

Thungela is confident in its ability to mitigate potential impact of Transnet strike

THUNGELA RESOURCES LIMITED

(Incorporated in the Republic of South Africa)

Registration number: 2021/303811/06

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LSE Share Code: TGA

ISIN: ZAE000296554

Tax number: 9111917259

('Thungela' or the 'Company' and, together with its affiliates, the 'Group')

## THUNGELA IS CONFIDENT IN ITS ABILITY TO MITIGATE POTENTIAL IMPACT OF TRANSNET STRIKE

Thungela has noted that the United National Transport Union has rejected the wage deal proposed by Transnet SOC Limited (Transnet) and has embarked on strike action. The strike commenced on 6 October 2022 and is likely to affect both rail and port services.

Industrial action will interrupt raiing from our operations to the Richards Bay Coal Terminal (RBCT). Rail constraints over recent months have resulted in relatively high stockpile levels on our operations. Operations are however able to run without rail for a further seven days without experiencing a significant impact on production. In the event of a protracted strike extending to two weeks, we would be forced to further curtail production, with the potential resultant impact being a reduction of up to 300kt of export saleable production.

RBCT operates independently of Transnet and should be able to continue to load vessels, subject to Transnet continuing to provide a number of services required for the berthing and unberthing of vessels (for example pilots and tugboats). Given RBCT's ability to load vessels and Thungela's ability to draw down on healthy stock levels at port, we currently expect the impact on sales for Q4 2022 to be limited.

In light of previous security issues experienced on the coal corridor, Thungela is working with Transnet and other coal exporting parties to deploy additional security measures on the line. These include intensified helicopter surveillance, heightened focus on depots and an increase in the number of reaction teams on the ground.

We continue to engage with Transnet to understand further developments and the

potential impacts on our business.

Johannesburg

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