



SAIL MINERALS PROPRIETARY LIMITED

Registration Number: 2013/101076/07

March 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

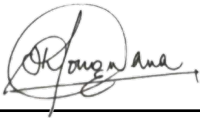
Business Rescue Proceedings

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 received a number of offers for the non-core assets. The successful bidders made payment whereafter the non-core assets were delivered to them.
 - 4.3. The non-core assets which the BRP did not manage to dispose of in the Sales Process will be sold separately to interested buyers.
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. On 31 March 2023, the BRP of BCM published the BCM Plan.
 - 6.2. In terms of the BCM Plan, BCM has impermissibly applied a set-off of BCM and Sail Minerals' respective claims, in an attempt to reduce Sail Minerals' claim of R154.9 million in BCM to R17.2 million.
 - 6.3. The effect of the impermissible set-off by BCM is that the voting interest of Sail Minerals in BCM is reduced from 23% to 3%.
 - 6.4. Sail Minerals has disputed the purported set-off and will assert its rights in terms of the full amount claimed by Sail Minerals.
 - 6.5. The section 151 meeting to vote on the BCM Plan has been convened for 18 April 2023.

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

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

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