

COPY


EVRAZ making the world stronger

Analysis and Weight Certificate

Material : FERROVANADIUM 80 %
Consignee : EAST METALS AG
Order No. : NVE-5440-2479
EMAG Ref. : V14039HJ-CD
P.O. No. : 45 00 17 8718
Container No. : MSKU 887602-6
Release Date : 22.12.2014
Total Gross Weight : 10,396 kg
Weight incl. drums : 10,280 kg
Net Weight : 10,000 kg
Packing : 40 drums, 10 pellets
Size : 5-12 mm

Lot No.	Net [kg]	Net + bb [kg]	V [kg]	V [%]	Al	Si	P	C	S	Mn	Cu
356/10/11, 1/12-4/12	5000	5 140	4 002,50	80,05	1,11	1,05	0,021	0,25	0,039	1,28	0,05
356/15/12-9/12	5000	5 140	3 988,50	79,77	1,43	1,19	0,018	0,22	0,037	1,27	0,07
Total	10 000	10 280	7 991,00								

Screen analysis	Quantity	10 mm	5 mm	- 5 mm
356/10/11, 1/12-4/12	5000	0,45%	80,57%	8,98%
356/15/12-9/12	5000	0,21%	80,22%	8,57%

In Mněsk pod Brdy on:

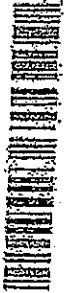
22.12.2014

EVRAZ | EVRAZ NIKOM a.s.
 IČO: 252 10
 Město: 252 10
 P.O. Box: 252 10

EVRAZ NIKOM, s.r.o., 252 10 Město pod Brdy 900, Czech Republic. Registered by City Court in Prague, Section B, File No. 2220.
 Post address: 252 10 Město pod Brdy, Czech Republic, P +420 318 992 190, F +420 318 992 792,
 ID-No: 46356711, VAT-No: CZ46356711

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 **EVRAZ** making the world stronger



EAST METALS AG
Beaurestrasse 131
6300 Zug
Switzerland

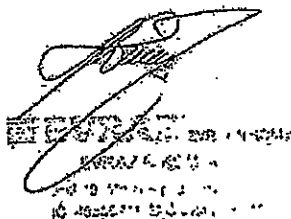
Certificate of Origin

We, EVRAZ NIKOM a.s., declare that the below stated goods was produced in our facility in Mnisek pod Brdy and therefore is of Czech origin.

Material:	Ferro Vanadium 80 %
Our Ref.:	NVE-5440-2479
EMAG Ref.:	V14039HI-CD
P.O. Nr.:	45 00 17 8718
Lot No.:	356
Packing:	40 drums, 10 pallets
Net weight:	10,000 kg
Net weight + drums:	10,280 kg
Total gross weight:	10,396 kg

In Mnisek pod Brdy on December 22nd, 2014

Confirmed by



EVRAZ NIKOM a.s.
Mnisek pod Brdy
Czech Republic

EVRAZ NIKOM, a.s., 757 10 Mnisek pod Brdy 900, Czech Republic. Registered by City Court in Prag, Section B, File No. 2220.
Post address: 252 10 Mnisek pod Brdy, Czech Republic, P +420 318 592 120, F +420 318 592 732,
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Also at Cape Town

ENS Africa
Attention: L Field

PER EMAIL: lfield@ensafrica.com

CC: pmarsden@matusonassociates.co.za
CC: goertel@ensafrica.com

Our Reference T Jordaan
Account Number 20152604
Your Reference
Direct Line (011) 562 1189
Direct Telefax (011) 562 1662
Direct e-mail Julian.jones@dlacdh.com
Date 2 September 2015

Dear Letitia

HIGHVELD STEEL (IN BUSINESS RESCUE)

- 1 We refer to yesterday's third meeting of the creditors' committee, more specifically the discussions pertaining to potential disputes of creditors' claims. We understood from Piers' comments that a voting interest will be assigned to creditors in accordance to the value of the amount owed, provided that the outstanding amount correlates with the company's financial records and/or on the face of it, the claim appears to be correct.
- 2 We are instructed to request clarification as to whether all claims submitted before publication of the business rescue plan will be considered and formally admitted as proved prior to publication of the plan. We remind you of the practitioner obligation to give written notice of the appraisal and valuation of creditors' claims and voting interest at least 15 (fifteen) business days before the date of the meeting to be convened in terms of Section 151 of the Companies Act.
- 3 Kindly furnish us with the results of the prior request to creditors, dated 26 August 2015, for an extension in which to publish the business rescue plan. Our client is willing to agree to an extension of two weeks (until 15 September 2015) for the publication of the business rescue plan.
- 4 On a different note, kindly furnish us with a copy of yesterday's presentation. As you can no doubt appreciate, it will be difficult for our client to make an informed decision without the necessary information.

Yours faithfully

PP. 
JULIAN JONES

CLIFFE DEKKER HOFMEYR INC

CHAIRMAN AW Pretorius CHIEF EXECUTIVE OFFICER B Williams CHIEF FINANCIAL OFFICER ES Burger

DIRECTORS: JOHANNESBURG A Abro N Alfini JA Aukema CD Baird CA Barclay R Beerman E Bester P Bhageljee R Bonnet CJ Botes TE Brinkler IH Burger CWJ Charler M Chenia CJ Daniel EF Dempster S de Vries ML du Preez L Erasmus BV Faber JJ Fofis TS Fletcher L Franca TG Fuhrmann F Gatloo MZ Gatloo S Gill SB Goro J Govender AJ Hofmeyr Q Honey WH Jacobs WH Janse van Rensburg CM Jesseman JCA Jones TTM Kalf J King Y Kleitman LJ Kruger J Latsky AM le Grange FE Lappan AG Lewis BC Maasdorp Z Malinga G Masika HW Mennen B Meyer WJ Midgley R Moodley MG Mphahudi GL Noeli BP O'Connor N Parthoo A Palei JS Pennington GH Pienaar V Pillay DB Pinnock AM Potgieter AW Pretorius AG Reid M Sefortlein P Singh-Dhufem NTY Sivendu WHH Thyme D Velleth HR van der Marwe JJ van Dyk WPS van Wyk NJ von Ey JG Webber MF Whiteker JG White DA Wilken B Williams LD Wilson JM Wilts-Hewinson MP Yeates

DIRECTORS: CAPE TOWN AC Alexander RD Barandaa TJ Brawley MA Bromley MR Collins HC Dagut A de Lange LF Egypt GT Ford S Frank DF Fyfer SAP Gie JW Green AJ Hennie AM Helberg PB Hesselberg CI Hindley RC Horn S Immelman JH Jacobs R Jaga A Kariem JJ Lessing GC Lumb RE Marcus SI Meyer A Moolman NW Muller J Neser FT Newham G Orie CH Pienaar L Rhoadie MB Rodgers BT Rubinstein BPA Strauss DM Thompson CW Williams TJ Winstanley

EXECUTIVE CONSULTANTS: HS Coetzee PJ Conradie HS Jackson MB Jackson

CONSULTANTS: A Abercrombie JMA Evenhuis CH Ewing EJ Kingdon FF Kolbe

SENIOR ASSOCIATES: F Ameer-Mia G Berkhofzen-Barbosa MA Bobal B Brown L Brunton K Caddy E Cheng NS Comla J de Vos YM Dockrat L Engelbrecht T Erasmus TV Erasmus P Jani T Jordaan KJ Keanly JA Krige H Laing CJ Lewis HJ Louw NS Mbambisa N Mohunu N Mia T Moodley OP Muller DJ Naidoo AP Pillay KS Plois B Pollastini NA Preston JR Ripley-Evans LJ Salt BJ Scriba T Suliman FJ Terblanche T Tesen N Treurnicht R Velayutham M van Zwoel MF Ward NI Zwane

CLIFFE DEKKER HOFMEYR SERVICES PROPRIETARY LIMITED DIRECTORS: ES Burger JA Casselle Z Omar R van Eeden MF Whiteker B Williams

*British *Canadian *Dutch *Zimbabwean *Cape Town Managing Partner

Cliffe Dekker Hofmeyr Inc. Reg No 2008/018923/21

11FA9

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DLA Cliffe Dekker Hofmeyr
Attention: Julian Jones
By email: julian.jones@dlacdh.com

G Oertel / L Field our ref
J Jones/20152604 your ref
3 September 2015 date

Dear Sirs

RE: EVRAZ HIGHVELD STEEL AND VANADIUM LIMITED (IN BUSINESS RESCUE) ("HIGHVELD")

1. We refer to your letter of 2 September 2015.
2. The reference in paragraph 2 of your letter to the appraisal and valuation of creditors' claims is only required in circumstances when a concurrent creditor's claim would be subordinated in a liquidation (we refer you to section 145(5)(b), as read with section 145(4)(b), of the Companies Act, 71 of 2008).
3. Thank you for your client's consent to an extension of the publication date of the business rescue plan to 15 September 2015. We attach hereto the schedule reflecting the results of the request for an extension.
4. As advised by our client during the meeting, the presentation will not be distributed due to, *inter alia*, the confidential nature of the information contained therein. Your client, however, through its advisors, has been furnished with all three final binding offers. In addition, we are instructed that your client and its advisors met with our client yesterday afternoon to discuss the offers.

