



MATUSON
ASSOCIATES

Evraz Highveld Steel and Vanadium Limited (in business rescue)

Registration number 1960/001900/06

("The Company")

February and March 2016

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:

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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 this update report is being tabled in terms of section 132(3)(a) of the Companies Act 71 of 2008 (“Act”).
- 1.2.** It is important to read this report in conjunction with the Business Rescue Plan (“Plan”) and previous update reports.

2. Update on Business Rescue Proceedings

- 2.1.** The joint BRPs convened a general meeting of affected persons on 17 March 2016. The main purpose of the meeting was to update creditors on the business rescue proceedings and to discuss the way forward.
- 2.2.** The presentation made by the joint BRPs is available on the Company’s website - <http://www.evrazhighveld.co.za/businessrescue.asp>

3. Proof of Claims

- 3.1.** The claim reconciliation process is nearing completion.
- 3.2.** Creditors are being informed on a) whether their claim has been accepted and b) the quantum of such claim.
- 3.3.** Please refer any questions or queries relating to your claim to evrazhighveld@matusonassociates.co.za

4. Litigation

4.1. Sasfin Bank

- 4.1.1.** The action instituted by the Company against Sasfin Bank has been settled.

4.2. Court Proceedings instituted by East Metals AG (“EM”) and Mastercraft S.A.R.L (“Mastercraft”) (“the main application”):

- 4.2.1.** There has been no change since the last update report to affected persons.



4.3. Urgent Court Proceedings instituted by EM and Mastercraft (“the urgent interdict application”):

4.3.1. There has been no change since the last update report to affected persons.

4.4. Urgent Court Proceedings instituted by East Metals and Mastercraft in respect of the Mapochs Mine (Pty) Ltd (“Mapochs”) business rescue plan (“Mapochs urgent application”)

4.4.1. There has been no change since the last update report to affected persons.

4.5. Urgent Court Proceedings instituted by The Industrial Development Corporation of South Africa Limited (“IDC”)

4.5.1. On 20 March 2016, the IDC furnished the joint BRPs with a copy of an urgent application in terms of which the IDC sought urgently to inter alia perfect its security in terms of the general notarial bond registered over the movable assets of Evraz in favour of the IDC.

4.5.2. The joint BRPs are in discussions with the IDC to minimise the impact of the application on the business rescue

4.5.3. A copy of the urgent application is available on Company’s website.

5. Suggested Way Forward

5.1. In accordance with the adopted Business Rescue Plan, the joint BRPs are implementing Proposal 3.

6. Conclusion

It is the joint BRPs view that proceeding with Proposal 3 will result in a better outcome for all affected persons than in a liquidation.