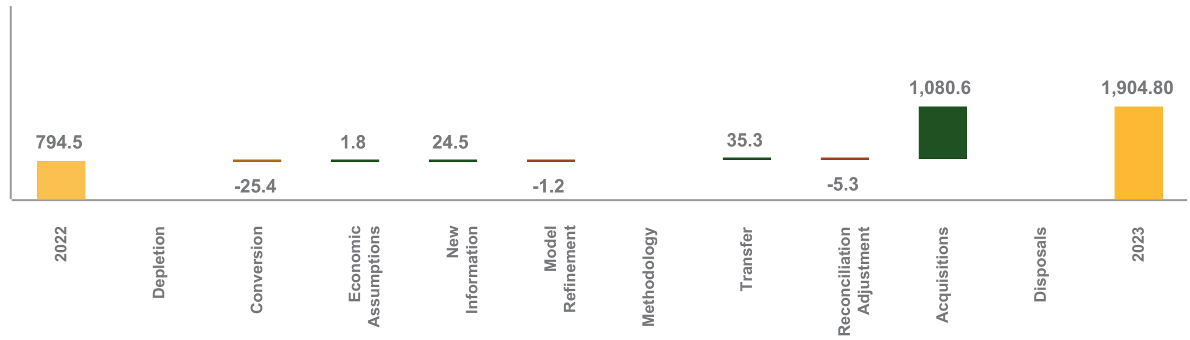
Model refinement: Change in modelling sample density at Isibonelo.

Transfer: Reallocation of reserves to resources outside mine plan at Goedehoop and Zibulo UG due to geological conditions. Mafube reallocation due to adjustment to mine plan. Increase of resources from inventory coal, in areas south of the Ogies Dyke at Goedehoop, meeting RPEEE requirements. Due to an expired contract, the remaining reserves at Goedehoop South MRD have been reallocated to RoMP.

Reconciliation adjustment: Sterilised RoMP (isolated areas) and loss due to reconciliation of resource estimations.

Acquisition: Acquisition of the Ensham Coal Resources.

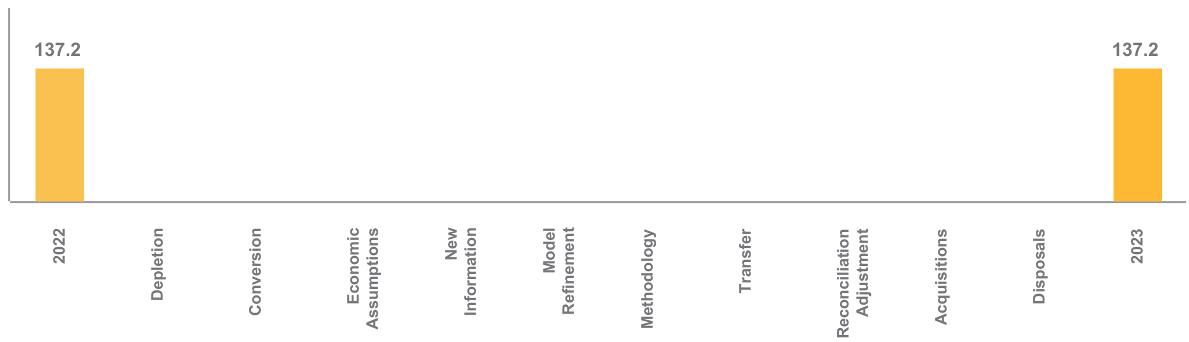
FIGURE 2: OPERATIONS – YEAR-ON-YEAR CHANGES IN COAL RESOURCES OUTSIDE MINE PLAN 2022 VS 2023



The comparison between the total Coal Reserves (Projects) of 31 December 2022 and 31 December 2023 is illustrated in Figure 3.

Both Elders and Zondagsfontein West are reported on an unchanged basis as the LOM was not updated.

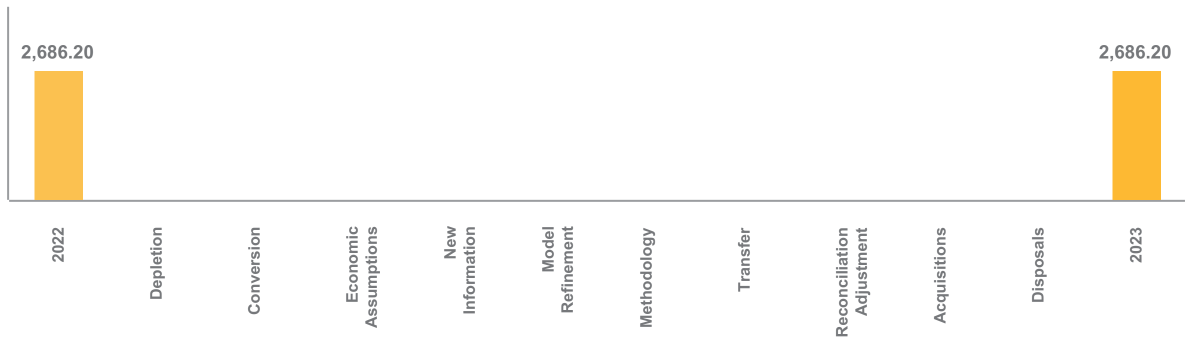
FIGURE 3: PROJECTS – YEAR-ON-YEAR CHANGES IN COAL RESERVES 2022 VS 2023



The comparison between the total Coal Resources (Projects) of 31 December 2022 and 31 December 2023 is illustrated in Figure 4.

