



Private and Confidential

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28 November 2022

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 22 September 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 30 November 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 and AML.

At the time of our last letter, we were in discussions with 4 potential purchasers and several site visits had taken place.

We have now narrowed it down to 1 serious potential purchaser with whom we are currently working with in respect of finalising a business model, financial model, community consultation and mining method approval.

Office holders of AML and LCL believe that further time should be given to develop the negotiations to recommence limited mining operations on the revised basis of selling ‘raw, unwashed’ coal, as this could potentially assist to provide a dividend to unsecured and PCF creditors. 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, as well as the general shutdown of businesses during December and January we suggest an extension of a further 6 months to 31 May 2023, to allow the completion of all contracts and the mobilisation of mining resources.

Yours sincerely

Carl Jackson
Joint Liquidator

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