



ANDALUSITE RESOURCES

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Co. Reg. No. 2000/029268/07

31 March 2022

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.
- 5 At present, the outstanding suspensive conditions to the ARM sale of business agreement consist of:
 - 5.1 the obtaining of the requisite consent from the Minister of Mineral Resources and Energy of the Republic of South Africa ("**DMRE**") in terms of section 11 of the Mineral and Petroleum Resources Development Act No. 28 of 2002 ("**Section 11 Consent**"). In this regard, please

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note that while the Section 11 Consent is awaited, I am unfortunately not able to advise on expected timing for obtaining same as this timing is dependent on the DMRE; and

- 5.2 the release of certain notarial bonds ("**Bond Releases**"). In this regard, please note that the Bond Releases may (as per the ARM sale of business agreement) only occur once the Section 11 Consent has been granted. It should, however, further be noted in this regard that preliminary work has and continues to be attended to regarding the Bond Releases, so that, as soon as the Section 11 Consent is granted, the Bond Releases can be attended to as quickly as reasonably possible.
- 6 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
- 7 All relevant notices circulated to the affected persons of the Company, to date, have been published on the company's website at www.andaluresources.com
- 8 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)