



ANDALUSITE RESOURCES

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Co. Reg. No. 2000/029268/07

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27 May 2020

Attention: **All Affected Persons**

Andalusite Resources Proprietary Limited (In Business Rescue)

## **STATUS REPORT FOR ANDALUSITE RESOURCES PROPRIETARY LIMITED (IN BUSINESS RESCUE)**

In accordance with section 132(3)(a) and section 132(3)(b) of the Companies Act 71 of 2008, as amended ("**Act**") when the business rescue proceedings of a company have not concluded within 3 months of the date on which they started, a business rescue practitioner is required to –

1. prepare a report on the progress of the business rescue, and update it at the end of each subsequent month until the end of the business rescue proceedings; and
2. deliver the report and each update to each affected person and the High Court of South Africa, Gauteng Local Division, Johannesburg ("High Court") (when business rescue proceedings commenced by way of an order of the High Court).

I hereby provide you with the eight report on the status of the Company's business rescue proceedings.

President Ramaphosa has declared Covid-19 to be a national disaster in terms of the Disaster Management Act 57 of 2002 (DM Act). On 24 May 2020 President Ramaphosa announced that, in line with a risk-adjusted strategy providing for varying levels of lockdown restrictions (i.e. level 1 (least restrictive) to level 5 (most restrictive)), South Africa will move from level 4 to level 3 from 1 June 2020.

For more information, please visit <https://sacoronavirus.co.za/>.

ANDALUSITE RESOURCES (PTY) LTD  
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DIRECTORS: P KOLBE, C J BAIN, S PADDY, A MASONGWA, A. MSIMANG

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ANDALUSITE RESOURCES

In line with the directives and regulations published under the DM Act, the Company has, as at date hereof, increased its employment capacity at its mining operations to 85%.

Regarding the status of the business rescue proceedings, please note that:

1. Sales process:

As a result of the ongoing national lockdown, negotiations with bidders have been delayed and, accordingly, the ultimate finalist from the preferred bidders has not been decided. Discussions with bidders are however ongoing.

2. Investec Bank Limited's legal proceedings:

The position, as set out in the notice to Affected Persons of 18 March 2020, remains unchanged.

3. Publication of the plan:

At this stage, and in light of the ongoing discussions with bidders, I require an extension for the publication of the business rescue plan. I accordingly request affected persons to permit a further extension of the date to publish the plan to 31 July 2020.

In this regard, insofar as any affected person may have an objection to this request for an extension, that person is kindly required to note such objection in writing by not later than 17h00 (South African time) on 29 May 2020.

Please note that, if in respect of any affected person, I do not receive a written objection to this requested extension by not later than 17h00 (South African time) on 29 May 2020, then such failure to so object in writing will be construed as a vote by such affected person in favour of my request for an extension and such affected person will be deemed to have approved my request for an extension.

As the situation continues to be fluid, I will continue to evaluate the situation and keep you apprised of any and all pertinent developments in respect of this business rescue.

If you have any requests or queries, you are welcome to direct them to [gavin.gainsford@gcwapadmin.co.za](mailto:gavin.gainsford@gcwapadmin.co.za) and [sean.christensen@gcwapadmin.co.za](mailto:sean.christensen@gcwapadmin.co.za)

All relevant notices circulated to the affected persons of the Company, to date, have been published on the company's website at [www.AndalusiteResources.com](http://www.AndalusiteResources.com)

**Gavin Gainsford**

Andalusite Resources Proprietary Limited (In Business Rescue)

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