

**MINUTES OF THE FIRST MEETING OF CREDITORS OF ANDALUSITE
RESOURCES PROPRIETARY LIMITED (IN BUSINESS RESCUE)
("COMPANY") HELD ON 11 JULY 2019 IN TERMS OF SECTION 147 OF
THE COMPANIES ACT 71 OF 2008**

1 Creditors Represented:

- 1.1 Khuphukani Mining
- 1.2 Savino Del Bene c/o Ryan Attorneys
- 1.3 Vipro Vibrating Products
- 1.4 ENS Africa on behalf of Investec
- 1.5 Coastal Hire TB2 Carlie Trust
- 1.6 Coastal Hire TB2 Carlie Trust
- 1.7 Vlakpoort Boerdery Ma Africa Direng
- 1.8 Master Wheels
- 1.9 Infogro (Pty) Ltd
- 1.10 ETM Pumps
- 1.11 B.T.O.
- 1.12 Platinum Health Medical Scheme
- 1.13 A&R Motor Rewinding
- 1.14 Phatoka Trading 3 SS Engineering Enterprise
- 1.15 CGIC
- 1.16 Simang Logistics
- 1.17 NeTrec
- 1.18 Santana Lifting

2 The Business Recue Practitioner, Mr Gavin Gainsford ("BRP") outlined the purpose and agenda of the meeting.

2.1 The Background to the Company.

2.2 An Overview of Business Rescue.

2.3 Statement by the Business Rescue Practitioner about the Reasonable Prospects of Rescuing the Company.

2.4 Submission of Claim Forms and Continuous Supply of Services.

2.5 Formation of Creditors' Committee.

2.6 Ratification of his Appointment as Interim Business Rescue Practitioner.

3 The BRP discussed the following, that:

3.1 the Company commenced business rescue proceeding on 27 June 2019, which is when he was appointed as the BRP;

- 3.2 the Business Rescue Plan ("Plan") is required in terms of the Companies Act 71 of 2008 ("Companies Act") to be published within 25 business days from his appointment. However, should the need arise for this date to be extended, he would request an extension from the creditors;
 - 3.3 once the Plan is published, he would call a meeting of creditors for the Plan to be voted on;
 - 3.4 the Company's financial distress and it being in business rescue was pre-dominantly the result of it being over geared;
 - 3.5 the Company's mining activities have in recent times become more effective and as such, the Company is in a position to optimally conduct mining activities in a profitable manner;
 - 3.6 the key is to get the Company's operations going again in order to maximise a return to the creditors;
 - 3.7 he would be engaging with the relevant persons (such as Investec Bank and logistics company) to secure post commencement finance ("PCF");
 - 3.8 Investec Bank have a cession of the Company's Bank account. Investec Bank have agreed to release those funds in order to enable the Company to continue trading;
 - 3.9 he is looking to ensure that the mining contractor continues mining operations; and
 - 3.10 all the creditors' claims will be considered and dealt with in the Plan. In this regard, creditors were requested to submit their claim forms.
- 4 The BRP was of the view that given the small size of the body of creditors, he does not believe that it is necessary for a creditors' committee to be formed and that he would be able to engage with the creditors directly when necessary. No creditor objected to this.
 - 5 The BRP's appointment was ratified by the holders of a majority voting interests in terms of section 131(5) of the Companies Act. If creditors had any objection to the appointment of Mr Gainsford as BRP, they were asked to raise their hand. No hands were raised.
 - 6 The creditors were provided with the contact details of the BRP.
 - 7 The BRP expressed the view that he believes that there is reasonable prospect of the Company being rescued.
 - 8 The BRP was asked whether he knew what the investor/creditor amounts were. The BRP indicated that he was working on finalising the accounts and could not give an accurate figure at that point. He indicated that what he

did know was that there were trade creditors and taxes of approximately R71.2 million and rehabilitation liability of approximately R12.5 million as well as other loans which were as follows:

8.1 Investec Bank – approximately R122 million; and

8.2 Shareholder loans – approximately R67 million,

and that the total liability was approximately R272 million.

9 The BRP was further asked whether he would be requesting an extension in relation to the publication of the Plan. He indicated that it was difficult to say at that point but that all creditors would be informed in advance should the need arise.

10 Lastly, he was asked whether the terms of payment would be per individual and the answer was affirmative.

11 Mr Colin Bain indicated that the Company's website would be populated soon.

MEETING CLOSED