



MATUSON
ASSOCIATES

Evrax Highveld Steel and Vanadium Limited (in business rescue)

Registration number 1960/001900/06

("The Company")

January 2018

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

Structural Mill:

2.1. Production continues in terms of the contract manufacturing agreement.

Other Strategic Assets

2.2. The joint BRPs continue to engage with buyers on several of the Company’s strategic assets.

Employee Payments

2.3. Employees have been paid approximately 30% (R 96 216 786) of the total amount owed to them. The last payment to employees was made in January 2017.

Update Meeting:

2.4. A further general meeting of affected persons has been convened for 11h00 on 19 February 2017 at the offices of Edward Nathan Sonnenbergs Inc., 150 West Street, Sandton, to provide affected persons with an update on the business rescue proceedings and to discuss the way.

3. Proof of Claims

3.1. The claims submission period has closed.

3.2. Creditors are still 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. The papers filed to date in the application and action against Air Liquide (Pty) Limited are available on the Company’s website.



4.2. Affected Persons will be advised of further updates.

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.