



ANDALUSITE RESOURCES

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Co. Reg. No. 2000/029268/07

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30 June 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 ninth 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 moved from level 4 to level 3 on 1 June 2020.

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

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In line with the directives and regulations published under the DM Act, the Company has, as at date hereof, further increased its employment capacity at its mining operations to 100%. Presently the Company's mining operations are generating sufficient revenue to pay for its current overheads.

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

1. Sales process:

Negotiations and discussions with existing bidders are ongoing and discussions with prospective new bidders have commenced. Accordingly, the ultimate finalist has not been decided.

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:

As per the immediately preceding report on the status of the Company's business rescue proceedings, the date to publish the plan is presently 31 July 2020.

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@gcwadmin.co.za](mailto:gavin.gainsford@gcwadmin.co.za) and [sean.christensen@gcwadmin.co.za](mailto:sean.christensen@gcwadmin.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)