



ANDALUSITE RESOURCES

P O Box 436
WITKOPPEN 2068
Building "A"
Regent Hill Office Park
Cnr. Leslie & Turley Roads
Lonehill 2191
Gatueng
SOUTH AFRICA
Tel: +27-11-467 8601
Fax: +27-11-467 9115
Co. Reg. No. 2000/029268/07

29 April 2021

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

- 1 In accordance with section 132(3)(a) and section 132(3)(b) of the Companies Act 71 of 2008, as amended ("Companies 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 –
 - 1.1 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
 - 1.2 deliver the report and each update to each affected person and the High Court of South Africa, Gauteng Local Division, Johannesburg ("High Court") (in circumstances where business rescue proceedings commenced by way of an order of the High Court).
- 2 I hereby provide you with a status report of the Company's business rescue proceedings.
- 3 Capitalized words not otherwise defined in this notice shall have the meaning ascribed to them in the Business Rescue Plan published on 27 November 2020 (as amended on 7 December 2020) ("Business Rescue Plan").
- 4 I am engaged in the implementation of the terms of the approved Business Rescue Plan and the fulfilment of the suspensive conditions to the ARM sale of business agreement. In this regard, please note that in the status report of 27 December 2020, reference was made to a suspensive condition to the ARM sale of business agreement relating to the rehabilitation and environmental obligations of the Company (namely the (i) release of the Company of all indemnities given to Lombard in relation to such obligations, (ii) provision by ARM of its own indemnities, (iii) to the extent required, the issue of new guarantees to the DMR, and (iv) transfer of the rehabilitation asset to ARM), such suspensive condition has been satisfied on the basis of a written agreement having been concluded between the Company, ARM and Lombard providing for such matters.

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 www.andaluresources.com
DIRECTORS: P KOLBE, C J BAIN, S PADDY, A MASONGWA, A. MSIMANG

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- 5 If you have any requests or queries, you are welcome to direct them to gavin.gainsford@gcadmin.co.za and sean.christensen@gcadmin.co.za
- 6 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
- 7 I will continue to keep you apprised of the developments with this business rescue as they unfold.

Yours Faithfully

Gavin Gainsford

Business Rescue Practitioner of Andalusite Resources Proprietary Limited (In Business Rescue)