Both Elders and Zondagsfontein West are reported on an unchanged basis as the LOM and resource models were not updated.

FIGURE 4: PROJECTS – YEAR-ON-YEAR CHANGES IN COAL RESOURCES 2022 VS 2023



COMPETENT PERSONS REGISTER 2023

COAL RESOURCES

Asset	Competent person[1]	Relationship with Group[2]	Professional registration/ affiliation	Years of relevant experience
Goedehoop	L. Whitecross	Full-time employee	SACNASP (400535/14)	7
Goedehoop MRDs	L. Whitecross	Full-time employee	SACNASP (400535/14)	7
Greenside	U. Herrmann	Full-time employee	SACNASP (400081/97)	22
Greenside MRD	U. Herrmann	Full-time employee	SACNASP (400081/97)	22
Isibonelo	M.L. Lemekoana	Full-time employee	SACNASP (122617)	15
Khwezela North	U. Herrmann	Full-time employee	SACNASP (400081/97)	22
Khwezela South	U. Herrmann	Full-time employee	SACNASP (400081/97)	22
Khwezela MRD	U. Herrmann	Full-time employee	SACNASP (400081/97)	22
Mafube	D. Xaba	Full-time employee	SACNASP (400019/05)	23
Rietvlei	K. Black	Independent consultant to RMC[3]	SACNASP (400295/12)	16
Zibulo	M.L. Lemekoana	Full-time employee	SACNASP (122617)	15
Elders	U. Herrmann	Full-time employee	SACNASP (400081/97)	22
South Rand	M.L. Lemekoana	Full-time employee	SACNASP (122617)	15
Waterberg	M.L. Lemekoana	Full-time employee	SACNASP (122617)	15
Zondagsfontein West	M.L. Lemekoana	Full-time employee	SACNASP (122617)	15
Ensham	P. Handley	Full-time employee at Measured Group[4]	AusIMM (225157)	19

COAL RESERVES

Asset	Competent person[1]	Relationship with Group[2]	Professional registration/ affiliation	Years of relevant experience
Goedehoop	M. Katuruza	Full-time employee	SACNASP (400214/14)	16
Goedehoop MRDs	M. Katuruza	Full-time employee	SACNASP (400214/14)	16
Greenside	M. Simakuhle	Full-time employee	SACNASP (400248/08)	19
Greenside MRD	M. Simakuhle	Full-time employee	SACNASP (400248/08)	19
Isibonelo	G.L. Govender	Full-time employee	SAGC (GPrMS0210)	12
Khwezela North	E. Phelane	Full-time employee	SACNASP (202221/13)	16
Khwezela South	E. Phelane	Full-time employee	SACNASP (202221/13)	16
Khwezela MRD	E. Phelane	Full-time employee	SACNASP (202221/13)	16
Mafube	D. Xaba	Full-time employee	SACNASP (400019/05)	23
Rietvlei	L. Raaths	Independent consultant to RMC[3]	SAIMM (702015)	32
Zibulo	T. Muofhe	Full-time employee	SACNASP (400059/17	16
Zondagsfontein West	T. Muofhe	Full-time employee	SACNASP (400059/17	16
Elders	K.R. Donaldson	Full-time employee at Mindset Mining Consultants Proprietary Limited[5]	ECSA (200590031)	36
Ensham	P.W. Brisbane	Full-time employee at Measured Group[4]	AusIMM (322150)	42

1 Competent person signed consent form, relevant to each asset, is included in the individual competent persons' report.
2 Thungela Resources Limited, 25 Bath Avenue, Rosebank, Johannesburg, 2196, Gauteng, South Africa.
3 Rietvlei Mining Company Proprietary Limited, 151 Katherine Street, Vunani House, Sandton, 2196, Gauteng, South Africa.
4 Measured Group Propriety Limited, Level 14/116 Adelaide St, Brisbane, QLD, 4000, Australia.
5 Mindset Mining Consultants Proprietary Limited, 298 Stokkiesdraai Street, Erasmusrand, Pretoria, 0181, Gauteng, South Africa.

QUALIFIED RESERVES EVALUATOR REGISTER 2023

Asset	QRE[1]	Relationship with Group[2]	Professional registration/ affiliation	Years of relevant experience
Lephalale coalbed methane	James Caballero	Full-time employee with Advanced Resources International, Inc.[6]	Society of Petroleum Engineers (SPE 0658617)	25

