Evraz Highveld Steel and Vanadium Limited (in business rescue)

Registration number 1960/001900/06

(“The Company”)

August 2015

Report to the Companies and Intellectual Property Commission

and to all Affected Persons

In Terms of Section 132 (3) (a) of the Companies Act 71 of 2008

Prepared by:

Piers Marsden and Daniel Terblanche – Joint Business Rescue Practitioners (“joint BRPs”)
1. Introduction

1.1. The Business Rescue Proceedings of the Company have not been concluded within three months of the date of commencement thereof, and therefore as required, this report, being the second update report, is being tabled in terms of Section 132 (3) (a) of the Companies Act 71 of 2008 ("Act").

1.2. It is also important that this report be read in conjunction with the previous report, as only actions taken during August.

2. Business Rescue Process

2.1. The joint BRPs obtained the requisite majority consent for the extension of the publication of the Business Rescue Plan ("Plan").

2.2. The key timelines of the business rescue process are detailed below:

<table>
<thead>
<tr>
<th>EVENT</th>
<th>DATE</th>
</tr>
</thead>
<tbody>
<tr>
<td>2 Evaluation of Binding Offers Received</td>
<td>28 August – 3 September 2015</td>
</tr>
<tr>
<td>3 Announcement of Successful Bidder</td>
<td>4 September 2015</td>
</tr>
<tr>
<td>4 Proposed Publication of Plan</td>
<td>15 September 2015</td>
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<tr>
<td>5 Meeting to Consider the Plan</td>
<td>28 September 2015</td>
</tr>
</tbody>
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3. Sales Process

3.1. The joint BRPs have evaluated the offers received and the successful bidder was notified on Friday, 4 September 2015.

3.2. Preparation of the transaction documents has commenced.

4. Proof of Claims

4.1. Total claims received to date amount to approximately R1.2 billion. All claims are currently being reviewed by the joint BRPs and compared to the Company’s ledger.

4.2. A mechanism for the resolution of disputed claims will be included in the Plan.
5. **Liquidation vs. Business Rescue**

5.1. KPMG, as independent experts, have finalised their liquidation dividend calculation.

5.2. In terms of Section 150 of the Act, the liquidation dividend calculation will be included in the business rescue plan where readers will be able to compare this to the proposed business rescue dividend.

6. **Suggested Way Forward**

6.1. Continue with the Sales Process.

6.2. Publish the Plan.

7. **Conclusion**

7.1. The joint BRPs remain of the view that there is a reasonable prospect of the Company being rescued as contemplated in Section 128 of the Act.
Business Rescue Status Report

Date: 17 September 2016

Customer Code:

Concerning

(Name and Registration Number of Company)

Name: Evraz Highveld Steel and Vanadium Limited
Registration No: 1960/001900/06

The above named company commenced business rescue proceedings on 13 April 2015.

Because the business rescue proceedings have not concluded within three months, the appointed business rescue practitioner provides the attached report in terms of section 132 (3).

Name and Title of person signing on behalf of the Practitioner:

Piers Marsden - Joint Business Rescue Practitioner

Authorised Signature:

This form is prescribed by the Minister of Trade and Industry in terms of section 223 of the Companies Act, 2008 (Act No. 71 of 2008).