



SAIL MINERALS PROPRIETARY LIMITED

Registration Number: 2013/101076/07

December 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 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

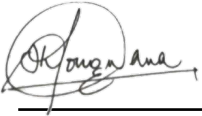
Business Rescue Proceedings

4. Update on the implementation of the Plan
 - 4.1. During November 2022, the Sail Minerals' BRP had a consultation with *inter alia* BCM's BRP in terms of which Sail Minerals' BRP was advised by the BRP of BCM that:
 - 4.1.1. BCM did not intend on restarting its underground mining operation as its discussions with a potential funder had fallen through. Accordingly, the only option available for BCM was to embark on an accelerated sales process for the sale of BCM's business.
 - 4.1.2. BCM had no intention to acquire or lease Sail Minerals' mining equipment as BCM was discontinuing its mining operations.
 - 4.2. In light of the above, Sail Minerals' underground mining assets have become non-core assets and are accordingly available for sale.
5. Sales Process
 - 5.1. In light of paragraph 4 above, the non-core underground mining assets of Sail Minerals will be sold by way of public auction ("the Sales Process").
 - 5.2. The BRP has instructed WH Auctioneers to assist with the Sales Process.
 - 5.3. WH Auctioneers have commenced with the online advertisements of the assets.
6. Proof of Claims
 - 6.1. The BRP's team is reconciling the claims received to date and will communicate with creditors, individually, regarding the status of their claims.
 - 6.2. To the extent that any claims are disputed, a dispute mechanism has been provided for in the Plan.

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)