6 Advanced Resources International Inc., 4501 Fairfax Drive, Suite 910, Arlington, VA 22203, USA.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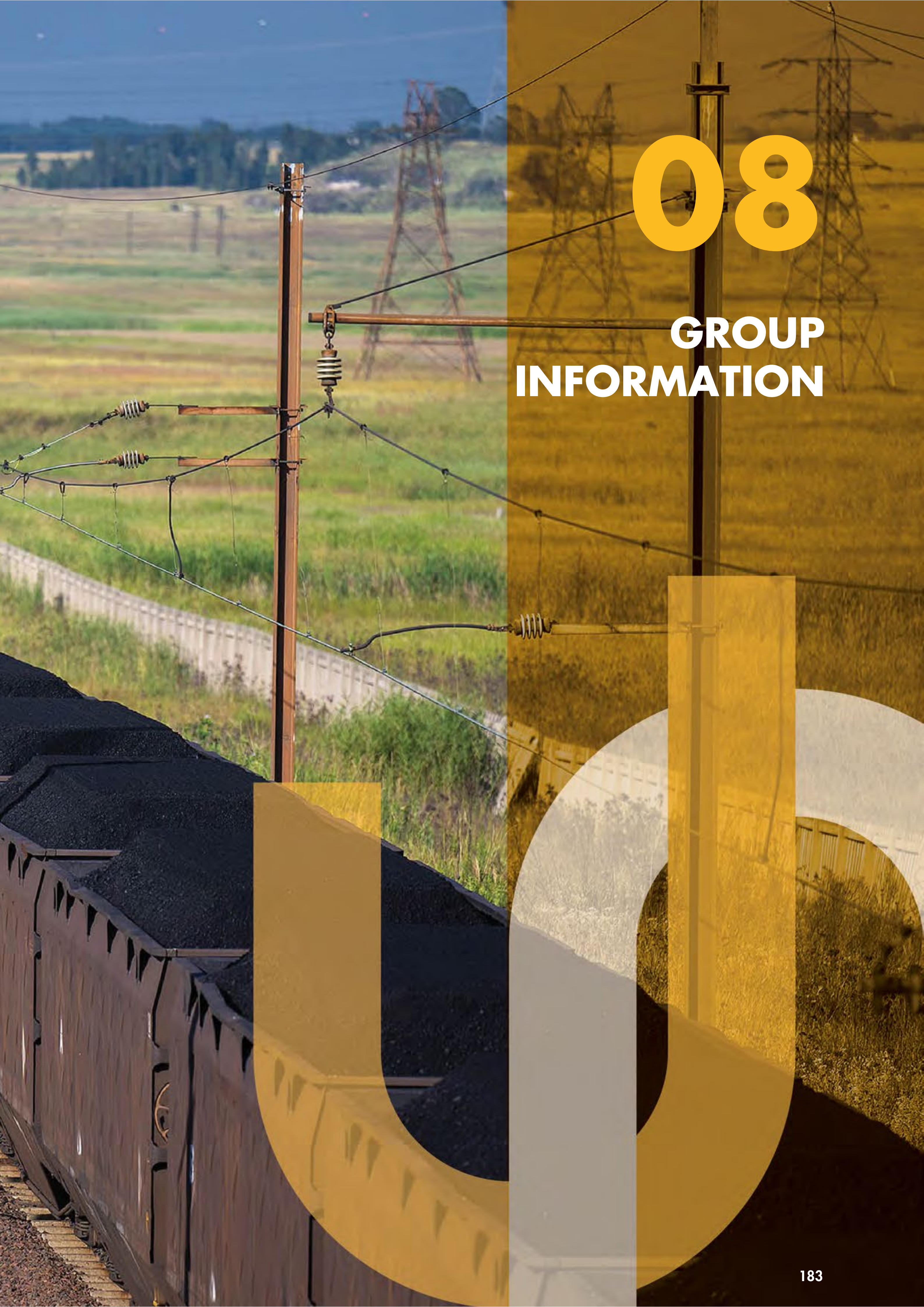


08

GROUP INFORMATION

SHAREHOLDER INFORMATION

THUNGELA'S PUBLIC AND NON-PUBLIC SHAREHOLDING

Ordinary shares

The Thungela share register at 31 December can be analysed as follows:

Shareholder spread	Number of shareholders	% of total shareholders	Number of shares	% of issued share capital
				2023
1 to 1,000 shares	45,034	93.42	3,777,928	2.69
1,001 to 10,000 shares	2,271	4.71	7,018,797	5.00
10,001 to 100,000 shares	680	1.41	22,259,141	15.84
100,001 to 1,000,000 shares	204	0.42	55,774,076	39.70
1,000,001 shares and above	17	0.04	51,662,643	36.77
Total	48,206	100.00	140,492,585	100.00

Shareholder spread	Number of shareholders	% of total shareholders	Number of shares	% of issued share capital
				2022
1 to 1,000 shares	50,696	93.81	3,898,788	2.78
1,001 to 10,000 shares	2,391	4.42	7,359,333	5.24
10,001 to 100,000 shares	741	1.37	23,242,509	16.54
100,001 to 1,000,000 shares	193	0.36	49,931,076	35.54
1,000,001 shares and above	24	0.04	56,060,879	39.90
Total	54,045	100.00	140,492,585	100.00

Distribution of shareholders	Number of shareholders	% of total shareholders	Number of shares	% of issued share capital
				2023
Banks and nominee accounts	230	0.48	7,071,245	5.03
Brokerage accounts	150	0.31	16,950,517	12.07
Individuals and private trusts	45,073	93.50	20,591,226	14.66
Insurance and assurance companies	114	0.24	3,353,774	2.39
Investment companies	79	0.16	2,326,694	1.66
Mutual funds	580	1.20	47,183,503	33.58
Other corporations	262	0.54	381,853	0.27
Pension and provident funds	663	1.38	30,127,075	21.44
Private corporations	1,044	2.17	11,125,673	7.92
Sovereign wealth funds	11	0.02	1,381,025	0.98
Total	48,206	100.00	140,492,585	100.00