Yours faithfully

EDWARD NATHAN SONNENBERGS INC.

Per: 
LETITIA FIELD

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2

Timestamp	Name in Pull of Creditor	Contact Person	Contact Number	Email Address	Total Amount of Ck Consent to the extension of the Publication of the Business Rescue Plan
8/16/2015 8:28:20	Lanca	Lance	723403303	lance@lanca.co.za	100.00 Yes
8/26/2015 12:08:49	P&I ENGINEERING WORKS cc	Valerie Regine	114521080	pandiang@mweb.co.za	2177504.33 Yes
8/26/2015 12:16:47	A&G Engineering cc	Gerrit Venter	824143358	gerrit@agengineering.co.za	8674517.55 Yes
8/26/2015 13:02:35	Krabo Locksmiths cc	Fiona Claasen	136560687	krabo@yabo.co.za	30768.21 Yes
8/26/2015 13:06:14	Evapco SA (Pty) Ltd	Alda Bell	824113068	abell@evapco.co.za	1397161.20 Yes
8/26/2015 13:11:11	Alres Pym Spares Eng t/a APS Engineering	Nick or Lynda Claar2	0826080277	apseng@telkomsa.net	2117803.08 Yes
8/26/2015 13:12:39	Sterling Plant Hire CC	David Bodensteln	828000146	david@sterlingplanthire.com	32963.10 No
8/26/2015 13:18:17	Midnight Engineering and machine parts	John Wickham	013-6926573	johnrw@mweb.co.za	2504130.40 No
8/26/2015 13:27:23	WITBANK ELECTRICAL WHOLESAL AGENCIES	KEVIN OGILVIE	013-6925042	KJO@MWEB.CO.ZA	5900000.00 Yes
8/26/2015 13:27:57	Verref Shaped	D Brazier	114506284	dbrazier@verrefshaped.co.z	1600000.00 Yes
8/26/2015 13:41:57	Yanka Laboratories	Hennie Mouton	087-317-7549	yanka@yanka.co.za	600000.00 Yes
8/26/2015 13:46:26	Motomoxix (Pty) Ltd	Johan Grobler	136561357	johang@motomoxix.com	34817.90 Yes
8/26/2015 13:54:01	DEGASITY	J STANDER	076 0-5 6941	jannie@degasity.co.za	370000.00 Yes
8/26/2015 13:54:28	ERNEST LOWE DIV OF HUDACO	SUZANNE NATHAI	118986613	debtors1@elco.co.za	179479.27 Yes
8/26/2015 13:56:18	APPLIED MAGNETS (PTY) LTD	TANYA BRITZ	164540691	Tanya@apmag.co.za	1337990.92 Yes
8/26/2015 13:57:03	OE Bearings (Pty) LTD	Dennis Cooney	114934463	nica@oebearings.co.za	125674.23 Yes
8/26/2015 13:57:46	Top Employers Institute (CRF South African Pai	Samantha Crous	214250320	samantha.crous@top-emplc	89832.00 No
8/26/2015 13:59:00	MPOWER Bearings(Pty)Ltd	Devan Moodley	27113342690	devanm@mpowerbearings.c	45374.28 No
8/26/2015 14:34:13	AGE Technologies JHB (Pty) Ltd	Norman Jackson	0118689925/6/7	financial@age.co.za	347245.92 Yes
8/26/2015 14:38:12	New Communications	Natasha Joubert	136903022	newcomms@vodamail.co.za	144879.91 No
8/26/2015 14:43:16	JCS Scales cc	Charlie Combrin	136502386	jcscales@mweb.co.za	32170.80 Yes
8/26/2015 14:49:26	LTM Mulondo Holdings	Hardus Visagie	824507287	info@lbttech.co.za	1079887.54 Yes
8/26/2015 14:57:45	LubePro CC	Roy Downes	824675493	roy.downes@total.co.za	686581.45 Yes
8/26/2015 14:59:44	LETS TRADE1238	NATALIE VAN DER	798785362	natalie@letstrade1238.co.za	440750.32 Yes
8/26/2015 15:01:31	JOHN CRANE PTY LTD	SAJDAH SAMSOC	118126327	ssamsodeen@johncrane.cc	326260.26 Yes
8/26/2015 15:02:47	Air Blow Fans (Pty) Ltd	Doug Hill	114520726	doug@airblowfans.co.za	1071232.92 Yes
8/26/2015 15:04:33	Rudolf Jansen t/a Mofenchia Consulting	Rudolf Jansen	792278381	mail@mofenchia.co.za	572244.66 No
8/26/2015 15:16:33	Avlock International	Chantal Boltman	117487000	chantal@avlock.co.za	10196.55 Yes
8/26/2015 15:18:03	TRENDITRADE 21 (PTY) LTD T/A NASHUA MPU	STEVE ANDERSON	132498800	stevea@nashuamp.co.za	877409.67 Yes
8/26/2015 15:24:04	Kutting Mpumalanga (Pty) Ltd	Douglas Long	825203873	doug@kutting.co.za	1411582.82 Yes
8/26/2015 15:30:27	Referralloy Engineering & Importing cc	Keith Turnbull	825520460	ktee333@live.co.uk	2784573.00 Yes
8/26/2015 15:32:29	Jangsu Gong Chang Roll Co.	Keith Turnbull	825520460	ktee333@live.co.uk	4032678.00 Yes
8/26/2015 15:41:25	Jupiter Traders (Pty) Ltd	Charmaine	114121164	finance@jup.co.za	49248.00 Yes
8/26/2015 16:15:25	AMG ENGINEERING (PTY) LIMITED	Rodney Du Toit	016-421 4070	accounting@amgeng.co.za	8644089.09 Yes
8/26/2015 17:20:35	Bidvest Protea Coin (Pty) LTD	Sandy Bolleurs	1665 8000 x 1350	bolleu@proteacoin.co.za	1416737.64 Yes
8/26/2015 17:55:08	Trafigura Services South Africa (PTY) LTD	Richard Milligan	716061845	johannesburg@trafigu	2840406.62 Yes
8/27/2015 10:23:37	WITBANK CONTROWATIC	JOSE ANTONIO HIL	136561310	CONTRONAT@MWEB.CO.	196025.95 Yes
8/27/2015 11:01:47	JR Mackays Diesel and Motor Engineering (Pty)	Sandra Gaitskill	0111811-1885	admin@jrmackays.co.za	612703.50 Yes
8/27/2015 11:25:02	Cylinder Services cc	Jim Bonner/Venes	119174270	bonner@cylserv.co.za	2208112.53 Yes
8/27/2015 11:51:00	Talrad Radiators	Johan Taljeard	132317000	johan@talrad.co.za	69369.00 Yes
8/27/2015 12:00:25	Skyjacks a division of Waco Africa Pty Ltd	Abrie du Toit	113972730	abrie.dutoit@skyjacks.co.za	26505.32 Yes
8/27/2015 12:01:47	Skyjacks Hydraulic Access Pty Ltd	Abrie du Toit	113972730	abrie.dutoit@skyjacks.co.za	147309.96 Yes
8/27/2015 12:06:15	rescue panelbeaters	heather	136926603	rescuepb@mweb.co.za	300000.00 No
8/27/2015 12:37:31	SMS Siemag SA	R. Vaque	114801833	r.vaque@sms-group.co.za	18911976.00 Yes
8/27/2015 12:56:04	L & L TECHNICAL SUPPLIES cc t/a SUPPLYTECH	JOHNNY QUIJERR	136562530	johnny@supplytech.co.za	888465.92 Yes
8/27/2015 13:00:30	Coalvest (Pty) Ltd	Mr Jacques Jonkei	082 447 5123 / 01 Debtors@coalvest.co.za		7824142.43 Yes

