



ANDALUSITE RESOURCES

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Gatueng
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Tel: +27-11-467 8601
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Co. Reg. No. 2000/029268/07

28 July 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 tenth 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/>.

In line with the directives and regulations published under the DM Act, the Company continues to operate its mines at an employment capacity of 100%, and the Company's mining operations continue to generate sufficient revenue to pay for its current overheads.

ANDALUSITE RESOURCES (PTY) LTD
P O Box 436 Witkoppen 2068 Republic of South Africa
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Telephone +27 11 996-4060 Website andalusiteresources.com.
DIRECTORS: P KOLBE, C J BAIN, S PADDY, A MASONGWA, A. MSIMANG

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

1. Investec Bank Limited's legal proceedings:

The Company and Investec Bank Limited have concluded a settlement agreement.

2. Sales process:

Although a certain bidder with whom negotiations was far advanced has withdrawn its bid, negotiations and discussions with other bidders are ongoing..

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. However, in light of paragraph 2 directly above, I require an extension of the date to publish the plan to 30 September 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 30 July 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 30 July 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@gcwadmin.co.za and 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

Gavin Gainsford

Andalusite Resources Proprietary Limited (In Business Rescue)

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