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BDO Business Restructuring (Pty) Ltd  
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22 September 2022

By email: Tony Flynn [tflynn@bdo.co.za](mailto:tflynn@bdo.co.za)  
Hans Klopper [hklopper@bdo.co.za](mailto: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 30 May 2022 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 2022.

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 due diligence with a very credible mine operator to develop the financial and operational plan to recommence mining operations during May 2022.

During these evaluations with this very experienced mine operator, it became clear that the historically proposed model for selling ‘washed coal’ was no longer valid in respect of Elitheni.

As a result, more interest has been generated and we are currently in discussions with 4 potential purchasers. Several site visits have taken place in the last couple of months.

Office holders of AML and LCL believe that further time should be given to develop the negotiations 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 2 months to 30<sup>th</sup> November 2022, to allow the completion of all contracts and the mobilisation of mining resources.

Yours sincerely

Carl Jackson  
Joint Liquidator

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