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8/27/2015 13:20:52	Carl Bechem Africa	Elisma van Rooyen	169811016	bechem@bechem.co.za	8252632.67	Yes
8/27/2015 14:35:23	MMA Drilling & Electrical	Monty Kroezan	827839176	rene@mmadrilling.co.za	108551.02	Yes
8/27/2015 14:53:25	Joclaire CC	Johan Snyman	728623492	handygardener@vodamail.c	263885.00	No
8/27/2015 15:31:19	SURVIVAL TYRE SAFETY (PTY) LTD	MARK BENTLEY	852715749	MARK@TYRESAVER.CO.ZA	92004.27	No
8/27/2015 16:20:39	T W Harper Consulting Engineer	Tom Harper	824510608	twharper@lafrika.com	488119.50	Yes
8/27/2015 17:41:40	Marins Printing cc	Spero Marinaki	116740845	spero@marins.co.za	131643.09	Yes
8/27/2015 5:35:25	Revelation Software Concepts Pty Ltd	Wendy Marris	61399559737	wendy.marris@wrrsc.com	261995.78	Yes
8/27/2015 6:27:54	SW Africa	Werner Ackerman	8239327119	sales@sw-africa.co.za	1300793.00	Yes
8/27/2015 7:01:34	Witbank Instrumentation and Electrical Contra	Roif Koger	824572376	wie@xsinet.co.za	490953.20	Yes
8/27/2015 7:05:25	DE KAAP ELECTRICAL CC	RUBERTA	137123398	dekaapadmin@wi-net.biz	758742.85	Yes
8/27/2015 7:40:35	Success Maintenance and Lifting Services	Marius de Vos	829211987	marius@successmls.co.za	2886151.17	No
8/27/2015 7:43:42	HYSENSE TRADING CC	C GROBLER	013-692-6050	charm@hysense.co.za	1881239.86	Yes
8/27/2015 7:44:57	Business Survey Consultants	Ivan de Clerk	27129977335	ivan@bscsurvey.co.za	-	Yes
8/27/2015 7:47:57	Anzer Projects cc	A Marx	833203722	suretha.anzer@telkomsa.net	312796.05	No
8/27/2015 7:51:21	ZIMCO ALUMINIUM COMPANY A DIVISION OF	DAVID BARRY	119144300	daveb@zimalco.co.za	1196319.89	Yes
8/27/2015 8:14:39	Inprint Printers cc	Johan Venables	136565195	johan@inprint.co.za	176087.82	Yes
8/27/2015 8:17:24	BLAHA MAINTENANCE	ANTONY BLAHA	828990056	elaine@blaha.co.za	3216842.77	Yes
8/27/2015 8:23:34	WASA (Pty) Ltd	Yolande Grobler	117601630	yolande.grobler@welding-al	524271.25	Yes
8/27/2015 8:24:17	Hollandse Bandenmarkt	Erasmus van Zyl	828228291	rassie@hbt-tyres.com	672000.00	Yes
8/27/2015 8:35:15	ETIS MVELAPHANDA ENG (PTY) LTD	ROBERT COWLEY	136560781	sales@etis.co.za	3860324.21	Yes
8/27/2015 8:36:53	EARTHMOVING MECHANISMS CC	RENE BOUCHER	825774129	emoving@mweb.co.za	171315.09	Yes
8/27/2015 8:39:16	ASK CATERING SUPPLIES	MOHAMMED	827454570	ask786@telkomsa.net	1183713.02	Yes
8/27/2015 9:01:48	Sangita Commodity Brokers	Brian Ross	826592001	brian@sangita.co.za	1910275.20	Yes
8/27/2015 9:02:50	Calderys South Africa (Pty) Ltd	Rein van der Wal	164406400	rein.vandervwal@calderys.co	659642.42	Yes
8/27/2015 9:04:58	Sterling Industrial Resources	Danny Sandenben	828003135	alecs@web4us.co.za	2092739.94	Yes
8/27/2015 9:08:25	Filtration Maintenance Services S.A. (Pty) Ltd	Julian Marais	113155672	inge.rehme@remag.co.za	109898.28	Yes
8/27/2015 9:46:21	Rennag (Pty) Ltd.	Inga Rehme	828595417	julian@fmsza.co.za	798350.66	Yes
8/28/2015 10:48:46	Econo Flex (Pty) Ltd	Sune Nel	137512807	finance@econoflex.co.za	156086.75	Yes
8/28/2015 6:19:48	JPT TRACKWELDERS	HANNIO TALJAAR	836084823	jpttrackwelders@gmail.com	693495.80	No
8/28/2015 8:22:35	Wave Electric CC	Aurora Hill	118648647	waveelec@telkomsa.net	640756.22	Yes
8/28/2015 8:42:00	Bearing Services withbank Pty Ltd	G van Rooyen	011-3976384	grant@bearserve.co.za	577344.12	Yes
8/28/2015 8:45:08	ROSCON PROJECTS	ADRIAAN ROSSOU	832289227	ROSCON@MWEB.CO.ZA	624969.05	Yes
8/28/2015 9:27:49	Indusco supplies c.c.	marlo introna	824533814	Indusco@lafrika.com	430000.00	Yes
8/28/2015 10:48:46	Econo Flex (Pty) Ltd	Sune Nel	137512807	finance@econoflex.co.za	156086.75	Yes
8/28/2015 13:16:47	BOTSWANA ASH (PTY) LTD	NOMVULA DIPPEF	116092980	n.dipeere@botash.co.za	1531304.53	Yes
8/28/2015 15:24:20	Medigraphics	Eugene de Villiers	834265264	medigraphics@telkomsa.net	64157.55	Yes
8/28/2015 17:45:02	East Metals AG	Alevdina Grebenni	41415609797	alevdina.grebennikova@evr2	413276689.00	Yes
8/31/2015 7:41:29	Universal Rigging and Moving	Jannie Olivier	169711513	jannie@umvval.co.za	4092666.34	Yes
8/31/2015 10:15:28	B-Logic Verification Agency	Jannie Liebenberg	833938526	jannie@bloglva.co.za	45600.00	Yes
8/31/2015 11:26:15	Bumatech (Pty) Ltd	Christiaan Cloete	169860331	christiaan@bumatech.co.za	106257.69	Yes
09/01/2015 08:51	Afrilex Automation (PTY) Ltd	Reghardt	732525078	reghardt@afriplek.com	218765.24	No
09/02/2015 12:29	Absa bank Ltd	liz van der Walt	828056551	Liz.Vanderwalt@absa.co.za	41000000.00	Yes
09/02/2015 12:42	Avatar Solutions (Pty) Ltd	Jaco de Beer	833771819	jaco@avatar-solutions.co.za	147744.00	Yes
Email Consent	Ambilube				Yes	
Email Consent	APS Engineering				Yes	
Email Consent	ASK Agencles				1183606.32	Yes
Email Consent	AVC - Actuator Valves and Controls				659334.44	Yes

Consent to 15 September 2015

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[illegible]

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Matuson & Associates

Attention : P Marsden

cc: L Field (ENS Africa)
G Oertel (ENS Africa)

Our Reference JCA Jones
Account Number 20152604
Your Reference
Direct Line (011) 562-1189
Direct Telefax (011) 562-1662
Direct e-mail julian.jones@cdhlegal.com
Date 21 September 2015

Dear Piers

EVRAZ HIGHVELD STEEL AND VANADIUM LIMITED (IN BUSINESS RESCUE)

Further to our earlier email, please confirm the reason for the discrepancy between the claim submitted by East Metals AG and the amount as per the Highveld internal system. Kindly furnish us with a breakdown of the amount as per the Highveld system together with copies of age analysis and/or supporting documents in support thereof. Please confirm whether EMAG's voting interest will be calculated in accordance with the outstanding amount as per the claim form.

We have further noticed that EMAG is treated as "not independent". Please furnish us with written reasons for the determination.

Yours sincerely

JULIAN JONES
CLIFFE DEKKER HOFMEYR INC
9510501v1

CHAIRMAN AW Pretorius CHIEF EXECUTIVE OFFICER B Williams CHIEF FINANCIAL OFFICER ES Burger

DIRECTORS: JOHANNESBURG A Abro N Alinj JA Aukema OD Baird CA Barclay R Beerman E Bestler P Bhagelljee R Bonnel CJ Botes TE Brincker IH Burger CWJ Charter M Chenie CJ Daniel EF Dampster S de Vries ML du Preez L Erasmus BV Faber JJ Feris TS Fletcher L Frange TG Fuhrmann F Galkoe MZ Galkoe S Gill SB Gore J Govender AJ Hofmeyr Q Honey WH Jacobs WH Jense van Rensburg CM Jesseman JCA Jones TTM Kall J King Y Kellman LJ Kruger J Latsky AM te Grange FE Leppan AG Lewis BC Maasdorp Z Malinga G Masina HW Mennen B Meyer WJ Midgley R Moodley MG Mphahudi GL Noeth BP O'Connor N Parthoo A Patel JS Pennington GH Pienaar V Pillay DB Pinnock AM Polgieter AW Pretorius AG Reid M Serfontein P Singh-Dharam NTY Siwendu WHH Thynne D Vallabh HR van der Merwe JJ van Dyk WPS van Wyk NJ von Ey JG Webber MF Whitaker JG Whittle DA Wilken B Williams LD Wilson JM Wills-Hewinson MP Yeates

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*British *Canadian *Dutch *Zimbabwean *Cape Town Managing Partner

11 FA11 19

From: Letitia Field [mailto:lfield@ensafrika.com]
Sent: 22 September 2015 06:26 PM
To: Julian Jones <Julian.Jones@cdhlegal.com>; 'pmarsden@matusonassociates.co.za'
<pmarsden@matusonassociates.co.za>
Cc: Gary Oertel <goertel@ensafrika.com>
Subject: RE: EVRAZ HIGHVELD STEEL AND VANADIUM LIMITED (IN BUSINESS RESCUE) [CDH-
JHBDocs.FID3699444]

Dear Julian

We refer to your attached letter and confirm that EMAG's voting interest will be calculated on the claim form amount.

Regards

From: Julian Jones [mailto:Julian.Jones@cdhlegal.com]
Sent: 21 September 2015 14:40
To: 'pmarsden@matusonassociates.co.za' <pmarsden@matusonassociates.co.za>
Cc: Letitia Field <lfield@ensafrika.com>; Gary Oertel <goertel@ensafrika.com>
Subject: EVRAZ HIGHVELD STEEL AND VANADIUM LIMITED (IN BUSINESS RESCUE) [CDH-
JHBDocs.FID3699444]

Julian Jones

Director - Dispute Resolution
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Handwritten signature and initials.



