



ANDALUSITE RESOURCES

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Co. Reg. No. 2000/029268/07

NOTICE TO AFFECTED PERSONS

27 November 2020

NOTICES TO AFFECTED PERSONS OF ANDALUSITE RESOURCES PROPRIETARY LIMITED (IN BUSINESS RESCUE)

This notice pertains to two separate matters in respect of the Company – (i) a meeting to approve the remuneration agreement of the business rescue practitioner ("BRP"); and (ii) the Meeting to vote on the business rescue plan published on 27 November 2020 ("Business Rescue Plan"). Please read the separate notices carefully.

Capitalised words not otherwise defined in these notices shall have the meaning ascribed to them in the Business Rescue Plan.

A. Notice of Meeting to vote on the Business Rescue Practitioner's Remuneration Agreement – Section 143(3)

1. Notice is given to the Creditors and shareholders of the Company in terms of the provisions of section 143(3) of the Companies Act 71 of 2008 ("Companies Act") that a virtual meeting of Creditors and thereafter a virtual meeting of shareholders will be held at the date and time set out below for the purpose of voting on the BRP's remuneration agreement ("**Meeting to Vote on the BRP's Remuneration Agreement**").

Creditors

Date: **8 December 2020**
Time: **12h00 – 12h30**

Join Zoom Meeting

<https://werksmans.zoom.us/j/95989153412>

Meeting ID: 959 8915 3412

Passcode: 124187

Shareholders

Date: **8 December 2020**
Time: **12h30 – 13h00**

Join Zoom Meeting

<https://werksmans.zoom.us/j/95260694433>

Meeting ID: 952 6069 4433

Passcode: 685636

ANDALUSITE RESOURCES (PTY) LTD
P O Box 436 Witkoppen 2068 Republic of South Africa
Building "A" Regent Hill Office Park, Cnr. Leslie & Turley Roads, Lonehill
Telephone +27 11 996-4060 Website andalusiteresources.
DIRECTORS: P KOLBE, C J BAIN, S PADDY, A MASONGWA, A. MSIMANG

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2. A calendar invitation will be circulated to all Creditor and shareholders which will contain full Zoom details (with further options to join the Meeting to Vote on the BRP's Remuneration Agreement) and a link to the ballot form for purposes of voting at this meeting.
3. Section 143 of the Companies permits a business rescue practitioner, in agreement with the Company, to conclude a fee agreement if the requisite support is obtained from the Creditors and shareholders of the Company.
4. At this meeting, the BRP intends to call for a vote from Creditors and shareholders, at the separate meetings, in terms of section 143(3) of the Companies Act for the purpose of voting on the BRP's remuneration agreement.
5. Details about the remuneration agreement is set out in paragraph 1.18.1 of the Business Rescue Plan.

B. Publication of the Business Rescue Plan – Section 150(5)

1. In accordance with section 150(5) of the Companies Act I hereby publish the Business Rescue Plan.
2. The business rescue plan sets out the manner in which I believe that the Company can be rescued within the meaning of the Companies Act.
3. More particularly, the business rescue plan contains background of the Company, the proposals for the rescue and release of the Company from business rescue and the assumptions and conditions upon which the Business Rescue Plan is based.
4. A copy of the Business Rescue Plan is enclosed herewith and is also available from the BRP on request by Affected Persons.
5. A copy of the Business Rescue Plan –
 - a. has also been uploaded to the Company's website – www.AndalusiteResources.com
 - b. the document is titled "Business Rescue Plan"; and
 - c. the document will be available for downloading from the Company's website for the duration of the Company's Business Rescue proceedings.

C. Notice of the Meeting to Vote on the Business Rescue Plan – 151(2)

1. In accordance with section 151(2) of the Companies Act, I notify all Affected Persons that a virtual meeting of Affected Persons will be held at the date and time set out below for the purpose of voting on the Business Rescue Plan ("**Meeting to Vote on the Business Rescue Plan**").

