



ELITHENI COAL (PTY) LTD

REGISTRATION NUMBER: 2001/002173/07

(IN BUSINESS RESCUE)

BUSINESS RESCUE STATUS REPORT IN TERMS OF SECTIONS 132 AND 141 OF THE COMPANIES ACT, 71 OF 2008 READ WITH REGULATION 125 OF THE COMPANIES ACT FILED BY THE BUSINESS RESCUE PRACTITIONERS J F KLOPPER AND A N FLYNN

J F Klopper and A N Flynn

May 2021

1. IMPORTANT INFORMATION AND ACTIONS

	Date
Board of directors passes resolution for Business Rescue on	2015-07-07
File notice of resolution with CIPC on	2015-07-08
Publish notice to affected parties-within 5 days from Filing	2015-07-14
Company nominates a BRP within 5 days of filing	2015-07-13
CIPC confirms the appointment of BRP	2015-07-13
File notice to CIPC on BRP appointment within 2 days	2015-03-25
Publish notice to affected parties of BRP within 5 days	2015-07-14
First meeting of creditors-10 days from appointment	2015-07-22
First meeting of employees-10 days from appointment	2015-07-21
Publish Business Plan within 25 days of appointment of BRP on	0000-00-00
Notice of meeting to determine Business Plan	0000-00-00
Meeting to determine Business Plan 10 days after publication	0000-00-00

2. CURRENT STATUS OF BUSINESS RESCUE PROCEEDINGS

1. Elitheni Coal (Pty) Ltd was placed under Business Rescue in terms of Section 129(1) of the Companies Act 2008 (“the Act”) on 8 July 2015.
2. Elitheni Coal (Pty) Ltd complied with the requirements of Section 129(3)(a) and (b) of the Act.
3. Johannes Frederick Klopper and Anthony Norman Flynn were licensed by the Commission in respect of the company and appointed as Business Rescue Practitioners (BRPs) to this company on 13 July 2015 in terms of Section 138 of the Act.
4. A First Meeting of Creditors was held in terms of Section 147 of the Act on 21 July 2015.
5. Creditors with a majority voting interest have agreed to the postponement of the date of publication of the business rescue plan to 30 November 2021.
6. In November 2020, we were in preliminary negotiations for an experienced and credible mine operator to recommence mining operation at Elitheni with effect from April 2021.
7. Unfortunately, as a result of the continued lockdown of South Africa by the Presidential Order on 22nd March 2020, our negotiations have been delayed for just over 12 months due to the travel ban for international travel purposes.
8. However, one positive development during this unforeseen and prolonged delay is that there has been a clear revival of interest in the SA mining sector among local players and local

banks, with the major international operators starting to dispose of SA assets to locally funded BEE mining consortia.

9. Accordingly, there is renewed optimism that there will be a viable plan to recover the mining operations at Elitheni.
10. In addition, we have continued to discuss a sale with interested parties and are also still in negotiations with parties to recommence mining operations with a view of a sale at a later date. However, the national lockdown has significantly delayed negotiations
11. The largest creditor (holding circa 80% of the debt) and largest shareholder (holder of 74% of the equity) has asked that we grant a further extension of the date by which the business rescue plan must be published by us.
12. As they are the holders of the majority of the creditors' voting interest in terms of the Companies Act 71 of 2008, we have acceded to their request and accordingly we agreed to delay the publication of the Business Rescue plan until 30 November 2021.



J F KLOPPER AND A N FLYNN

BUSINESS RESCUE PRACTITIONERS

Date: 31 May 2021