



SAIL MINERALS PROPRIETARY LIMITED

Registration Number: 2013/101076/07

December 2021

Attention: All Affected Persons of Sail Minerals (Pty) Limited (in business rescue) (“Sail Minerals”)

RE: REPORT ON THE PROGRESS OF THE BUSINESS RESCUE PROCEEDINGS OF SAIL MINERALS

Introduction

1. In terms of section 132(3) of the Companies Act 71 of 2008 (“Act”), if a company’s business rescue proceedings have not ended within three (3) months after the start of those proceedings, or such longer time as the court, on application by the practitioner, may allow, the practitioner must –
 - 1.1. prepare a report on the progress of the business rescue proceedings, and update it at the end of each subsequent month until the end of those proceedings; and
 - 1.2. deliver the report and each update in the prescribed manner to each affected person, and to the:
 - 1.2.1. Court, if the proceedings have been the subject of a court order; or
 - 1.2.2. Commission, in any other case.
2. Therefore, as required, this progress report is being delivered by the business rescue practitioner (“BRP”) in terms of section 132(3) of the Act.

Business Rescue Proceedings

3. Background
 - 3.1. On 21 September 2021, Sail Minerals was placed in business rescue pursuant to an order in terms of section 131(1) of the Act.
 - 3.2. On 21 September 2021, Siviwe Dongwana (“Dongwana”) was appointed as the interim BRP in terms of section 131(5) of the Act.



CONSERVATION



CONTRIBUTION



INTEGRITY



SAFETY

- 3.3. Pursuant to his appointment, the BRP convened the statutory first meetings of creditors and employees, as contemplated in sections 147 and 148 of the Act respectively, on 6 October 2021.
- 3.4. Dongwana's appointment as BRP was ratified by the holders of the majority of the independent creditors' voting interests at the first meeting of creditors, as contemplated in section 131(5) of the Act.
- 3.5. Since his appointment, Dongwana has been investigating Sail Mineral's affairs, business, property and financial situation in order to establish the best proposal to rescue Sail Minerals, which ultimately will be included in the business rescue plan. Various meetings have also been held with the relevant stakeholders.
- 3.6. On 22 October 2021, the BRP requested an extension for the publication of the business rescue plan, as contemplated in section 150(5)(b) of the Act, from 27 October 2021 to 21 January 2022. The extension was approved by the requisite majority of the creditors holding voting interests in Sail Minerals.

4. Salient Dates

The following table sets out the salient dates on which certain events have taken during the business rescue:

Court order commencing business rescue	21 September 2021
Interim BRP appointed	21 September 2021
First creditors' meeting and ratification of BRP appointment	6 October 2021
First employees' meeting	6 October 2021
Request for an extension to publish the business rescue plan	22 October 2021

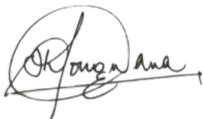
5. Proof of Claims

- 5.1. Creditors who have yet to submit their claims are encouraged to do so as soon as possible. Claims must be submitted to BusinessRescue@sailchrome.com.
- 5.2. Sail Minerals and the BRP are reconciling the claims received to date and will communicate with creditors, individually, regarding the status of their claims.
- 5.3. To the extent that any claims are disputed, a dispute mechanism will be provided for in the business rescue plan.

Conclusion

6. The BRP remains of the view that there is a reasonable prospect of Sail Minerals being rescued.
7. All relevant notices in respect of the business rescue proceedings of Sail Minerals can be found on <http://www.sailchrome.com>.
8. Please direct any queries to BusinessRescue@sailchrome.com.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Siviwe Dongwana', with a stylized flourish at the end.

Siviwe Dongwana
(Business Rescue Practitioner of Sail Minerals)