

## Rirhandzu Colliery- Eskom Supplier

In 2011, Mbuyelo (“the Company”) management made a decision to invest funds to sustain operations at the farm Vlakvarkfontein (-recently named Rirhandzu Colliery after the company’s CEO, Mr. Rirhanzu Owner Siweya), by establishing an extended mining area to the Ntshovelo operations. The extended area has a production capacity of 100KT per month and will sustain the production capacity at 1.2mtpa.

The operation commenced with the establishment of roadway developments, mine and building infrastructure and other mine services. The first blast of coal took place on the 28th of August 2013 and it was a major highlight for the company, having prepared years to find themselves where they are today, as managers and owners of a coal mine. Rirhandzu Colliery is an open pit operation. The estimated life of the mine is 6 to 8 years with a confirmed reserve of 8 million tons.

At the moment, Mbuyelo is elated to document that it has signed off a Coal Supply Agreement (“CSA”) with South Africa’s public electricity utility, Eskom.

Word from those in the know, is that Eskom is undergoing a vigorous process of screening junior miners and placing them as some of their vital coal suppliers. This precious commodity has Mbuyelo and Eskom in a 4year contract in which the Company is to supply, at first around fifty thousand (50KT) tons and ramping up to a hundred thousand (100KT) tons of coal, by April 1<sup>st</sup>, 2013. Eskom has let Mbuyelo come in as a supplier that is a majority black *owned-and-run* business.

Mbuyelo need not be afraid to revel in the fact that they are making their mark as Junior Miners and can be seen by their peers, the Department of Mineral Resources and Eskom, as a company they can partner with.

“We want Eskom to trust that as a supplier we would do our best to reduce cost and that we are already ensuring by being ‘captains of our own ship’. What we save through mining our own coal, we want to be patriotic and pass on as a benefit to Eskom. We would however, make sure we supply them with the best coal at the best possible prices...” – Business Development Director, Mr. Xolile Mdolo highlights still obviously triumphant for being a part of sealing such a significant deal for the company.

Barloworld’s *Fetso Jaw Crusher* makes crushing of coal to agreed sizes hassle-free and the coal is stored ready for collection. The weighbridge on site is an enormous advantage too; coal is purposely checked prior to leaving Rirhandzu Colliery in an attempt to maintain good working relationships with the companies the colliery supplies. Site manager K Bilankulu established that coal is being crushed on site. He is but one of the many motivated team-members at the colliery.

Mbuyelo is not just a right holder- it is a mining house. Because it demonstrates remarkable growth, it has availed an opportunity to negotiate over sixty million rand worth of equipment from a company as esteemed as Barloworld; equipment that would serve the company better.

–Moleboheng Moletsane, Mbuyelo Group