



LANNA RESOURCES Public Company Limited

บริษัท ลานนารีซอร์สเซส จำกัด (มหาชน)

No. 1067/55E

October 1, 2024

Subject: Purchase of Fees in Coal Production and Distribution from the Coal Mining Concession of the Subsidiary Company in Indonesia

Attn: President
The Stock Exchange of Thailand

The Board of Directors' Meeting of Lanna Resources Public Co., Ltd. ("LANNA") No. 2/2024 dated April 22, 2024, has resolved to approve the following matters.

(1) Details of Investment Capital: LANNA shall purchase the right to partial amount of service fees for the coal mined and sold from the coal mining concession of PT. Singlurus Pratama ("SGP"), a subsidiary company of LANNA in Indonesia, for 25 million metric tons at the rate of USD 0.75 per metric ton from PT. Indocoal Pratama Jaya ("IPJ") for USD 6 million. According to previous agreements, IPJ shall receive the service fees of USD 1.25 per metric ton of coal mined and sold from SGP's coal mining concession. Accordingly, LANNA and IPJ entered into the purchase agreement of such right to the fees on September 30, 2024.

(2) Sources of Fund: LANNA shall use cash generated from operation for the purchase of right to the fees of IPJ, having divided the payment into 2 payments as follows:

1st Payment: LANNA shall pay USD 4 million to IPJ within October 1, 2024; and

2nd Payment: LANNA shall pay USD 2 million to IPJ within December 1, 2024.

(3) Expected Benefit: LANNA will be entitled to the fees from SGP for 25 million metric tons at the rate of USD 0.75 per metric ton, totaling USD 18.75 million, by which the profit shall be $(18.75 - 6) = \text{USD } 12.75$ million or an investment rate of return of 42.50 percent per annum for 5-year period, which is considered a good return. Accordingly, SGP still has remaining concession period of 15 years until 2039, with an estimated 30 million metric tons of remaining coal reserves for production and distribution.

(4) Transaction Size: Calculation based on the total value of consideration in comparison with the total asset according to the latest audited consolidated financial statements as at June 30, 2024, will be as follows:

$$\begin{aligned} \text{Value of Consideration} &= \frac{\text{Investment capital used in the purchase of fees from IPJ}}{\text{Total Asset of the Company}} \\ &= \frac{\text{USD 6 Million} \times \text{Baht 32.6133 per USD}}{\text{Total Assets of Baht 15,855.613 Million}} \\ &= 1.23 \% \end{aligned}$$

This transaction is not a related party transaction and not within the scope of transaction concerning the acquisition and disposition of assets of listed companies in accordance with the Notification of the Capital Market Supervisory Board.

Please be informed accordingly.

Yours faithfully,
For and behalf of Lanna Resources Public Company Limited

(Mr. Saharat Vatanatumrak)
Company Secretary