Date: **8 December 2020**

Time: **13h00**

Join Zoom Meeting

<https://werksmans.zoom.us/j/98352816005>

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Meeting ID: 983 5281 6005

Passcode: 865754

2. A calendar invitation will be circulated to all Affected Persons which will contain the full Zoom details (with further options to join the Meeting to Vote on the Business Rescue Plan) and a link to the ballot form for purposes of voting at the Meeting to Vote on the Business Rescue Plan.
3. Please note that the agenda and purpose of the Meeting to Vote on the Business Rescue Plan is to -
 - a. introduce the Business Rescue Plan, and its annexures, for the consideration of the Affected Persons of the Company;
 - b. inform Affected Persons about whether or not the BRP continues to believe that there is a reasonable prospect of rescuing the Company;
 - c. provide employees, if any, and/or their representatives with an opportunity to address the meeting;
 - d. invite discussion, and entertain and conduct a vote, on any motions to (i) amend the proposed Business Rescue Plan, in any manner moved and seconded by holders of Creditors' voting interests (satisfactory to the BRP); or (ii) adjourn the Meeting to Vote on the Business Rescue Plan in order to revise the proposed Business Rescue Plan for further consideration; and
 - e. call for a vote of preliminary approval of the proposed Business Rescue Plan (as amended if applicable) unless the Meeting to Vote on the Business Rescue Plan is first adjourned as referred to above.
4. All Affected Persons (creditors, shareholders, employees and/or the latter's representatives) have a right to participate in the Business Rescue proceedings and at the Meeting to Vote on the Business Rescue Plan in accordance with section 144 (employees), section 145 (creditors) and section 146 (shareholders/holders of securities) of the Companies Act.
5. In accordance with section 145(4) of the Companies Act, a Creditor (and an employee who is a creditor (section 144(3)(f))) is entitled to vote as follows -
 - a. a secured or unsecured Creditor has a voting interest equal to the value of the amount owed to that Creditor by the Company; and
 - b. a Concurrent Creditor who would be subordinated in a liquidation has a voting interest, as independently and expertly appraised and valued at the request of the BRP, equal to the amount, if any, that the Creditor could reasonably expect to receive on a liquidation of the Company.
6. In accordance with section 146(d) of the Companies Act, a shareholder is entitled to vote on a proposed Business Rescue Plan if the plan alters the rights associated with the class of securities held by that shareholder. The Business rescue Plan does not alter the rights of shareholders as contemplated in the Companies Act and thus no shareholder will vote at the Meeting to Vote on the Business Rescue Plan.

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7. In accordance with section 144(3) read with section 152(1)(c) of the Act, employees and/or their representatives are afforded an opportunity to address the Meeting to Vote on the Business Rescue Plan.
8. Please note that the summary set out above is merely a summary of the rights of Affected Persons and Affected Persons should have regard to the relevant provisions in the Companies Act and should seek independent legal advice in respect of their rights.
9. The BRP and/or its representatives will not be responsible for any acts taken (or omissions arising from) an Affected Persons' reliance on the aforesaid summary.

D. General

1. Voting will take place electronically over the Zoom platform. The BRP will circulate a calendar invitation for both the Meeting to Vote on the BRP's Remuneration Agreement and the Meeting to Vote on the Business Rescue Plan, which will contain the Zoom details and a ballot form.
2. **You are required to notify me, by 17h00 on 6 December 2020, whether you will be attending the Meeting to Vote on the BRP's Remuneration Agreement and the Meeting to Vote on the Business Rescue Plan, the name of the person who will be representing you at the meeting and who will cast the vote at the meeting/s.**
3. Each creditor is entitled to vote only once in respect of each matter at the meeting/s.
4. In the event that you are unable to attend either the Meeting to Vote on the BRP's Remuneration Agreement and/or the Meeting to Vote on the Business Rescue Plan enclosed please find a proxy form (in respect of each meeting) for the purpose of nominating a person to act on your behalf at the meeting/s.
5. Three different proxy forms are enclosed with this notice –
 - a. **A) PROXY FORM – FOR VOTING AT THE MEETING TO VOTE ON THE BUSINESS RESCUE PRACTITIONER'S REMUNERATION AGREEMENT**
 - b. **B) PROXY FORM – FOR VOTING FOR THE AFRIMAT OFFER OR THE ARM OFFER AT THE MEETING TO VOTE ON THE BUSINESS RESCUE PLAN**
 - c. **C) PROXY FORM – FOR VOTING AT THE MEETING TO VOTE ON THE BUSINESS RESCUE PLAN PUBLISHED ON 27 NOVEMBER 2020**
6. The proxy form may, in the discretion of the BRP, need to be supplemented with an appropriate resolution (for a juristic entity or trust) or by a power of attorney (for an individual) giving such representative the authority to attend and vote at the meeting on behalf of the juristic persons, trust or individual.
7. **Proxy forms must be returned via email to sean.christensen@gcwwadmin.co.za by 17h00 on 6 December 2020.**
8. If you have any requests or queries, they may be directed to Sean Christensen sean.christensen@gcwwadmin.co.za.



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Yours faithfully

Gavin Gainsford

Andalusite Resources Proprietary Limited (In Business Rescue)

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A) PROXY FORM – FOR VOTING AT THE MEETING TO VOTE ON THE BUSINESS RESCUE PRACTITIONER'S REMUNERATION AGREEMENT

For the use by the Creditors and/shareholders (as the case may be) at the **Meeting to Vote on the Business Rescue Practitioner's Remuneration Agreement**.