Letitia Field
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Matuson & Associates

Attention : P Marsden

cc: L Field (ENS Africa)
G Oertel (ENS Africa)

Our Reference JCA Jones
Account Number 20152604
Your Reference
Direct Line (011) 562-1189
Direct Telefax (011) 562-1662
Direct e-mail julian.jones@cdhlegal.com
Date 23 September 2015

Dear Piers

EVRAZ HIGHVELD STEEL AND VANADIUM LIMITED (IN BUSINESS RESCUE)

- 1 We refer to our letter of 2 September 2015 as well as the second correspondence which was sent to you on Monday, 21 September 2015. In our letter of 2 September 2015, we reminded you of your obligation to give written notice of the appraisal and valuation of the creditors' claim and voting interest at least 15 (fifteen) business days before the date of the meeting to be convened in terms of Section 151 of the Companies Act. Please confirm whether the aforesaid notice was circulated to all creditors.
- 2 The proposed business rescue plan is silent on the voting interest of creditors and we have not received a formal notice of the appraisal and valuation of EMAG's claim and voting interest. We have since received confirmation from your offices that EMAG's voting interest will be calculated as per the amount outstanding and reflected on the claim form. The exact calculation has however not been furnished to us.
- 3 You will no doubt be aware that on receipt of the aforesaid notice, a creditor may apply to court within 5 (five) days to review the practitioner's appraisal and valuation of its voting interest. You will appreciate that there are less than 5 (five) business days left before the proposed meeting

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CLIFFE DEKKER ROFMEYR SERVICES PROPRIETARY LIMITED DIRECTORS: ES Burger JA Cassette Z Omar R van Eeden MF Whitaker B Williams

*British *Canadian *Dutch *Zimbabwean *Cape Town Managing Partner

in terms of Section 151 of the Companies Act. We are instructed to therefore request, which we hereby do, that you furnish us with a written notice setting out:

- 3.1 Your determination and reasoning as to the status of EMAG as a not-independent creditor; and
- 3.2 The calculation and valuation of EMAG's voting interest.

Please ensure to furnish us with a copy of the abovementioned notification by close of business today.

Yours sincerely


JULIAN JONES
CLIFFE DEKKER HOFMEYR INC
9519881v1

5


"FA13"

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info@ENSafrica.com ENSafrica.com

DLA Cliffe Dekker Hofmeyr
Attention: Julian Jones
By email: julian.jones@diacdh.com

G Oertel / L Field our ref

J Jones/20152604 your ref
25 September 2015 date

Dear Sirs

RE: EVRAZ HIGHVELD STEEL AND VANADIUM LIMITED (IN BUSINESS RESCUE) ("HIGHVELD")

1. We refer to your letter of 23 September 2015.
2. As advised in our letter of 2 September 2015, the appraisal and valuation of claims are only required in circumstances when a concurrent creditor's claim would be subordinated in a liquidation (we again refer you to section 145(5)(b), as read with section 145(4)(b), of the Companies Act, 71 of 2008 ("the Companies Act")). Our clients accordingly did not have to furnish EMAG with an appraisal and valuation of its claim.
3. We confirm that EMAG's voting interest will be equivalent to the claim amount reflected on its claim form, as contemplated in section 145(4)(a) of the Companies Act. The same will apply for all of the other creditors reflected in annexure B to the business rescue plan, provided that there is no material difference between Highveld's records and the claim amount reflected on the respective creditor's claim form. Furthermore, there is the possibility that further creditors lodge their claims on the day of the meeting. Based on annexure B to the plan and on the creditors listed therein (and subject to what is stated in this paragraph) EMAG will have a voting percentage of approximately 32%.
4. In regard to the determination and reasoning as to the status of EMAG as a non-independent creditor, and as confirmed in our telecon on 23 September 2015, we will furnish you with same under cover of a separate email.
5. Please advise if you have received the resolutions / proxies from your respective clients.

Yours faithfully

EDWARD NATHAN SONNENBERGS INC.

Per:


LETITIA FIELD

law | tax | forensics | IP

Edward Nathan Sonnenbergs Incorporated registration number 2008/018200/21

M.M. Katz (chairman) P.C. Faber (chief executive) M. Mgudiwa (deputy chief executive)

A list of directors is available on our web site <https://www.ensafrica.com/letterheadSA>
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"FAIL"

Tobie Jordaan

From: Letitia Field <lfield@ensafrica.com>
Sent: 25 September 2015 12:26 PM
To: Julian Jones; Tobie Jordaan
Cc: pmarsden@matusonassociates.co.za; Gary Oertel
Subject: FW: Non-independence of EMAG -

FilingDate: 25/09/2015 02:23:00 PM

Dear Julian and Tobie

Please see below our view in regard to the issue of non-independence.

Regards

From: Michelle du Preez
Sent: 25 September 2015 11:00
To: Gary Oertel <goertel@ensafrica.com>; Letitia Field <lfield@ensafrica.com>; Paul Winer <pwiner@ensafrica.com>
Subject: Non-independence of EMAG -

Dear Gary

In terms of Section 128(1)(g) of the Companies Act an "independent creditor" is defined as a person (including juristic persons) who is a creditor of the company (in this case EHSV) and who is **not related to the company**.

Under the Companies Act, a juristic person is **related** to another juristic person if, *inter alia*, a person (natural or juristic) directly or indirectly **controls** each of them or the business of each of them.

Whether or not a juristic person controls a company or its business **depends on the ability to directly or indirectly exercise or control** the exercise of a majority of the voting rights or control the appointment / election of directors who control a majority of votes at board level.

Mastercrocft S.a.r.l. is the majority shareholder of EHSV – it owns 85.11% of the issued shares in EHSV. Accordingly Mastercrocft controls EHSV (see control definition above).

EMAG and Mastercrocft in turn are both wholly owned subsidiaries of, and controlled by Evraz PLC.

This makes EMAG and Mastercrocft **related**.

Because Mastercrocft controls EHSV - and EMAG is related to Mastercrocft - it is also related to EHSV. In other words EMAG is related to the controller of EHSV and thus to EHSV itself. Evraz PLC **directly** controls EMAG and Mastercrocft, and it **indirectly** controls EHSV through Mastercrocft.

Accordingly EMAG is not an independent creditor as defined in Section 128(1)(g) because it is related to EHSV.

Kind Regards
Michelle

WFA15"

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25 September 2015

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Joint Business Rescue Practitioner
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Piers Michael Marsden
Joint Business Rescue Practitioner
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Our ref: G Rudolph/CO/BM
Your ref: D Terblanche/PM Marsden
By email
daniel.terblanche@mazars.co.za

By email
pmarsden@matusonassociates.com

Attention: Daniel Terblanche / Piers Michael Marsden

Dear Sirs

**BUSINESS RESCUE / EVRAZ HIGHVELD STEEL AND VANADIUM LIMITED /
MEETING OF CREDITORS**

1. We act for Mastercraft S.a.r.l. and East Metals SA, in conjunction with Cliffe Dekker Hofmeyr Inc.
2. Our clients are concerned that the proposals tabled in terms of the business rescue plan proposed by you do not represent true value and a realistic return for creditors, although they do not have a final view in this regard.
3. Our clients have accordingly appointed a reputable auditing firm, which is one of the "big four" auditing firms ("the Auditors"), to review KPMG's report.
4. We are advised by the Auditors that KPMG's report incorporates an appraisal report performed by GoIndustry DoveBid S.A. (Pty) Ltd ("GoIndustry").
5. The Auditors' preliminary analysis of KPMG's report reveals *inter alia* the following fundamental difficulties and/or omissions:
 - (a) GoIndustry's appraisal report is a "summary" or "restricted use" report and utilizes common valuation terminology as opposed to a "self contained" report, which, we are advised, allows users to better understand the valuation methodology and relevant underlying calculations;

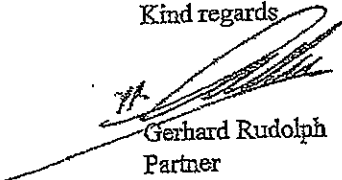
Du Plessis, Van der Merwe Inc. (Registration number 2012/047447/21)
Directors
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CHERRY, Vasil
DANIELS, Kate
DU PLESSIS, Veldu
JANSE VAN RENSBURG, Wilke
RUDOLPH, Germain
STOLB, Jennifer
VAN DER MERWE, Morné
VHYTE, Kerna

Counsel
PRESS, Mark

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- (b) Summary appraisal reports are acceptable for general purposes but in these business rescue proceedings, users of the GoIndustry summary report cannot glean the underlying calculations that determine the values for each of the appraised assets; and
- (c) GoIndustry's summary report does not reference the required disclosure and assurance topics stated in various international and local valuation standards (i.e. International Valuation Standards ("IVS"), RISC Red Book, USPAP etc.). In this respect, the GoIndustry report does not include -
- (i) the identification and status of the valuer;
 - (ii) confirmation that the valuation has been undertaken in accordance with IVS (or any other standard);
 - (iii) a comprehensive valuation approach and reasoning therefor; and
 - (iv) a detailed and itemised description of the valuation process.
6. In the circumstances, the Auditors have advised our clients that they cannot properly review KPMG's report and advise our clients until they receive the abovementioned information.
7. We accordingly suggest that the Auditors and KPMG engage with each other in a transparent manner to enable our clients, and the general body of creditors, to properly consider their respective positions.
8. We therefore suggest that the meeting scheduled for Monday, 28 September 2015, should be postponed for at least three weeks to facilitate a *bona fide* and frank exchange of information between the two firms of auditors, with the result that all creditors will be able to exercise a properly informed decision on voting for or against the proposals contained in your plan.
9. In the circumstances we await your urgent response in respect of the proposed postponement, at your earliest convenience.

