

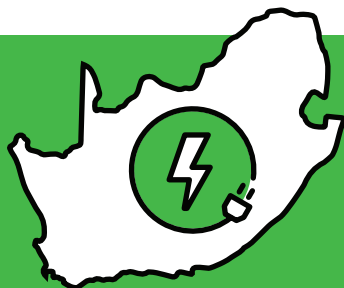
FACT SHEET 2023

Our commitment to a
**LOWER
CARBON
FUTURE**

The impact of climate change and global warming are a reality and will have significant consequences around the world. As a responsible coal producer, Seriti Resources is aware of the impact that greenhouse gas emissions have on climate change and how the burning of fossil fuels such as coal, natural gas and oil contribute to that effect. Seriti fully supports the commitments South Africa has made as a signatory to the Paris Agreement, the international accord adopted by 196 parties in 2015 to address climate change and its negative impacts. The agreement includes commitments from all major emitting countries to cut their climate pollution and to strengthen those commitments over time.

Seriti believes it is the responsibility of coal producers to contribute to a just and manageable transition to a lower-carbon economy while balancing the electricity needs of a developing economy. We focus on producing responsible high-quality, secure and long-term coal-solutions to fuel South Africa's power stations and to supply the export market. We are conscious of the impact of our operations on the environment, the diminishing role coal will play in future electricity generation in South Africa and elsewhere, and the need for mitigating measures in the meantime.

Planning for the energy crisis



Despite global acknowledgement of the critical risk posed by climate change, global demand for stable power supply around the world has grown at the same time as countries and companies move to de-carbonise and reduce reliance on fossil fuels.

South Africa has begun its transition towards renewable energy sources and has increased the amount of power produced from independent producers through its Renewable Independent Power Producer Programme and changes to various regulations. The Department of Mineral Resources and Energy launched the sixth bid window in April

2022. Early in December Energy Minister Gwede Mantashe announced the preferred bidders.

Eskom has also faced challenges meeting South Africa's electricity generation requirements resulting in widespread power cuts. As demand for power continues to rise and older power plants are decommissioned, Eskom's capacity will continue to be strained.

Managing a just transition



Coal has played a fundamental role in advancing industrial development across South Africa's economy, which is battling high unemployment, poverty, and inequality.

Coal, which has provided most of the country's power needs for decades, remains an integral part of South Africa's Integrated Resource Plan (IRP). The latest IRP indicates that from 2019 about 72% of our electricity was generated by coal. By 2030, if all goes according to plan, only 43% of our electricity will be coal-generated. It is understood that this timetable could be accelerated. The remaining 57% will come from solar, wind, hydro, nuclear and other clean forms of energy. Seriti fully embraces this transition.

As coal faces competing pressures, stakeholders will need to work together to ensure a just and managed transition to tackle climate change and conserve livelihoods.



Seriti goes green

Lowering carbon emissions has become a global imperative and therefore Seriti Resources has implemented plans to form a green energy subsidiary, Seriti Green, which was announced in November 2021. Seriti Green, will identify and develop renewable energy projects to be integrated alongside its existing fleet of coal assets. This is in line with Seriti's strategy to lower its carbon emissions and provide long-term sustainability as a diversified energy producer.

The decision to pursue renewable energy is timely, given the need to find solutions for current and future energy needs.

As part of Seriti's strategic plan to actively participate in a just transition, the company identified Windlab Africa as an attractive investment.

Through its majority stake in Windlab Africa, Seriti will reduce its carbon emissions, provide a solution to Seriti's own power needs and deliver continuing financial stability.

Windlab Africa, which consists of 100% of Windlab South Africa and 75% Windlab East Africa, has a portfolio of 23 solar and wind projects at different stages of development. These projects will ultimately produce 3,500MW of power at varying points over the next 10 years.

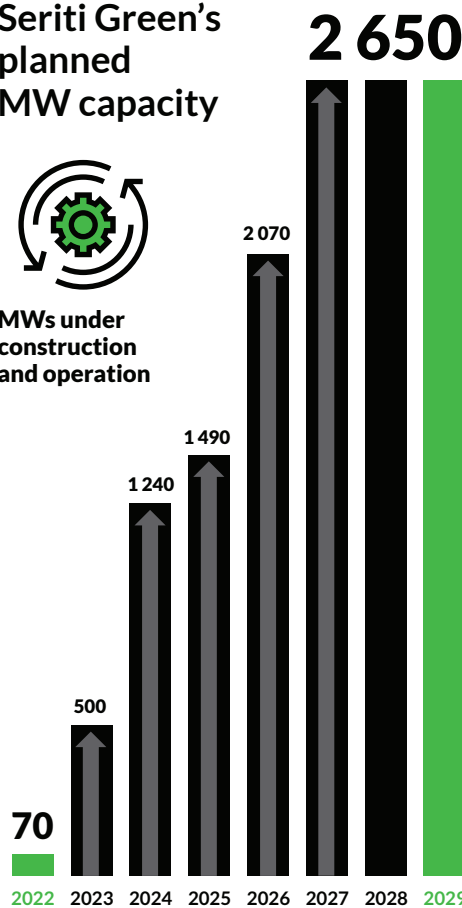
As older coal power plants are decommissioned, additional grid capacity will become available in Mpumalanga providing a strategic advantage to projects located in the province.

The Company announced in February that Seriti Green plans to construct South Africa's largest wind farm in Mpumalanga, with power supply coming online by 2025. The Power Purchase Agreement (PPA) will see Seriti Green generate 155MW of power that will be wheeled through the national grid to Seriti Resources' coal mining

Seriti Green's planned MW capacity



MWs under construction and operation



operations. The 155MW Wind Energy Facility is the first phase of a larger, ~900MW renewable energy cluster called Umbila Emoyeni.

The agreement is in line with the pledge Seriti Resources made in the MoU signed with Eskom and Exxaro, which outlined Seriti's commitments to use renewable wind and solar energy in its facilities to reduce its CO2 emissions by up to 350,000 tonnes per annum, around half of its current emissions.