Distribution of shareholders	Number of shareholders	% of total shareholders	Number of shares	% of issued share capital
				2022
Banks and nominee accounts	273	0.51	7,450,265	5.30
Brokerage accounts	168	0.31	24,657,056	17.55
Individuals and private trusts	49,983	92.49	18,459,988	13.14
Insurance and assurance companies	153	0.28	2,659,089	1.89
Investment companies	93	0.17	2,972,460	2.12
Mutual funds	721	1.33	43,306,976	30.82
Other corporations	368	0.68	517,470	0.37
Pension and provident funds	1,177	2.18	29,325,142	20.87
Private corporations	1,097	2.03	10,827,532	7.71
Sovereign wealth funds	12	0.02	316,607	0.23
Total	54,045	100.00	140,492,585	100.00

Shareholding type	Number of shareholders	% of total shareholders	Number of shares	2023 % of issued share capital
Non-public shareholders				
Directors and prescribed officers	11	0.02	1,219,028	0.87
Treasury shares held by Group companies	2	0.00	2,900,285	2.06
Public shareholders	48,193	99.98	136,373,272	97.08
Total	48,206	100.00	140,492,585	100.00

Shareholding type	Number of shareholders	% of total shareholders	Number of shares	2022 % of issued share capital
Non-public shareholders				
Directors and prescribed officers	11	0.02	1,483,237	1.06
Treasury shares held by Group companies	1	0.00	1,955,113	1.39
Public shareholders	54,033	99.98	137,054,235	97.55
Total	54,045	100.00	140,492,585	100.00

Major shareholders

According to Thungela's share register at 31 December, the following shareholders held shares equal to or in excess of 5.0% of the issued ordinary share capital of the Company:

Beneficial shareholding of more than 5.0%	Number of shares	2023 % of issued share capital
Government Employees Pension Fund	20,962,781	14.92
Total	20,962,781	14.92

Beneficial shareholdings of more than 5.0%	Number of shares	2022 % of issued share capital
Government Employees Pension Fund	17,380,912	12.37
Total	17,380,912	12.37

GLOSSARY

Term used	Definition
AAIC	Anglo American Inyosi Coal Proprietary Limited
AAML	Anglo American Marketing Limited
AGM	Annual general meeting
Anglo American	The Anglo American plc Group, and its subsidiaries
APM	Alternative performance measure
AUD or AU$	Australian dollar
B-BBEE	Broad-based black economic empowerment
Bowen	Bowen Investment (Australia) Proprietary Limited, a subsidiary of LX International
Bscf	Billion standard cubic feet
Butsanani Energy	Butsanani Energy Investment Holdings Proprietary Limited
BV	Bureau Veritas
Capex	Capital expenditure
CA(SA)	Chartered Accountant South Africa
CEO	Chief executive officer
CFO	Chief financial officer
CHPP	Coal handling preparation plant
CM	Continuous miner, a machine used in mining operations to extract coal or ore continuously from a seam or face
CO_2	Carbon dioxide
CO_2e	Carbon dioxide equivalent
Coal Reserves	Modified indicated and measured coal resources, including consideration of modifying factors that affect extraction. This represents the economically extractable material
Coal Resources	The in situ coal for which there are reasonable prospects for eventual economic extraction
Conditional shares	Shares or share awards allocated with a conditional right to receive a share on vesting subject to the fulfilment of the employment condition and the performance condition
Contingent Resources	The quantities of gas estimated to be potentially recoverable from known accumulations by application of development projects, but which are not currently considered to be commercially recoverable due to one or more contingencies
CPI	Consumer price index
CRRC	CRRC Corporation Limited
CSA	Coal Supply Agreement
CSI	Corporate social investment
CV	Calorific Value of thermal coal
DBS	Deferred bonus shares
Demerger	The process to separate Thungela from Anglo American, as fully described in the Combined Prospectus and Pre-listing Statement of Thungela, published on 8 April 2021
DFFE	Department of Forestry, Fisheries and the Environment
DMRE	Department of Mineral Resources and Energy
DTM	Digital Terrain Map
EA	Environmental authorisation
EBITDA	Earnings before interest, tax, depreciation, and amortisation
ECSA	Engineering Council of South Africa