Kind regards


Gerhard Rudolph
Partner

011 911 4370
Gerhard.Rudolph@bakermckenzie.com

Cc: Julian Jones
Cliffe Dekker Hofmeyr
By email: Julian.Jones@cdhlegal.com

Tobie Jordaan
Cliffe Dekker Hofmeyr
By email: Tobie.Jordaan@cdhlegal.com

Gary Oertel
ENS Africa
By email: goertel@ensafrika.com

Letitia Field
ENS Africa
By email: lfield@ensafrika.com

Malan, Berna

From: O'Connor, Callum
Sent: 25 September 2015 05:32 PM
To: daniel.terblanche@mazars.co.za; pmarsden@matusonassociates.com
Cc: Rudolph, Gerhard; Malan, Berna; julian.jones@cdhlegal.com;
tobie.jordaan@cdhlegal.com; goertel@ensafrica.com; lfield@ensafrica.com
Subject: Business Rescue / Evraz Highveld Steel and Vanadium Limited - Meeting of
Creditors on Monday, 28 September 2015
Attachments: Letter to BRPs 20150925.pdf
Importance: High

Dear Sirs

Please see the attached letter addressed to you.

Yours faithfully,

Callum O'Connor
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Sandown, Sandton
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Switchboard: +27 (0) 11 911 4300
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Callum.OConnor@bakermckenzie.com

We're moving

As of 1 October 2015 our new address will be
1 Commerce Square, 39 Rivonia Road, Sandhurst.

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5 October 2015

Piers Marsden
Joint Business Rescue Practitioner
Matuson Associates

Daniel Terblanche
Joint Business Rescue Practitioner
Mazars

Attention: Piers Marsden / Daniel Terblanche

Dear Piers / Daniel

**BUSINESS RESCUE PROCEEDINGS / EVRAZ HIGHVELD STEEL AND VANADIUM
LIMITED / PROPOSED BUSINESS RESCUE PLAN / REQUEST FOR INFORMATION**

1. We attach a signed copy of the unsigned letter we sent to you on Saturday, 3 October 2015.
2. We also attach a copy of a letter addressed to KPMG Services (Pty) Ltd ("KPMG") by our client's auditors, PricewaterhouseCoopers ("PwC"), which was sent by PwC to KPMG on Friday, 2 October 2015. To the extent that there is any overlap between our abovementioned letter and the PwC letter, we request that KPMG engage PwC directly on any accounting and valuation related questions, but that KPMG copy us on any correspondence with PwC.
3. Regarding the balance of our letter sent to you on 3 October 2015, we look forward to receiving your responses to the questions posed, most notably those contained in paragraphs 8 to 17, as a matter of urgency. In the event that you are unable to respond substantively to our clients' questions before the question and answer session scheduled for Thursday, 8 October 2015, we propose posing our clients' questions to you in that forum, given the time constraints the parties currently operate under.

Our ref: G Rudolph/CO/BM

Your ref: P Marsden / D Terblanche

By email

pmarsden@matusonassociates.com

By email

daniel.terblanche@mazars.co.za

Du Plessis, Van der Merwe Inc. (Registration number 2012/047447421)

Directors

BERNSTEIN, Daryl
CHETTY, Vani
DANIELS, Kate
DU PLESSIS, Willem
JANSE VAN RENSBURG, Mike

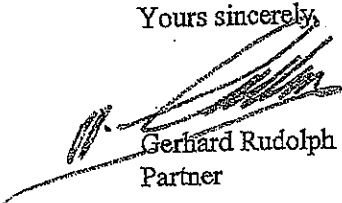
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VAN DER MERWE, Marné
WHYTE, Koen

Counsel

PREISS, Mark

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Yours sincerely,



Gerhard Rudolph
Partner

011 911 4370
gerhard.rudolph@bakermckenzie.com

Cc: Gary Oertel
ENS Africa
By email: goertel@ensafrica.com

Letitia Field
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By email: lfield@ensafrica.com

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5 October 2015

Piers Marsden
Joint Business Rescue Practitioner
Matuson Associates

Daniel Terblanche
Joint Business Rescue Practitioner
Mazars

Attention: Piers Marsden / Daniel Terblanche

Dear Piers, Daniel

BUSINESS RESCUE PROCEEDINGS / EVRAZ HIGHVELD STEEL AND VANADIUM LIMITED / PROPOSED BUSINESS RESCUE PLAN

1. We refer to our letter to you on Friday, 25 September 2015, the meeting of creditors held on Monday, 28 September 2015 and the proposed business rescue plan of Evraz Highveld Steel and Vanadium Limited ("Evraz Highveld") dated 15 September 2015 ("the Plan").
2. We have now had an opportunity to consult more extensively with our clients and address this letter to you to:
 - 2.1. reiterate that our clients require clarification on the issues previously raised by us in our letter; and
 - 2.2. raise additional queries and concerns regarding other aspects of the Plan, which are cause of material concern for our clients and on which we require your urgent feedback.

The KPMG report

3. As set out in our previous letter, the KPMG report dated 15 September 2015 appears to be lacking relevant information, which our clients and its advisors require to reasonably enable them (and the general body of creditors) to reach a proper understanding of the amounts arrived at therein and, on so doing, evaluate the proposals put forward in terms of the plan.

Du Plessis, Van der Merwe Inc. (Registration number 2012/047447/21)

Directors
BERNSTEIN, Darryl
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4. We confirm that PwC has now been engaged by our client and will be communicating directly with KPMG on the valuation issues.
5. In the meantime, we request that you liaise with KPMG on the deficiencies identified by us in our previous letter, in order to obtain the following information for our clients' consideration, together with PwC:
 - 5.1. the identification, status qualifications and experience of the valuer/s who prepared the report;
 - 5.2. confirmation that the valuation has been undertaken in accordance with IVS (or any other recognised standard);
 - 5.3. a comprehensive valuation approach and reasoning therefor; and
 - 5.4. a more detailed description of methodology applied in the valuation (sources of market prices, date of actual market prices, indices or any other adjustments used in the calculation).
6. In addition to the above information, and upon further consideration of the KPMG report, we set out the following additional queries and/or requests for information in order to enable our clients and PwC to properly evaluate the existing Plan:
 - 6.1. Please provide the fixed assets register on an item by item basis, including next information:
 - 6.1.1. Name;
 - 6.1.2. Inventory number;
 - 6.1.3. Gross and Net book value;
 - 6.1.4. Date of production (when put into operation);
 - 6.1.5. Category (buildings, constructions, machinery and equipment etc);
 - 6.1.6. Fair market value;
 - 6.1.7. Orderly liquidation value;
 - 6.1.8. Used valuation approach (market, cost, scrap value); and
 - 6.1.9. Technical data of Machinery and equipment, including:
 - 6.1.9.1. Manufacturer;
 - 6.1.9.2. Model;
 - 6.1.9.3. Capacity; and
 - 6.1.9.4. Technical condition.

6.1.10. Technical data of Buildings and Structures, including the following information:

- 6.1.10.1. Address (street, city, country);
- 6.1.10.2. Current use;
- 6.1.10.3. Area (m2);
- 6.1.10.4. Number of floors;
- 6.1.10.5. Total structural volume (m3);
- 6.1.10.6. Building frame material; and
- 6.1.10.7. Technical condition.

The abovementioned information should be provided in MS Excel with working links.

- 6.2. Please also provide us with a more detailed calculation of Orderly liquidation value (OLV) for most significant objects (OLV higher than 500 000 ZAR) in MS Excel with working links.
- 6.3. Pages 7-8 - Please provide us with the detailed calculation of SARS' claims in the amount of R672.9 million and R1 078.9 million. How were the interest and penalties included in SARS' claims calculated? Please provide us with an MS Excel spreadsheets with working links. Please also provide us with a substantive update on the current status of engagements with SARS. Is there an actual assessment? If so, has consideration been given to an appeal? What advice have you received in regard to the merits?
- 6.4. Pages 13-15 - Is the list of principal sources of information listed on these pages an exhaustive list? If not, please provide us with a complete, detailed list of sources, alternatively a complete list including secondary and other resources considered.
- 6.5. Page 17 - Please explain why a value is placed on assets subject to liens, where estimated at 50% of the amount claimed by creditors. Please provide us with an MS Excel spreadsheets with working links.
- 6.6. Page 18 - Please provide a more detailed explanation for the reference in the table to "Restricted Cash" - it is given as R8 420 000 and the comment simply states that "It is assumed that the guarantees will be called on". No underlying basis is provided for this assumption, and no amounts are provided to illustrate the impact that the assumed calls on the guarantees will have on the free residue account. What kinds of obligations are covered by restricted cash? If you set it to zero, were the corresponding obligations written off from the liability side when liquidation dividends were calculated? Please

provide us with the said calculations in an MS Excel with working links.

