

Private & Confidential

BDO Business Restructuring (Pty) Ltd
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South Africa

23rd September 2024

By email: Tony Flynn tflynn@bdo.co.za
Hans Klopper hklopper@bdo.co.za

Our Ref: CJ/JH/KB

Dear Hans and Tony

**Land Consultants Limited (“LCL”) - in Liquidation
Acharnian Mining Limited (“AML”) – in Receivership**

I write further to my letter dated 30th April 2024, in which the office holders of Acharnian Mining Limited (“AML”) and Land Consultants Limited (“LCL”) requested an extension to the publication of the business rescue plan for Elitheni Coal Pty Ltd (“Elitheni”) until 30th September 2024.

As you are aware, 74% of the equity in Elitheni is held by way of the receivership of AML and around 80% of the debt in Elitheni is due to LCL in liquidation.

At the time of our last letter, we were in detailed final negotiations with a mine operator to finalise the implementation of the plans to recommence mining operations in June 2024.

We are pleased to report that the implementation of mine preparation has proceeded generally well, if a little slower than planned and nearly all the equipment and site materials that had been purchased by the proposed site operator had been moved to site, with the reasonable expectations to recommence mining operations in November 2024

Office holders of AML and LCL believe that further time should be given to complete the implementation and training at site to recommence mining operations on the revised and improved basis of selling ‘raw, unwashed’ coal, as this will not only provide near term partial payments to creditors but will also greatly increase the prospects for a successful future sale of the AML shares and LCL debt as well as a financial restructuring of Elitheni. This will be beneficial for all stakeholders as well as the local community.

As previously stated, the office holders of AML and LCL are of the view that it would be uncommercial to allow Elitheni to be liquidated at this stage whilst there is progress being made with suitable investors and mine operators, especially considering that the mining licence, as the major asset, would be lost in the liquidation.



Taking the above into consideration, we suggest an extension of a further 6 months to 31st March 2025 to allow the commencement of mining operations.

Yours sincerely

Carl Jackson
Joint Liquidator

Licensed in the United Kingdom to act as an insolvency practitioner by the Insolvency Practitioners Association