



# STURNS

BUSINESS RESCUE PRACTITIONERS  
AND TURNAROUND SPECIALISTS

**August Monthly Report**  
**Makonjwaan Imperial Mining Company (Pty) Limited**  
**“Lily Mine”**

## **Status of the Mine**

The Mine remains closed and is secured as it is a dangerous area and as such is a no go zone. The Company has employed the services of TSU Security Services a high calibre Security Company to secure the mine as well as its assets.

The Zamma Zamma threat that has been contemplated in the Press has been eliminated. Access to the mine is secured by armed guards at the property entrance to the mine as well as at the collapsed shaft.

## **Business of the Company**

Due to the nature of the disaster the mine is not producing any gold and has effectively been mothballed incurring minimal costs.

Employee costs and initiatives are covered under the Employees section.

## **Investigations into the accident that occurred on 5 February 2016**

The internal investigation in terms of S11 of the Mine Health and Safety Act is ongoing and is being led by Attorney's Hogan Lovells. This investigation includes representations from management as well as industry specialists and has been ongoing for 3 months and is likely to continue for another 3 months. This investigation will be finalised by the end of October 2016 and then delivered to the Principal Inspector of Mines and the Health and Safety Committee.

### **Status of the recovery of the Container**

The project to try and retrieve the container will only be started once the access decline has been completed and access to that area is safe. This exercise will be conducted prior to the opening of the mine. Compensation to the families and workers that were trapped underground as promised by the Minister of Mines will occur once the funding for the complete project has been raised.

The Department of Social Welfare is actively engaging with the families of the deceased and that process is ongoing. The practitioner has met the families and will continue to engage with them. The company has continued paying the salaries of the deceased to each individual family.

### **Political activity**

The issue regarding the Lily Mine has attracted a large media audience and the has been compounded by the lack of performance by Afrocan which were to have injected R11 million USD into the Company. The Practitioner and Management continue to engage with the Media on all levels.

Activity in the area is anticipated to escalate as there is an expectation to retrieve the container immediately.

### **Employees**

All Employees where offered severance packages and most people opted for this option. The Unions have sanctioned this process. Staff that have accepted severance packages will be employed on the same terms and conditions as they were previously employed.

Approximately forty employees have resigned and one hundred have been redeployed to the Barbrook Mine. As from early September the Daylight project of reworking an old mine dump will employ approximately a further sixty employees.

Once funding has been secured, the establishment of the new decline shaft will commence and this will employ the balance of the employees.

### **Business Rescue Plan**

The business plan continues to be implemented the major items outstanding being securing of finance and development of the new decline.

### **Raising of Funding**

The practitioner is currently engaged with discussions with four potential investors whom wish to acquire a stake in the Vantage Goldfields Group. Furthermore, alternative means of funding the decline have been identified and these are being considered.

Investors require that their identities remain confidential.

**Rob Devereux**

**Business Rescue Practitioner**