



SAIL MINERALS PROPRIETARY LIMITED

Registration Number: 2013/101076/07

May 2023

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 reports and the adopted business rescue plan (“Plan”). Capitalised terms used herein bear the same meaning ascribed thereto in the Plan and/or the Act. It is therefore important that this progress report be read in conjunction with the previous progress reports and the Plan.



CONSERVATION



CONTRIBUTION



INTEGRITY



SAFETY

Business Rescue Proceedings

4. Proof of Claims

- 4.1. The BRP's team is reconciling the claims received to date and will communicate with creditors, individually, regarding the status of their claims.
- 4.2. To the extent that any claims are disputed, a dispute mechanism has been provided for in the Plan.

5. BCM Plan

- 5.1. At the adjourned section 151 meeting on 16 May 2023, the BCM BRP unilaterally adjourned the section 151 meeting to 18 July 2023, asserting that it was both necessary and expedient to do so in light of the declaratory application brought by Sail Minerals, detailed under the litigation heading below.
- 5.2. Sail Minerals disputed the unilateral adjournment of the section 151 meeting and recorded that a vote was required to adjourn the section 151 meeting.

6. Litigation

- 6.1. The BRP refers to the notices to affected persons regarding the legal proceedings which have been instituted by and against Sail Minerals. Accordingly, this paragraph of the report must be read together with the aforesaid notices.

BCM – Application for a declarator

- 6.2. In light of BCM BRP's continued refusal to acknowledge the full amount claimed by Sail Minerals, on 12 May 2023, Sail Minerals' BRP instituted an application against BCM and its BRP for the following relief:
 - 6.2.1. a declarator that the purported set-off by BCM of the respective claims of BCM and Sail Minerals against each other is invalid; and

6.2.2. a declarator that Sail Minerals is entitled to a voting interest equal to the full value of the amount that it asserts is owing to it, being approximately R154.9 million.

6.3. BCM and its BRP opposed the application. Their answering affidavit is due on 19 June 2023.

Sail Holdings – Application to terminate the business rescue proceedings of Sail Minerals and to place Sail Minerals in liquidation

6.4. On 10 May 2023, Sail Holdings instituted an urgent liquidation application against Sail Minerals, which was set-down for hearing on the urgent roll for 6 June 2023.

6.5. The application is opposed by Sail Minerals and the BRP. An answering affidavit was filed on 29 May 2023.

6.6. On 6 June 2023, the application was removed from the urgent court roll.

6.7. Sail Holdings has not delivered a replying affidavit.

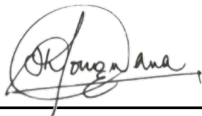
Conclusion

7. The BRP will continue implementing the Plan in accordance with his statutory obligations.

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



Siviwe Dongwana
(Business Rescue Practitioner of Sail Minerals (Pty) Ltd)