I/We, _____ (insert full name of person or entity) being a Creditor/shareholder of the Company in the amount of _____ do hereby nominate, constitute and appoint -

1 _____ or failing him/her;

2 _____ or failing him/her;

3 the BRP,

as my proxy to attend and act for me/us and on my/our behalf at the **Meeting to Vote on the Business Rescue Practitioner's Remuneration Agreement** and to vote in accordance with the instructions indicated below (as the case may be) in respect of the proposed remuneration agreement.

BRP's Remuneration Agreement

For	Against	Abstain
-----	---------	---------

Signed at _____ on the _____

_____ who warrants that he/she is duly authorised thereto

Name: _____

Date: _____

Place: _____

Note –

- Capitalized words not otherwise defined in this proxy form shall have the meaning ascribed to them in the Business Rescue Plan.
- The proxy form may, in the discretion of the BRP, need to be supplemented with an appropriate resolution (for a juristic entity or trust) or by a power of attorney (for an individual) giving such representative the authority to attend and vote at the meeting on behalf of the juristic persons, trust or individual.



B) PROXY FORM – FOR VOTING FOR THE AFRIMAT OFFER OR THE ARM OFFER AT THE MEETING TO VOTE ON THE BUSINESS RESCUE PLAN

For the use by the Affected Persons (as the case may be) **to vote at the meeting in respect of the Afrimat Offer of the ARM Offer.**

I/We, _____ (insert full name of person or entity) being a Creditor/shareholder/employee of the Company in the amount of _____ do hereby nominate, constitute and appoint -

1 _____ or failing him/her;

2 _____ or failing him/her;

3 the BRP,

as my proxy to attend and act for me/us and on my/our behalf at the **to vote at the meeting in respect of the Afrimat Offer of the ARM Offer on 27 November 2020** and to vote in accordance with the instructions indicated below (as the case may be).

Afrimat Offer or the ARM Offer

For Afrimat Offer	For ARM Offer	Abstain
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Signed at _____ on the _____

_____ who warrants that he/she is duly authorised thereto

Name: _____

Date: _____

Place: _____

Note –

- Capitalized words not otherwise defined in this proxy form shall have the meaning ascribed to them in the Business Rescue Plan.
- The proxy form may, in the discretion of the BRP, need to be supplemented with an appropriate resolution (for a juristic entity or trust) or by a power of attorney (for an individual) giving such representative the authority to attend and vote at the meeting on behalf of the juristic persons, trust or individual.
- Creditors will only be entitled to cast a vote once for either the Afrimat Offer or the ARM Offer, and not for both and if a Creditor votes for both, such Creditor's vote will not be counted.



C) PROXY FORM – FOR VOTING AT THE MEETING TO VOTE ON THE BUSINESS RESCUE PLAN PUBLISHED ON 27 NOVEMBER 2020

For the use by the Creditors and/or employees and/or Securities holders (as the case may be) at the **Meeting to Vote on the Business Rescue Plan**.

I/We, _____ (insert full name of person or entity) being a Creditor/shareholder/employee of the Company in the amount of _____ do hereby nominate, constitute and appoint -

1 _____ or failing him/her;

2 _____ or failing him/her;

3 the BRP,

as my proxy to attend and act for me/us and on my/our behalf at the **Meeting to Vote on the Business Rescue Plan** to be held to consider the proposed business rescue plan of the Company published on **27 November 2020** and to vote in accordance with the instructions indicated below (as the case may be) in respect of the proposed business rescue plan.

1. Adoption of Business Rescue Plan

For	Against	Abstain
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2. Amendments proposed to the Business Rescue Plan, if any, at the Meeting

For	Against	Abstain
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3. Adjournment to the Meeting for the BRP to revise the Business Rescue Plan

For	Against	Abstain
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Signed at _____ on the _____

_____ who warrants that he/she is duly authorised thereto

Name: _____

Date: _____

Place: _____

Note –



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6. Capitalized words not otherwise defined in this proxy form shall have the meaning ascribed to them in the Business Rescue Plan.
7. The proxy form may, in the discretion of the BRP, need to be supplemented with an appropriate resolution (for a juristic entity or trust) or by a power of attorney (for an individual) giving such representative the authority to attend and vote at the Meeting on behalf of the juristic persons, trust or individual.
8. Creditors will only be entitled to cast a vote once for either the Afrimat Offer or the ARM Offer, and not for both and if a Creditor votes for both, such Creditor's vote will not be counted.

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