- 6.7. Page 18 - Please provide explanation why an estimated recovery of all investments held was taken as zero? Is there any liquidation value of the assets of the companies under business rescue? Do these companies have any assets that could be sold? Are there any cash, inventory or accounts receivable?
- 6.8. Page 19 - Please clarify how "Customers - Trade Local" was calculated. The description provided is not clear. According to KPMG's analysis, any account receivable that is older than 44 days should be discounted. Please confirm that the Evraz Highveld doesn't have any contracts with terms of payment of more than 44 days. Please provide detailed calculations in MS Excel with working links.
- 6.9. Page 19 - The total value for "Inventories" is given as R1 074 470. If the lines under this heading are totalled, the amount arrived at is, however, R769 620, which is a difference of R304 850. Is there a reason for this or is it simply a calculation error?
- 6.10. Page 19 - The valuation of raw materials is based on a conservative valuation of 80% of book realization. Please provide us with the underlying rationale for this estimation, indicating how the estimate was arrived at in MS Excel with working links.
- 6.11. Page 19 - Why has the recovery rate for related companies been estimated as zero?
- 6.12. Page 19 - Please provide a detailed calculation of realizable value of work in progress (a management estimation) in an MS Excel spreadsheet with working links.
- 6.13. Page 20 - Why has the recovery rate for loans to third parties been estimated at zero? Even if Evraz Highveld is under business rescue there is a potential recovery from restructuring or selling its assets.
- 6.14. Page 20 - Is it assumed that prepayments (excluding deferred selling expenses) are included in "secured dividends to lien creditors"?
- 6.15. Page 21 - Please provide us with a calculation and breakdown of the care and maintenance costs in an MS Excel spreadsheet with working links.
- 6.16. Page 22 (and 17) - Is it assumed that the liquidator's fee will be 10% for all of the assets? If not, please provide a detailed breakdown of the percentage of the liquidators' fees as applicable to the different categories of assets. In this respect, please provide us with MS Excel spreadsheets with working links.

- 6.17. Page 25 - The total for "Cash and short term deposits" is given as R3 303 780. However, if the separate items in the column are added, the total is much lower. How is the total arrived at?
- 6.18. Page 31 - Please provide us with more clarification regarding the basis for the estimations as well as detailed calculations in MS Excel with working links.
- 6.19. Pages 33, 36 and 39 - Under the heading "Vendors - secured by way of liens", there appears to be another error in calculation, as the total is not representative of the separate amounts. Please clarify the calculation.
- 6.20. Page 47 In the Appraiser's Assessment in Summary of Values, it is indicated that "Additional Recovery Value in Buildings and Structures" is equal to 150 000 000 ZAR. Please comment this value and provide the calculation in MS Excel with working links.
- 6.21. Finally, the spreadsheet provided with the KPMG report, which contains two columns for the "*Wind down*" and "*Liquidation Calc Updated*", respectively, contains certain figures and assumptions, the arrival at which are unclear to our clients. Our clients are engaging with its advisors regarding this spreadsheet and have advised us that they will request further information and/or clarification from you shortly. These queries will deal with *inter alia* the provisions for labour costs, the provision for liquidators' commission based fees. We are instructed that depending on the assumptions in the KPMG model, there will be a significant effect on the dividends stated in the spreadsheet. To expedite matters please provide us with full particulars as to your calculations with suitable accompanying motivation.
7. In relation to the appraisal report performed by GoIndustry DoveBid S.A. (Pty) Ltd ("**GoIndustry**"), please provide us with all the tables represented in KPMG's and GoIndustry's report in MS Excel with working links.

The Revised Final Offer

8. Our clients have now had an opportunity to consider the Revised Final Offer presented by International Resources Project Limited ("IRP"), on 15 September 2015, referred to by you in paragraph 20.3 of the Plan ("**Revised Final Offer**").
9. Our clients urgently require additional information and/or clarification in respect of the Revised Final Offer
10. As a general comment, the level of conditionality that exists in the Revised Final Offer and in certain of the conditions precedent to it (set out in more detail below) appears to be patently unacceptable by ordinary commercial standards on presentation of an offer intended to be reasonably capable of binding acceptance.

As appears below, the conditions precedent are inherently and inappropriately vague, subjective and contain little or no means of objective verification or clarity.

11. In addition, the date for fulfilment of the conditions precedent, namely 30 March 2016, is too far in the future to be acceptable to our clients, given the nature of the difficulties highlighted by our clients below. To the extent that the fulfilment date is reflective of the likely timeframe within which the conditions precedent have any realistic prospect of fulfilment, this would seem to reinforce our clients' perspective on the uncertainty surrounding any prospect of their fulfilment.

The Conditions Precedent to the Revised Final Offer

Clause 7.1.1.1 -

- 11.1. This condition precedent refers to the acquisition by the Industrial Development Corporation of South Africa SOC Limited ("IDC") of a substantial shareholding in Evraz Highveld and the subsequent provision of working capital and capex by the IDC.
- 11.2. Clause 2.3 of the preamble to the Revised Offer states further that *"it is the intention of IRP, through its parent company International Resources Limited...to recruit the...IDC or any other developmental financial institution in South Africa as an investor to hold between 10% and 30% of the issued share capital of [Evraz Highveld]."*
- 11.3. Clause 2.3 provides further that IRP is *"pleased to be able to confirm that we have already initiated discussions with the IDC, which has indicated that it is interested in taking up such an investment in [Evraz Highveld]."*
- 11.4. Clearly there is no confirmation in the report that the IDC (or any other potential institution/s) will in fact acquire any shareholding in Evraz Highveld or advance any loan to it, which we further note is in any event again conditional on the terms and conditions being agreeable to IRP. Please advise us with substantive motivation if this is not the case.
- 11.5. In the circumstances, please urgently provide us with such additional information or correspondence as you may have to demonstrate any undertaking and/or agreement by the IDC, or any other institution that has agreed thereto, to acquire the shareholding in Evraz Highveld and to provide it with the funding required, inclusive of applicable terms, coupled to a clear undertaking and/or agreement that this is acceptable to IRP.

Clause 7.1.1.4

- 11.6. This condition precedent refers to settlement by the BRPs of various wide-ranging alleged transgressions by Evraz Highveld of numerous vague regulatory provisions with certain South African authorities.

- 11.7. The Revised Final Offer does not consider how the settlement of these issues have been scoped and/or quantified. The condition precedent also does not take account of the fact that some of the investigations, referred to in more detail in the Plan, are ongoing and may be incapable of settlement in the near future. This presents a material prospective risk to creditors on any anticipated dividend entitlement.
- 11.8. In the circumstances, our clients require detail of the full nature and extent of the regulatory liabilities identified by the BRPs, any steps taken thus far in resolving such liabilities and the prospects of whether or not such liabilities are indeed capable of being responsibly settled in the vague manner suggested in clause 7.1.1.4.

Clause 7.1.2.1 -

- 11.9. This condition precedent provides that the BRPs of Evraz Highveld must *inter alia* cancel, modify or restructure certain Evraz Highveld contracts. There are no terms and conditions referred to in such clause, which presents a level of conditionality which is patently unacceptable from an arm's length commercial perspective. In addition, clause 7.1.2.1.8. refers to undefined "*other agreements identified by [IRP] during the period ending on 15 January 2016.*" Please indicate how and in what manner and level of detail this condition has been considered and addressed by the BRP's prior to their election to accept the offer.
- 11.10. By way of example, clause 7.1.2.1. refers to the "*conclusion of a new long-term transport agreement with Transnet*". The exact basis upon which a new agreement should be entered into (for example, would it be an extension of an existing agreement, or would it be on new terms to be negotiated?) remains unclear to our clients. Also, our clients fail to see why this would be included as a condition precedent in a clause that appears to deal only with existing contracts which apparently require remediation.
- 11.11. In addition, clause 7.1.2.3. provides that should the BRPs fail to modify or restructure the Evraz Highveld contracts, that IRP shall have the election to declare such condition precedent to be unfulfilled. This is clearly unacceptable from any reasonable perception of commercial certainty short of substantial clarification and limitation on scope and timing.

Clause 7.1.2.6

- 11.12. Clause 7.1.2.6 provides that the Revised Final Offer will be subject to the approval by the International Trade Administration Commission of Evraz Highveld's application to increase the customs duty rate levied on structural steel products.

- 11.13. Surely creditors cannot reasonably be expected to accept the terms of such a condition precedent, the conditionality of which is entirely contingent on a *spes* that ITAC may approve Evraz Highveld's application to increase the tariff payable?
- 11.14. We are aware that this is presently being actioned but have no clarity as to its status and likely effect. Assuming that the introduction of such tariff is or will shortly materialise, have the BRP's considered its prospective positive effect on the resumption of trading by Evraz Highveld, which may in turn justify a re-visitation of pricing?
- 11.15. In the circumstances, please let us have further clarification regarding the application to ITAC and the legal advice that Evraz Highveld has received regarding any prospects of success.