Term used	Definition
EIA	Environmental impact assessment
Employment condition	Condition of continued employment with the Group for the duration of the employment period
Employment period	Period commencing on the award date and ending on the date specified in the award letter during which the participant is required to fulfil the employment condition
EMPr	Environmental management programme report
Ensham Business	Thungela's interest in Sungela Holdings, Sungela, Ensham Resources, Ensham Coal Sales and Nogoa Pastoral, collectively
Ensham Coal Sales	Ensham Coal Sales Pty Limited
Ensham Mine	An unincorporated joint venture between Sungela and Bowen
Ensham Resources	Ensham Resources Pty Limited
Environmental provisions	The Group's obligations to undertake decommissioning, rehabilitation, remediation, closure and ongoing post-closure monitoring activities when environmental disturbances are caused by the development or ongoing production of a mining property, as well as the decommissioning of infrastructure established on the operating sites
ESD	Enterprise and supplier development
ESG	Environmental, social and governance
EUR	Euro
EWRP	eMalahleni Water Reclamation Plant
Exxaro	Exxaro Coal Mpumalanga Proprietary Limited
FCA	The Financial Conduct Authority of the UK or its successor from time to time
FOB	Free on board
FOR	Free on rail
Forfeitable shares	Share or share award where the vesting is subject to fulfilment of the employment condition
FS	Feasibility study
FSMA	The UK Financial Services and Markets Act 2000 (as amended from time to time)
Gas in place or GIP	The quantity of gas that is estimated to exist originally in naturally occurring accumulations before any extraction or production
Gas Resources	Naturally occurring accumulations of gases, typically hydrocarbons, within the Earth's crust that have the potential to be extracted and utilised for various purposes
GDB	Geological database
GHG	Greenhouse gas
GHN	Goedehoop North Colliery
GHS	Goedehoop South Colliery
GJ	Gigajoule
Goedehoop	Goedehoop Colliery
Greenside	Greenside Colliery
GRI	Global Reporting Initiative
Group	Thungela and its subsidiaries, joint arrangements and associates
HDP	Historically disadvantaged person(s)
IASB	International Accounting Standards Board
IFRS Accounting Standards	International Financial Reporting Standards as issued by the IASB and the IFRS Interpretations Committee (previously known as the IFRIC).

Term used	Definition
Indicated Coal Resource	The portion of the Coal Resource for which the derived quantities and qualities are estimated with sufficient confidence, although lower in confidence than a measured Coal Resource, in the geological evidence, to allow for the application of modifying factors to support mine planning and the evaluation of the economic viability of the resource. An indicated Coal Resource may only be converted to a probable Coal Reserve
Inferred Coal Resource	The portion of the Coal Resource for which the derived quantities and qualities are estimated with lower confidence in the geological evidence. An inferred Coal Resource is not converted to a Coal Reserve
Isibonelo	Isibonelo Colliery
ISIN	International Securities Identification Number
IWUL	Integrated water use licence
JORC Code	Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, 2012
JSE	Johannesburg Stock Exchange Limited
JSE Listings Requirements	The Listings Requirements issued by the JSE under the South African Financial Markets Act 19 of 2012 (as amended from time to time) to be observed by issuers of equity securities listed on the JSE
JV	Joint venture
Khwezela	Khwezela Colliery
King IV	The King IV Report on Corporate Governance™ for South Africa, 2016. Copyright and trademarks are owned by the Institute of Directors in Southern Africa NPC and all of its rights are reserved
km	Kilometre(s)
kt	A measure representing 1,000 tonnes
LCBM project	Lephalale coal bed methane project
Lifex	Capex to extend the life of existing operations
LNG	Liquified natural gas – natural gas converted into a liquid state for easy transportation and storage
LOM	Life of mine, the duration of time to extract possible resources
LOM plan	A design and financial/economic study of an existing operation in which appropriate assessments have been made of existing geological, mining, social, governmental, engineering, operational, and all other modifying factors, which are considered in sufficient detail to demonstrate that continued extraction is reasonably justified
LSE	London Stock Exchange
LTI	Long-term incentive
LTIP	Long-term incentive plan
Mafube	Mafube Colliery
Mafube Coal Mining	Mafube Coal Mining Proprietary Limited
MAR	Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse and the delegated acts, implementing acts, technical standards and guidelines thereunder as modified and as such legislation forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018, and as modified by UK domestic law from time to time
MDL	Mineral development license
Measured Coal Resource	The portion of the Coal Resource for which the derived quantities and qualities are estimated with sufficient confidence in the geological evidence, to allow for the application of modifying factors to support detailed mine planning and the evaluation of the economic viability of the resource. A measured Coal Resource may be converted to a proved or probable Coal Reserve

Term used	Definition
Mineral Resource	A concentration or occurrence of material of intrinsic economic interest in or on the earth's crust in such form, quality and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade and continuity of a mineral resource are known, estimated or interpreted from specific geological evidence and knowledge. Mineral Resources are sub-divided, in order of increasing geological confidence, into inferred, indicated and measured categories
ML	Megalitre
Modifying Factors	Considerations used to convert mineral resources to mineral reserves, including, but not restricted to, mining, processing, metallurgical, infrastructure, economic, marketing, legal, environmental, social and governmental factors
MOI	Memorandum of incorporation
MPRDA	The South African Mineral and Petroleum Resources Development Act 28 of 2002
MPRDA Regulations	Mineral and Petroleum Resources Development Regulations, 2004, published under the Mineral and Petroleum Resources Development Act 28 of 2002
MR	Mining right
MRA	Mining right application
MRD	Mineral residue deposit
MSR	Minimum shareholding requirements
Mt	Million tonnes
MTIS	Mineable tonnes *in situ*
Mtpa	Mt per annum
MTPA	Mpumalanga Tourism and Parks Agency
NAR	Net as received
NCI	Non-controlling interest
NEMA	The South African National Environmental Management Act 107 of 1998 (as amended from time to time)
NEMA Financial Provisioning Regulations	Financial Provisioning Regulations, 2015, published under the National Environmental Management Act 107 of 1998
Newcastle Benchmark coal price	Newcastle Benchmark price reference for 6,000kcal/kg coal exported from Newcastle, Australia. The NEWC Index is the main price reference for physical coal contracts in Asia and is the settlement price for a significant volume of index-linked contracts
NGO	Non-profit organisation independent of government, commonly focused on social, environmental, or humanitarian missions
Nkulo Community Partnership Trust	The Nkulo Community Partnership Trust, previously referred to as the CPP
Nogoa Pastoral	Nogoa Pastoral Pty. Ltd.
NOMR	New order mining right
NOPR	New order prospecting right
NUM	National Union of Mineworkers
NUMSA	National Union of Metalworkers of South Africa
OC	Opencast/cut operations/mine
Offtake agreement	The offtake agreement between the Company, TOPL and AAML, dated 6 March 2021
Overburden	The material that lies above the mining area of economic interest
PCPP	Phola Coal Processing Plant
Performance condition	A performance condition to be satisfied in order for conditional awards to vest under the Thungela share plan

