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31 December 2013

TRANSMITTED BY EMAIL TO: gamuller@grahammuller.co.za

Graham Muller Associates

Tel: 031 206 1249

For Attention: Graham Muller

Review of the Final Draft Business Plan for the Development of a Drakensberg Cable Car

We submit to you a review of the “Final Draft Business Plan for the Development of a Drakensberg Cable Car” conducted by Newman Accounting and Tax Services, with a letter of endorsement of the review by Prof. P. Stegen, C.A., and lecturer of commerce at UKZN.

The review identifies two fatal flaws that dispute the financial viability of this proposal, namely:

- The lack of evidence that 300 000 visitors will use the cableway per year, and,
- The unrealistically high ticket price of R350 per person.

Based on the findings of the review, there is considerable doubt and concern that the cableway cannot make the projected amount of money required for it to be viable.

In addition, the review identifies other questionable assumptions, omissions and flaws in the calculations and information presented in the Business Plan relating to the cost of the project.

We trust that immediate attention will be given to the clarification of the material concerns raised in the Newman review before any further studies are initiated, including the proposed final Business Plan.

The time-constraints in producing the review has meant that many other material concerns have not been addressed in the short time available and given that the deadline for comments was 31 December 2013, the busiest time of the year.

There is rising concern over the manner in which certain aspects of this project have been conducted so far, as well as the accuracy of some of the information presented in the documents. We would also like to know what the cost of this project has been to taxpayers to date. A project that will earn substantially less revenue than predicted and cost far more than estimated should not be allowed to proceed any further.

Please confirm receipt of this letter as soon as it is read, and please provide a response to the concerns it expresses within two weeks of your offices opening in early January.

Yours sincerely,

Sheila Berry

Deputy Chair: Wilderness Action Group

Chris Sommer

Site Administrator & Representative: Vertical Endeavour

Carl Grossmann

Chairman: African Conservation Trust