



ANDALUSITE RESOURCES

1<sup>ST</sup> BUSINESS RESCUE Meeting Minutes with Employees in terms of section 147 of the Companies Act 71 of 2008

MEETING HELD AT ANDALUSITE RESOURCES MINE ON 11 JULY 2019 at 15h00

**1. Opening and Welcome**

Mr. Piet Kolbe opened and welcomed everyone present at the meeting

**2. Attendance – Directors, Employees, Business Rescue Practitioner team**

Name and Surname:	P / A / N		
Mr. Andrew Masongwa	P	Employees approximately 180	P
Mr. Herman Penyenye	P		
Mr. Johan Ebersohn	P	Andrew Masongwa - translator	
Mr. Tiaan Oosthuisen	P		
Mr. Piet Kolbe	P		
Mr. Cecil Bain	P		
Mr. Gavin Gainsford	P		
Mr. Reddy. Ritshori (AMCU REGION)	P		
Mr. Sylvester Nxumalo (Local branch Chair – AMCU)	P		

**2.1 Apologies:**

None

**3. Acceptance of Agenda:**

Not required	Yes	No
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**4. Discussion Points Added:**

**Added to Discussion Points:**

4.1.	None	None
4.2.		
4.3.		

**5. Correspondence:**

5.1. Notice of 1<sup>st</sup> Creditors/Employees meeting for the 11<sup>th</sup> July 2019

5.2.

5.3.

**6. Reading of previous meeting Minutes:**

Not applicable.	Yes	No
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7. Discussion Points:		Responsible	Feedback Date
7.1.	<ul style="list-style-type: none"> <li>Introduction of the appointed Business Rescue Practitioner – Mr. Gavin Gainsford. Explains his role and purpose guiding the company out of business rescue</li> </ul>	PK/JE/AM	
7.2.	<ul style="list-style-type: none"> <li>BRP confirms that he formed an opinion that Andalusite Resources is capable of being rescued subject to an agreed business rescue plan and a new Investor been found who is willing to recapitalise the company.</li> </ul>	GG	
7.3.	<ul style="list-style-type: none"> <li>BRP suggests that an employee committee representing all levels of employees is constituted to represent the staff in the business rescue process. Names to be forwarded to Andrew Masongwa</li> </ul>	GG/JE/AM	
7.4.	<ul style="list-style-type: none"> <li>Piet Kolbe confirms that the current mining contractor, ALMAR Investments withdrew from its contract of service and the Mine. A new mining contractor was sourced but negotiations and the contract between AR and the Contractor is still to be finalised. The intention is to start up the Mine at the earliest date practical possible and hopefully within a week. There are however a number of challenges to be overcome which includes the fact that no revenue is currently generated by the Mine as well as the problem with Eskom who stop the supply of electricity to the Mine. Staff will be kept up to date with when the new contractor is to arrive on the mine. The new contractor indicated that it was willing to employ the staff that were employed by ALMAR operating the various machines in the mining process. Further details will be made available by J Ebersohn and the BRP (Gavin) in due course.</li> </ul>	PK/JE/GG	
7.5.	<ul style="list-style-type: none"> <li>Salaries which staff is expected to be paid end July 2019 are to be discussed between Johan and Gavin and will feedback be given to staff as soon as it is practical possible. It must be noted that if the Mine is not to start soon, it will have an adverse effect on the payment of salaries also but Ebersohn confirmed that the BRP team will do their level best to secure salaries in the current circumstances the Mine is facing.</li> </ul>	JE/GG	

8. General:	
	ALMAR employees present needed clarity on the possibility of been transferred to the new contractor.

9. Next Meeting:	
	TBA

10. Closure	
	Meeting adjourned 15h45

Business Rescue Practitioner

Johan Ebersohn  
Scribe