



MATUSON
ASSOCIATES



Mapochs Mine Proprietary Limited (in business rescue)

Registration number 2008/009382/07

("The Company")

September 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:

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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 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 September are included.

2. Business Rescue Process

- 2.1.** The key timelines of the business rescue process are detailed below:

	EVENT	DATE
8	Last day to Publish Business Rescue Plan	15 October 2015
9	Meeting to Consider the Business Rescue Plan	Within 10 days

3. Update on Business Rescue Proceedings

- 3.1.** Both customers of Mapochs Mine have ceased operations temporarily and as a result are not taking any further ore from the company. We have therefore ceased mining and have met with our employees to restructure and reduce ongoing operating costs.
- 3.2.** There are significant ore stock piles at the mine and we are negotiating with our customers in an attempt to sell this ore.
- 3.3.** We requested and have received from both Evraz Highveld Steel and Vanadium Limited and Vanchem Vanadium Products Pty Ltd, offers to restructure and rescue Mapochs Mine. These offers are under consideration and negotiations with the parties are ongoing.

4. Proof of Claims

- 4.1.** A reminder to submit claims was sent to all creditors on 10 July 2015. To date, there remains a large number of claims outstanding and creditors who have yet to submit their claims are encouraged to do so before the publication of the Plan.
- 4.2.** Total claims received to date amount to approximately R190 million. All claims are currently being reviewed by the BRPs and compared to the Company’s ledger.
- 4.3.** 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, are currently in the process of completing their liquidation dividend calculation. 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. Next steps

6.1. Continue with negotiations to restructure and rescue the mine.

6.2. Implement care and maintenance strategy until such stage as we are able to commence supply.

6.3. Publish the Plan.

7. Conclusion

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