



MATUSON
ASSOCIATES

Evraz Highveld Steel and Vanadium Limited (in business rescue)

Registration number 1960/001900/06

(“The Company”)

August 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 are proceeding in terms of the wind-down contemplated in Proposal 3 of the Plan.
- 2.2.** A further general meeting of affected persons was convened on 11 July 2016 to provide affected persons with an update on the business rescue proceedings and to discuss the way forward. The presentation can be found on the Company’s website (www.evrazhighveld.co.za).

3. Proof of Claims

- 3.1.** The claims submission period has closed.
- 3.2.** Creditors are currently 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.** On 4 August 2016, the joint BRPs issued an application in terms whereof the BRPs seek to, inter alia, cancel certain obligations imposed on Highveld in terms of a supply agreement concluded between the Company and Air Liquide (Pty) Ltd (“Air Liquide”), as contemplated in terms of section 136(2)(b) of the Companies Act.
- 4.2.** Air Liquide has opposed the application.
- 4.3.** The joint BRPs will advise affected persons of further updates. In the interim, a copy of the application is available on the Company’s website.



5. Suggested Way Forward

In terms of the Plan, the business rescue is proceeding in accordance with Proposal 3, i.e. the wind-down of the Company.

6. Conclusion

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