The Slag Dumps and Environmental Liability

12. We understand that part of the assets of the Evraz Highveld include two substantial and potentially commercially realisable Titanium and Vanadium bearing slag dumps ("the Slag Dumps"). The Slag Dumps have been omitted from the KPMG report as assets. In addition, no mention is made of the Slag Dumps in the Revised Final Offer
13. Our clients are aware that on several occasions in the past, third parties have expressed interest in acquiring the Slag Dumps, which present value to Evraz Highveld, at least to offset against corresponding environmental liabilities. Whilst our clients are not in a position to estimate the financial impact of a possible sale of the Slag Dumps, it should be clear that they are not necessarily a liability of Evraz Highveld, alternatively represent some scope for recoupment on the disposal of recoverable mineral content. Should Evraz Highveld dispose of the Slag Dumps, it would similarly divest itself of its rehabilitation obligations, which would in turn limit the extent of Evraz Highveld's residual environmental rehabilitation liabilities the provision for which in any event remains unclear to our clients.
14. Accordingly, please provide us with further detail regarding any investigation into the prospective value of the Slag Dumps as well as how you arrive at your provision for Evraz Highveld's environmental liabilities.

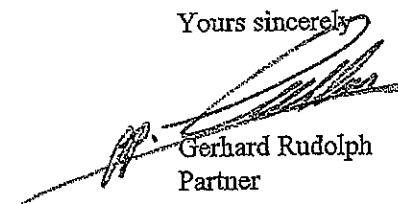
General

15. From the meeting held on 28 September 2015 it is readily apparent that one of the main concerns of the body of creditors is whether they will remain as preferred suppliers of Evraz Highveld, as they currently have no guarantee in that respect, other than a bald commitment from the BRPs and/or IRP. You have indicated that you are willing to take the issue back to IRL and/or IRP for further discussion and we look forward to your feedback in that respect.
16. We also understand that the BRPs, IRP and IRL, are all being advised by ENSAfrica. While we do not suggest any impropriety, you will appreciate this is a

cause of considerable concern for our clients. It is unclear to them whether or not appropriate steps have been taken to ensure that the independence, impartiality and confidentiality of the parties is being catered for and respected. We are sure that you and your advisers have proper procedures in place but would appreciate it if you would provide us with the details of the individuals working - presumably separately - in the respective teams as well as such ethical barriers/"Chinese Walls" as have presumably been put in place to ensure that suitable ethical boundaries have thus far and will continue to be observed without compromising the interests of creditors in any way.

17. We would appreciate your urgent response and feedback. We are mindful of the limited extension on the Plan, as voted for by creditors and we, as well as PwC will need to give your response on the requested information due consideration in order to come to an informed decision as to the viability or otherwise of the Revised Final Offer and/or Plan.

Yours sincerely



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cc

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"FAIR" 11

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G Oertel / L Field our ref

G Rudolph/CO/BM your ref
7 October 2015 date

Dear Sirs

RE: EVRAZ HIGHVELD STEEL AND VANADIUM LIMITED (IN BUSINESS RESCUE) ("HIGHVELD")


1. We refer to your email received at 15h11 on Saturday, 3 October 2015, which attached a letter dated 30 September 2015 ("your letter"). We further refer to the telecon held yesterday between our clients and the respective auditing firms to discuss the contents of your letter.
2. At the outset, we wish to record the following:
 - 2.1. Your client, Mastercrocft S.a.r.l. ("Mastercrocft"), is and has been the major shareholder of Highveld (holding 85% of the issued share capital) since 2007. As such, Mastercrocft has been in operational control of Highveld for over 7 years and has intimate knowledge of the business and assets of Highveld.
 - 2.2. Since the commencement of the business rescue proceedings, your clients have remained intimately involved in the business of Highveld. In this regard:
 - 2.2.1. our clients have engaged with your clients on numerous occasions through meetings, telecons and correspondence. Your clients have been furnished with information requested by them and have been furnished with updates as and when requested;
 - 2.2.2. your client was involved in the entire sales process and appointed Standard Bank to advise it in relation to same. Our clients were required to consult with Standard Bank in regard to, *inter alia*, the process letters and information memorandum; and

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- 2.2.3. your client had full access to the data room, which contained all of the material information relating to Highveld, including information which your client now purportedly requires in terms of your letter.
- 2.3. In particular, your clients were furnished with:
- 2.3.1. the final binding offers on 28 August 2015;
- 2.3.2. the GoIndustry DoveBid valuation ("the valuation") on 3 September 2015;
- 2.3.3. the revised IRL final offer on 15 September 2015; and
- 2.3.4. the business rescue plan on 15 September 2015.
- 2.4. Your clients only raised its concerns in regard to the liquidation calculation after close of business on Friday, 25 September 2015, being the Friday before the meeting to vote on the business rescue plan convened on Monday, 28 September 2015 ("the meeting").
- 2.5. On the assurance that your clients' concerns were *bona fide* and that the request for an extension was a genuine attempt to confirm the numbers underpinning the liquidation calculation, you were afforded an opportunity to address the meeting to request an adjournment of two weeks, which adjournment was agreed upon by creditors.
- 2.6. During the week of 28 September 2015, and due to the short time period involved, we made repeated requests for confirmation of the details of your clients' auditors in order to address and finalise your clients' issues relating to the liquidation calculation as soon as possible. The auditors were only confirmed at 16h47 on Friday, 2 October 2015.
- 2.7. Your letter, comprising 9 pages, setting out the information required was eventually emailed during the course of Saturday, 3 October 2015.
3. Notwithstanding the aforesaid, and in order to address the questions raised in your letter and finalise your clients' concerns regarding the business rescue plan before the adjourned meeting is held on 13 October 2015, we convened the telecon that was held yesterday.
4. In light of the telecon, we deal below, where necessary, with your letter.

The KPMG Report

Ad paragraph 3

5. We draw to your attention that the Companies Act merely requires that the business rescue plan includes the probable dividend that would be received by creditors if Highveld was placed in liquidation. Although not required to do so, our clients instructed KPMG to prepare a report reflecting the probable liquidation dividend based on the valuation and information received from management.
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Ad paragraph 4

6. As the report has been prepared by KPMG for our clients, KPMG is precluded in terms of their policies from corresponding directly with third parties in respect of same. To this extent, any further queries in regard to the KPMG report must be furnished to our clients who will address same to KPMG.

Ad paragraph 5

7. The valuation was performed by a reputable independent third party, which is a subsidiary of NASDAQ listed Liquidity Services.
8. The valuation is comprehensive and comprises 58 pages.
9. In regard to:
- 9.1. sub-paragraph 5.1, we refer you to pages 12 and 13 of the valuation; and
- 9.2. sub-paragraphs 5.2 to 5.4, we refer you to pages 12 to 15 of the valuation.
10. Our clients accordingly do not consider the queries raised in this paragraph or in your previous letter as deficiencies. Notwithstanding the aforesaid, we have forwarded your queries to the valuers.
11. To the extent that your clients persist that further detail is required, it is evident that same would require additional time which is not justified in the current circumstances and further given that the valuation was furnished to your clients as far back as 3 September 2015, at which point the questions set out in your letters could and should have been raised.

Ad sub-paragraphs 6.1.1 – 6.1.5

12. These details are contained in the fixed asset register which was in the data room, and to which your client had access.
13. The fixed asset register has not changed materially since the closure of the data room and a copy of the updated fixed asset register as at 31 August 2015, is attached hereto.

Ad sub-paragraphs 6.1.6 – 6.1.9

14. As detailed in pages 16 to 56 of the valuation, there is a line by line item detailing, where appropriate, the plant, manufacturer, asset number, quantity, description, capacity, year, model and fair market value.

Ad sub-paragraph 6.1.10

15. Our clients are surprised at this request, given that this information is within your client's knowledge and the fact that this information was also in the data room to which your client had access.

16. In respect of the discussion regarding the land value, we attach the requested schedule reflecting the environmental liabilities and respective reports.

Ad sub-paragraph 6.2

17. The calculation of the OLV is based on the assumptions and methodology contained in page 10 of the valuation. We are not in a position to furnish the Excel spreadsheets, which would have to be obtained from the valuer directly.

Ad sub-paragraph 6.3

18. Our clients' calculation of SARS' potential claims is attached. The attachment is an updated calculation due to an error in the original spreadsheet which did not pull through the figure in C8 to C12.
19. The penalty was based on 100% of the taxable amount as there does not appear to be any evidence of fraud justifying a 200% penalty.
20. In regard to the status of the engagement with SARS, same is contained in paragraph 7.5.5 of the plan.
21. In regard to the advice received on the merits, this information is confidential, however, our clients are willing for your attorneys to meet with our clients' tax advisors on a confidential basis to discuss our clients' views in regard to same. Our clients have had various meetings and exchanged various correspondence with your clients regarding the SARS claim.


Ad sub-paragraph 6.4

22. Yes.

Ad sub-paragraph 6.5

23. This is an estimated figure. In this regard, the estimated lien creditor claim amount is approximately R119 million, based on management's assessments for repairs to be carried out and the assumption is that the assets held by these creditors will realise 50% of the value of the lien claims.

Ad sub-paragraph 6.6

24. The amount has been analysed as follows:
- 24.1. Eskom guarantee of R7 297 250;
- 24.2. Eskom guarantee of R880 000 in respect of Mapochs; and
- 24.3. EMalahleni Local Municipality guarantee of R241 342 in respect of water supply.
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25. For the reasons discussed during the telecon, the liabilities have not been reduced.