Term used	Definition
Phola Coal Processing Plant	Phola Coal Processing Plant Proprietary Limited
PR	Prospecting right
PRMS	Petroleum Resource Management System
Proved and probable coal reserves	Proved coal reserves are modified measured coal resources, including consideration of modifying factors that affect extraction. It is the economically extractable material. Probable coal reserves are modified indicated or measured coal resources, including consideration of modifying factors that affect extraction
QRE	Qualified reserves evaluator
Queensland Financial Provisioning Scheme	Mechanism established under the Mineral and Energy Resources (Financial Provisioning) Act 2018 requiring a security deposit from the holders of an environmental authority (EA) to cover potential rehabilitation costs in the event such holders fail to comply with their environmental management and rehabilitation obligations
RBCT	Richards Bay Coal Terminal Proprietary Limited or the Richards Bay Coal Terminal
Reasonable Prospect for Eventual Economic Extraction (RPEEE)	An assessment done by the Competent Person in respect of technical and economic factors likely to influence the prospect of economic extraction. Multiple factors are considered including geological, mining, metallurgical, economic, legal, governmental, environmental, and socio-political factors
Reserve Life	The period in years in the approved LOM plan for scheduled extraction of proved and probable Coal Reserves
Richards Bay Benchmark coal price	Benchmark price reference for 6,000kcal/kg thermal coal exported from the RBCT
Rietvlei	Rietvlei Colliery
RLT	Rapid load-out terminal
RMB	Rand Merchant Bank
RMC	Rietvlei Mining Company Proprietary Limited
RMSO	Restitution Management Support Office
RNS	Regulatory News Service of the LSE
ROM	Run of mine, representing the material extracted from mining operations before it is processed into saleable product
RoMP	Resources outside of mine plan
SACE	South African Coal Estate
SACNASP	South African Council for Natural Scientific Professions
SACO	South Africa Coal Operations Proprietary Limited
SAGC	South African Geomatics Council
Saleable reserves	The reported saleable reserve product type is subject to prevailing market conditions and may be sold in accordance with the current environment
SAMOG Code	South African Code for the reporting of Oil and Gas, 2015
SAMREC Code	South African Code for the Reporting of Exploration Results, Mineral Resources and Mineral Reserves, 2016
SANS 10320:2020	South African National Standard 10320: "The South African guide to the systematic evaluation of coal resources and coal reserves" Second Edition
SANAS	South African National Accreditation System
SASA	The share and asset sale agreement, related to the acquisition of the Ensham Business
Sasol	Sasol Mining Proprietary Limited
SDG(s)	Sustainable Development Goals, a global agenda set by the United Nations to address social, economic, and environmental challenges by 2030

Term used	Definition
SED	Socio-economic development
SENS	The Stock Exchange News Service of the JSE
SFF	Strategic Fuel Fund
SHE	Safety, health and environment
SIB	Stay in business
Sisonke Employee Empowerment Scheme	Sisonke Employee Empowerment Scheme Trust, previously the SACO Employee Partnership Trust
SLP	Social and Labour Plan
SMME	Small, medium and micro enterprise
Sponsor	JSE sponsor of Thungela, namely RMB
STI	Short-term incentive
Synfuel	A coal specifically for the domestic production of synthetic fuel and chemicals
Sungela	Sungela Pty Ltd
Sungela Holdings	Sungela Holdings Pty Ltd
t	A measure representing one tonne
Tscf	A measure representing trillion standard cubic feet
TCFD	Task Force on Climate-Related Financial Disclosures
TFR	Transnet Freight Rail, a division of Transnet SOC Limited
TGP	Total guaranteed package which is comprised of basic salary and retirement and benefits
The Companies Act of South Africa	The Companies Act 71 of 2008 (as amended)
The <IR> Framework	The International Integrated Reporting Framework
Thermal domestic	Low to high-volatile thermal coal primarily for domestic consumption for power generation
Thermal export	Low to high-volatile thermal coal primarily for export in the use of power generation
Thungela or the Company	Thungela Resources Limited
Thungela Marketing International	Thungela Marketing International Holdings Proprietary Limited
Thungela Resources Australia	Thungela Resources Australia Proprietary Limited
Thungela Resources Holdings	Thungela Resources Holdings Proprietary Limited
Thungela share plan	Shareholder approved share plan, structured in line with the requirements of Schedule 14 of the JSE Listings Requirements, that aims to attract, retain and incentivise highly skilled individuals
Thuthukani	Thungela's enterprise and supplier development programme
TOPL	Thungela Operations Proprietary Limited
Transnet	Transnet SOC Limited
TRCFR	Total recordable case frequency rate per million man hours
Trusts	The Sisonke Employee Participation Scheme and the Nkulo Community Partnership Trust, collectively
TSR	Total shareholders' return
UG	Underground
UIF	Unemployment insurance fund
UK	The United Kingdom of Great Britain and Northern Ireland

