



**SAIL MINERALS PROPRIETARY LIMITED**

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

28 November 2023

**ATTENTION: ALL AFFECTED PERSONS OF SAIL MINERALS (PTY) LIMITED (IN BUSINESS RESCUE)  
("SAIL MINERALS")**

**RE: THE BUSINESS RESCUE PROCEEDINGS OF SAIL MINERALS**

1. The purpose of this notice is to provide affected persons with an update regarding the business rescue proceedings of Sail Minerals and to advise affected persons of the business rescue practitioner's decision in respect of the continuation of such proceedings.
2. In terms of section 141 of the Companies Act, 71 of 2008 ("Companies Act"), the business rescue practitioner must investigate the company's affairs, business, property and financial situation for purposes of being satisfied that there remains a reasonable prospect of the company being rescued.
3. In particular, section 141(2) of the Companies Act provides that, if, at any time during business rescue proceedings of a company, the business rescue practitioner concludes that there is no longer a reasonable prospect for the company to be rescued, the business rescue practitioner must:
  - 3.1. so inform the court, the company, and all affected persons in the prescribed manner; and
  - 3.2. apply to the court for an order discontinuing the business rescue proceedings and placing the company into liquidation.
4. In my capacity as the business rescue practitioner of Sail Minerals, and in compliance with my aforesaid statutory obligations, I have continuously investigated and assessed Sail Minerals' affairs, business, property and financial situation, together with the provisions of the adopted business rescue plan of Sail Minerals ("plan"), in determining whether there remains a reasonable prospect of rescuing Sail Minerals and if the plan can be implemented.



CONSERVATION



CONTRIBUTION



INTEGRITY

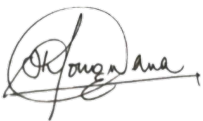


SAFETY

5. As previously communicated to affected persons and recorded in the papers filed in the court proceedings, I remained of the view that there was a reasonable prospect of rescuing Sail Minerals.
6. This view, however, has changed due to recent material developments, being:
  - 6.1. the conclusion of an agreement between the liquidators of Sail Contracting (Pty) Ltd (in liquidation) ("Sail Contracting") and the business rescue practitioner of Black Chrome Mine (Pty) Ltd (in business rescue) for the sale of Sail Contracting's assets, including those parts of the processing plant owned by Sail Contracting ("asset agreement"); and
  - 6.2. the filing of an intervention application by Absa Bank Limited in support of the liquidation application brought by Sail Holdings (Pty) Ltd ("Absa intervention").
7. In terms of paragraph 30.2 of the plan, the plan and the implementation thereof is subject to the following conditions:
  - 7.1. the adoption of the plan in terms of section 152 of the Companies Act;
  - 7.2. the provision of the necessary post-commencement finance;
  - 7.3. the conclusion of an agreement with Sail Contracting in regard to its plant and mining equipment; and
  - 7.4. the conclusion of an agreement between Sail Minerals and BCM to secure ROM.
8. Although the plan was adopted and post-commencement finance was procured, subject to certain conditions, the condition in paragraph 7.3 above is no longer capable of fulfilment (due to the asset agreement) and, to date, the condition in paragraph 7.4 has not been fulfilled as no agreement has been concluded with BCM to secure ROM.
9. In terms of paragraph 30.3 of the plan, in the event that the conditions contemplated in paragraph 30.2 of the plan are not fulfilled, I must:
  - 9.1. publish a notice to affected persons, informing them of the conditions that could and could not be fulfilled and provide an update on the business rescue to date; and

- 9.2. convene a meeting of affected persons to discuss the notice and conduct a vote on whether creditors want the business rescue to proceed in accordance with a wind-down of the Sail Minerals' assets or apply to court for an order discontinuing the business rescue and placing the company into liquidation in terms of section 141(2)(a)(ii) of the Companies Act.
10. This notice constitutes the notice contemplated in paragraph 9.1 above.
11. However, in light of the Absa intervention, it would serve no purpose in convening a meeting of affected persons to conduct a vote on whether creditors want the business rescue to proceed in accordance with a wind-down of Sail Minerals. In this regard, Absa's voting interest exceeds 25% of the total independent voting interests in Sail Minerals. Consequently, if a meeting were to be convened, Absa's vote alone will result in the failure of a vote for the business rescue proceeding in accordance with a wind-down.
12. In light of the above, and in accordance with paragraph 30.3 of the plan, I will be applying to court for an order discontinuing the business rescue of Sail Minerals and placing it into liquidation in terms of section 141(2)(a)(ii) of the Companies Act.
13. The above application will be launched as soon as possible and a copy of same will be provided to affected persons as required in terms of the Companies Act.
14. Please direct any queries to [BusinessRescue@sailchrome.com](mailto:BusinessRescue@sailchrome.com).

Yours faithfully



Siviwe Dongwana

(Business Rescue Practitioner of Sail Minerals)