



SAIL MINERALS PROPRIETARY LIMITED

Registration Number: 2013/101076/07

January 2022

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.
3. Reference is made in this progress report to the prior progress report. It is therefore important that this progress report be read in conjunction with the previous progress report.



CONSERVATION



CONTRIBUTION



INTEGRITY



SAFETY

Business Rescue Proceedings

4. Update on the publication of the business rescue plan:

4.1. As mentioned in the previous progress report:

4.1.1. 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; and

4.1.2. the extension was approved by the requisite majority of the creditors holding voting interests in Sail Minerals.

4.2. It became evident that additional time was required to finalise the BRP's engagements with the major stakeholders of Sail Minerals in regard to the proposal to rescue Sail Minerals. In particular, the BRP was, and still is, in the process of negotiating the terms of the post-commencement finance required by Sail Minerals, which is critical to ensure the successful rescue of Sail Minerals.

4.3. Consequently, on 21 January 2022, the BRP requested a further extension for the publication of the business rescue plan, as contemplated in section 150(5)(b) of the Act, from 21 January 2021 to 11 February 2022. The further extension was approved by the requisite majority of the creditors holding voting interests in Sail Minerals.

4.4. The BRP anticipates that the requisite meetings and negotiations will be finalised in early February 2022, pursuant to which he will be in a position to finalise the proposal to rescue Sail Minerals, conduct the necessary consultations with affected persons in regard to same and to publish the business rescue plan.

5. Salient Dates

The following table sets out the salient dates on which certain events have taken and will take place 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 |
| Further request for an extension to publish the business rescue plan | 21 January 2022 |
| Publication of the business rescue plan | 11 February 2022 |
| Section 151 meeting | 25 February 2022 |

6. Proof of Claims

- 6.1. 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.
- 6.2. Sail Minerals and the BRP are reconciling the claims received to date and will communicate with creditors, individually, regarding the status of their claims.
- 6.3. To the extent that any claims are disputed, a dispute mechanism will be provided for in the business rescue plan.

Conclusion

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

9. Please direct any queries to BusinessRescue@sailchrome.com.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Siviwe Dongwana', enclosed within a circular scribble.

Siviwe Dongwana
(Business Rescue Practitioner of Sail Minerals)