Term used	Definition
UK Listing Rules	The listing rules relating to admission to the UK Official List made under section 73A(2) of FSMA
UK Officials List	The official list of the FCA
UNGC	United Nations Global Compact, a voluntary initiative encouraging businesses to adopt sustainable and socially responsible practices
USD or US$	United States dollar
VWAP	Volume-weighted average price
WANOS	Weighted average number of ordinary shares outstanding
WML	Waste management licence
WCMAS	Witbank Coalfields Medical Aid Scheme
WUL	Water use licence
ZAR	South African rand
ZFNW	Zondagsfontein West project
Zibulo	Zibulo Colliery

APPENDIX 1

UK LISTING RULES DISCLOSURE TABLE

Disclosure as required by section 9.8.4 C of the UK Listing Rules has been provided below:

Listing Rule	Information per the Rule	Disclosure
9.8.4 (1)	Interest capitalised by the Group in the period under review, including any related tax relief	Not applicable
9.8.4 (2)	Published unaudited financial information (LR 9.2.18 R)	Not applicable
9.8.4 (4)	Long-term incentive schemes involving a director (LR 9.4.3 R)	Refer to the remuneration report on pages 102 to 127
9.8.4 (5)	Waiver of or agreement to waive any emoluments from the Company or subsidiary by a director	None
9.8.4 (6)	Details of waiver of future emoluments by a director	None
9.8.4 (7)	Non *pro rata* allotment of the Company's shares for cash, not specifically authorised by the shareholders	None
9.8.4 (8)	Non *pro rata* allotment of major subsidiaries' shares for cash, not specifically authorised by the shareholders	None
9.8.4 (9)	If the Company is a subsidiary of another company, details of the parent undertaking	Not applicable
9.8.4 (10)	Contracts of significance involving the Group and a director or controlling shareholder	None
9.8.4 (11)	Provision of services contract to the Company or subsidiaries by a controlling shareholder	Not applicable
9.8.4 (12)	Shareholder has waived or agreed to waive any dividends	One shareholder on the LSE has waived any dividends to be declared, the value of which is below 1% of the dividend declared
9.8.4 (13)	Shareholder has agreed to waive any future dividends	One shareholder on the LSE has waived any dividends to be declared, the value of which is below 1% of the dividend declared
9.8.4 (14)	Agreement between the Company and a controlling shareholder (LR 9.2.2.AD R)	Not applicable

CORPORATE INFORMATION

THUNGELA RESOURCES LIMITED

(incorporated in the Republic of South Africa)
Registration number: 2021/303811/06
JSE share code: TGA
LSE share code: TGA
ISIN: ZAE000296554
Tax No: 9111917259
('Thungela' or 'the Group' or 'the Company')

REGISTERED OFFICE

25 Bath Avenue
Rosebank
Johannesburg
2196
South Africa
Tel: +27 11 638 9300

POSTAL ADDRESS

PO Box 1521
Saxonwold
2132

DIRECTORS

Executive
July Ndlovu (CEO)
Gideon Frederick (Deon) Smith (CFO)

Independent non-executive
Sango Siviwe Ntsaluba (chairman)
Kholeka Winifred Mzondeki
Thero Micarios Lesego Setiloane
Benjamin Monaheng (Ben) Kodisang
Seamus Gerard French (Irish)
Yoza Noluyolo Jekwa

PREPARED UNDER THE SUPERVISION OF

Gideon Frederick (Deon) Smith CA(SA)

GROUP COMPANY SECRETARY

Francois Klem

INVESTOR RELATIONS

Hugo Nunes
Email: hugo.nunes@thungela.com

Shreshini Singh
Email: shreshini.singh@thungela.com

MEDIA

Hulisani Rasivhaga
Email: hulisani.rasivhaga@thungela.com

SA TRANSFER SECRETARIES

Computershare Investor Services Proprietary Limited
Rosebank Towers
15 Biermann Avenue
Rosebank, 2196 Johannesburg
Private Bag X9000
Saxonwold, 2132
Email: Web.Queries@computershare.co.za
Tel: +27 11 370 5000

UK TRANSFER SECRETARIES

Computershare Investor Services (Jersey) Limited
Queensway House
Hilgrove Street, St Helier
Jersey, Channel Islands
Email: WebCorres@computershare.co.uk
Tel: +44 03 7070 2000

