



**SAIL MINERALS PROPRIETARY LIMITED**

**Registration Number: 2013/101076/07**

April 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**

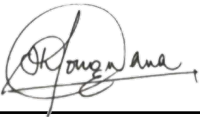
4. Update on the Sales Process in respect of the non-core assets
  - 4.1. The online auction closed on 14 March 2023.
  - 4.2. The BRP has disposed of the remainder of the non-core assets which were not sold in the Sales Process.
5. Proof of Claims
  - 5.1. The BRP's team is reconciling the claims received to date and will communicate with creditors, individually, regarding the status of their claims.
  - 5.2. To the extent that any claims are disputed, a dispute mechanism has been provided for in the Plan.
6. BCM Plan
  - 6.1. Following the publication of the BCM Plan the Sail Minerals BRP addressed correspondence to the BRP of BCM advising him that there was no basis for the set-off and that the BCM Plan should be amended to reflect Sail Minerals' claim in full.
  - 6.2. The BCM BRP refused to acknowledge Sail Minerals' full voting interests.
  - 6.3. Notwithstanding the above, Sail Minerals submitted its proxy on 14 April 2023 voting against the BCM Plan. Sail Contracting is reflected in the BCM Plan as holding a 46% voting interest, also submitted its proxy voting against the BCM Plan. In the circumstances, the BCM Plan will not pass the 75% threshold required by the Act.
  - 6.4. On 18 April 2023, the section 151 meeting in respect of BCM was adjourned to 16 May 2023 to allow the Industrial Development Corporation of South Africa (a 10% shareholder and secured lender of BCM) time to obtain approval to vote on the BCM Plan.

- 6.5. Sail Contracting and Sail Minerals voted against the adjournment, however, the vote was passed by the BCM BRP due to the BCM BRP's refusal to acknowledge the full claim amount asserted by Sail Minerals. Sail Minerals recorded the aforesaid as an irregular step.

### **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](mailto:BusinessRescue@sailchrome.com).

Yours faithfully

A handwritten signature in black ink, appearing to read 'Siviwe Dongwana', is written over a horizontal line.

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