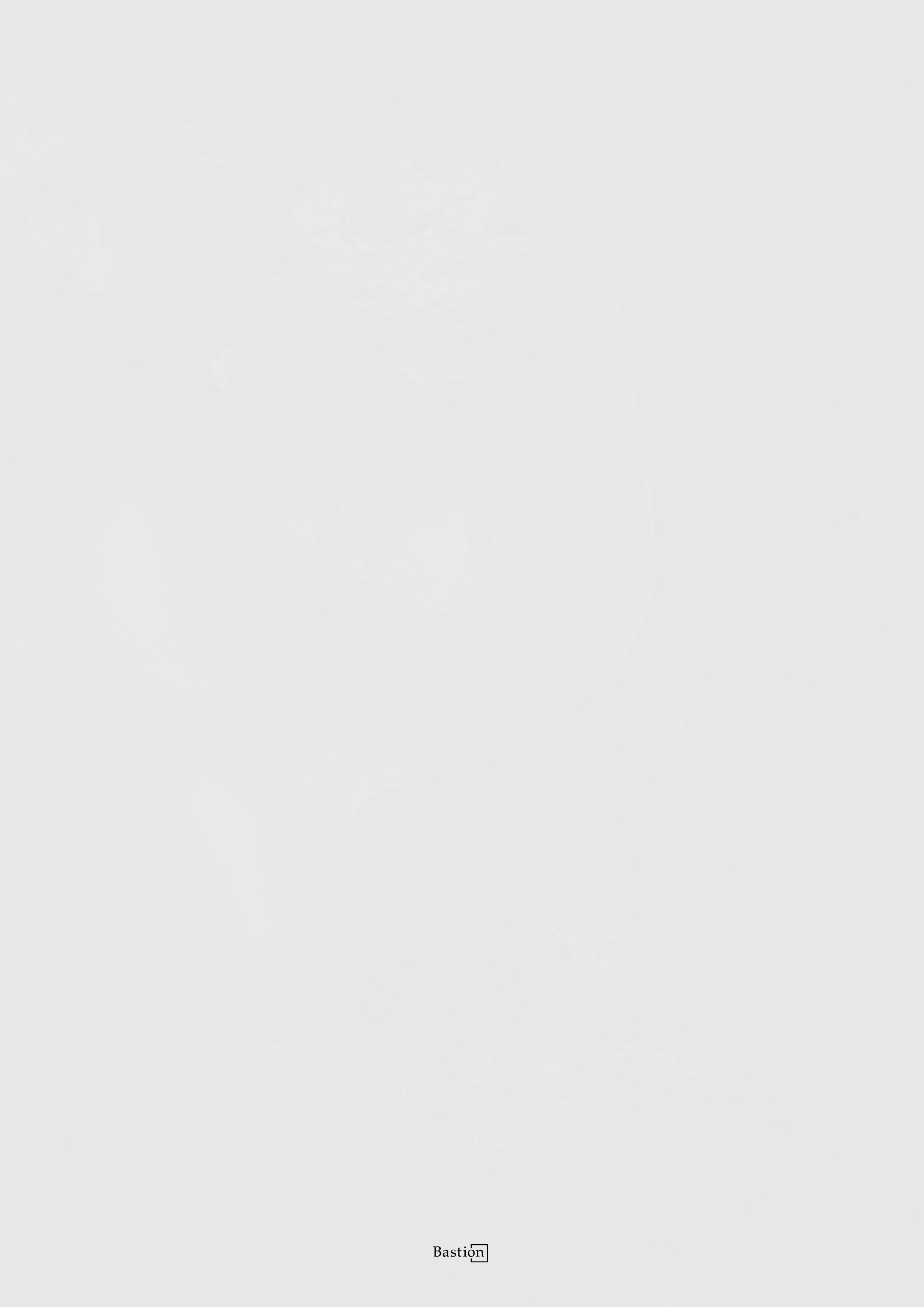
SPONSOR

Rand Merchant Bank
(a division of FirstRand Bank Limited)
Tel: +27 11 282 8000
Email: sponsorteam@rmb.co.za

UK FINANCIAL ADVISER AND CORPORATE BROKER

Liberum Capital Limited
Tel: +44 20 3100 2000

If you have any queries regarding your shareholding in Thungela Resources Limited, please contact the transfer secretaries on: +27 11 370 5000



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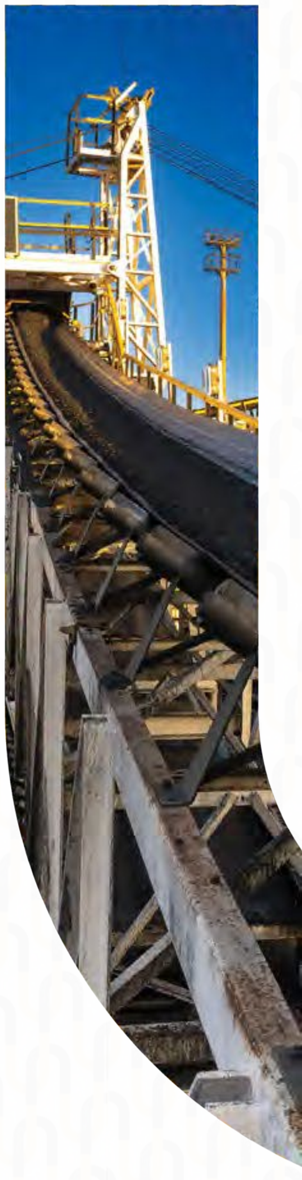

thungela

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