Ad sub-paragraph 6.7

26. In respect of the investments:

26.1. Hochvanadium:

- 26.1.1. It appears that Hochvanadium will be liquidated and there is unlikely to be any recovery.

26.2. Middleburg steel and Alloys:

- 26.2.1. The business has been sold and the investment left behind is a company with no assets and a significant liability in terms of a funding obligation for environmental rehabilitation.

26.3. Mapochs Mine:

- 26.3.1. Mapochs is currently in business rescue and unlikely to pay creditors' claims and accordingly there appears to be no recovery for shareholders.

26.4. Nyzana:

- 26.4.1. This is a start-up company with no revenue or value.

27. In respect of all of the aforesaid investments, it appears that the creditors of same will not be paid in full and accordingly no monies will be received by Highveld.

Ad sub-paragraph 6.8

28. The assumptions are detailed alongside the heading "trade and other receivables" on pages 19, 24 and 29 of the KPMG report. The Sasfin debtors were deducted off these figures.

29. The formula was applied to all debtors on the age analysis.

Ad sub-paragraph 6.9

30. This is a formula error in the book value column which included hidden lines however the estimated realisable value is correct.

Ad sub-paragraph 6.10

31. This is an assumption of the value that will be realised in a liquidation.

Ad sub-paragraph 6.11

32. At the time of preparing the report, management estimated that the recoveries on these sundry debtors would be zero. Subsequent to the calculation, there was a R13 million recovery.

Ad sub-paragraph 6.12

33. We attach a copy of the requested calculation.

Ad sub-paragraph 6.13

34. We refer to what has been stated above in regard to the investments and the fact that the shareholder's loan account in Mapochs is subordinated.

Ad sub-paragraph 6.14

35. No. This relates to prepayments. These prepayments are not recoverable and certain of these creditors have proved claims for amounts still owing to them.

Ad sub-paragraph 6.15

36. The spreadsheet is attached.

Ad sub-paragraph 6.16

37. As discussed, the liquidator's fees are prescribed in terms of the Insolvency Act, 24 of 1936, and the amounts reflected on page 22 are in accordance with the prescribed tariff.

Ad sub-paragraph 6.17

38. This is a formula error in the book value column summing up the various amounts however the figure for estimated realisable value is correct and is the actual cash in bank as at the date of business rescue for all 3 scenarios. R10.14 million is the actual cash in bank as at the date of business rescue and does not affect the dividend calculation.

Ad sub-paragraph 6.18

39. In respect of:
- 39.1. the care and maintenance costs, the calculation has been attached;
 - 39.2. the administration costs, this comprises R500 000 per month for 6 months; and
 - 39.3. the remaining entries under administration costs, these are estimated values.

Ad sub-paragraph 6.19

40. We refer to the updated schedule in respect of pages 33 to 41 of the KPMG report attached hereto.

Ad sub-paragraph 6.20

41. The value of R150 million is the scrap value from the sale of the steel in respect of the building structures as well as steel on the ground (i.e. plates and scrap). This value is included in the R440 million reflected on page 47.

Ad sub-paragraph 6.21

42. These calculations were prepared by our clients based on the numbers provided in the KPMG report. The calculations are attached.

Ad paragraph 7

43. Your clients have had the valuation since 3 September 2015. A copy was further emailed to you prior to the telecon.
44. As discussed during the telecon, we are unable to furnish you with the tables used by KPMG and the valuers in the respective reports. In an attempt to assist, however, our clients have recreated the tables and a copy of same is attached.

IRL's Revised Final Offer

45. We set out below certain background information relating to the sales process.
46. It is common cause that your client has endeavoured to dispose of the company for at least the last 2 years.
47. You will also agree, and it has been confirmed by your client on numerous occasions, that the company is a complex asset to sell with significant challenges which your client is intimately aware of. One of these challenges includes a substantial capital expenditure requirement from a potential purchaser in a challenging market environment. To put it bluntly, Highveld is not an attractive asset to a potential purchaser.
48. To exacerbate the situation a potential purchaser cannot mitigate its risk or get comfort from warranties as it would in a normal M&A transaction because the seller is effectively our clients, the business rescue practitioners of a company in business rescue. Our clients can only give limited warranties, having no institutional knowledge, and any claim for damages would be a concurrent claim against Highveld. If the purchaser acquires the shares in Highveld it would effectively end up with a claim against itself.

49. In these circumstances it is not unreasonable for a potential purchaser to try and mitigate its exposure upfront, given its lack of recourse post implementation.
50. In addition, in the time given by the creditors for the preparation of the business rescue plan, which extension your clients gave reluctantly and further restricted, it was never likely or possible that a completely unconditional offer could be achieved. The conditions precedent to the offer are as a result of the complexity of the asset, the huge uncertainty around certain liabilities, the fact that Highveld is already in business rescue and the lack of warranties.
51. We confirm that our clients have engaged extensively with Standard Bank and Cliffe Dekker Hofmeyr, both formally appointed to represent Evraz PLC's interests. It was also specifically recorded and communicated to all potential bidders in the First Process Letter that Standard Bank has been appointed by Evraz PLC, the controlling shareholder of Highveld, to advise it in relation to the Proposed Transaction.
52. At the outset of the business rescue process it was agreed that the accelerated sales process would be an agreed process. In fact Standard Bank and Cliffe Dekker Hofmeyr commented extensively on the First Process Letter and the Information Memorandum that was circulated to all potential bidders was prepared by and large by Standard Bank.
53. In this regard Standard Bank's logo is reflected on the First Process Letter, the Information Memorandum and the Second Process Letter and in fact the First Process Letter records specifically that
- "in light of both Standard Bank and Evraz PLC's valuable institutional knowledge of the Company, and the benefit to the Proposed Transaction of being able to offer the shares of Evraz PLC in Evraz Highveld, the BRP's considered it appropriate to involve them in the preparation of the confidential information memorandum ("information memorandum") that it will be made available to interested persons (subject to the remaining provisions of this letter) and the proposed process".*
54. It was a requirement of both process letters that both the Non-Binding Indicative Offers and the Final Offers be submitted to Sandra du Toit personally at Standard Bank. Accordingly, Standard Bank, your client's chosen advisors, had knowledge of the offers and the revised IRL offer at the same time as our clients.
55. There have also been various meetings with Standard Bank and Cliffe Dekker Hofmeyr. In addition, Standard Bank assisted our clients in verifying the guarantees furnished by the preferred bidders and attended meetings where the offers and sales process were analysed and discussed. Neither Standard Bank nor Cliffe Dekker ever formally raised any objections, queries or concerns in relation to any of the offers received.

56. In addition to Standard Bank and Cliffe Dekker Hofmeyr's advisory positions to Evraz PLC, your client has always been represented on the creditors' committee and in fact were represented at each and every meeting. Your client never formally raised any concerns, objections or questions in respect of the process or the IRL offer during these meetings.
57. Your clients have been in constant communication with our clients since the commencement of the business rescue process.
58. Against the above background our client discussed during the telecon your specific questions raised in respect of the IRL Revised Offer in paragraphs 8 to 11 of your letter.
59. As requested during the telecon, we attach the correspondence addressed to the Minister of Environmental Affairs.

The slag dumps and environmental liability

60. Our clients have been advised by Highveld's management that for several years prior to business rescue, there have been various offers to commercialise the dumps. Our clients have also received proposals for limited offtake to run feasibility tests and/or trials in respect of the slag dumps. To date, however, none of the offers have materialised and the proposals have not been commercially viable. The offers further exclude the environmental liability. We will furnish you with a list of offers received.
61. We will furnish a summary of the current investigation and progress, including the list of offers received.
62. The provision for the environmental liabilities is derived from Highveld's unscheduled closure costs calculation based on independent third party reports, including Golder, E-Tek and Knight Piesold. Our clients have previously furnished your clients with these reports, which have been attached hereto again.
63. Our clients, however, have requested management to reconsider whether any value can be attributed to the dumps and will revert to you.

General

Ad paragraph 15

64. Our clients have had a further meeting with IRL in respect of the concern of local procurement. IRL has indicated its willingness to offer a stronger commitment, which our clients are hoping to receive prior to the adjourned meeting.

Ad paragraph 16

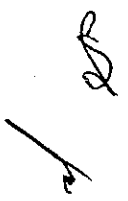
65. Your client has been aware of ENS representing IRL since IRL expressed its interest in the sales process. In addition, we note from an email addressed by Sandra du Toit on 27 July 2015 regarding the wording of the deposit held on behalf of IRL, which was headed "Chinese wall deposit concerns".
66. We have already addressed separate correspondence to you in regard to the Chinese Wall.
67. All of our clients' rights are reserved.

Yours faithfully

EDWARD NATHAN SONNENBERGS INC.

Per:


LETITIA FIELD



"FA17.2"

SARS Penalties and Interest

SARS	Taxable income	Taxation
2007	401 888 367	112 528 743
2008	879 290 410	246 201 315
2009	156 005 177	43 681 450
Total	1 437 183 954	402 411 507

	Best Case	Worse Case
Additional Claim	402 411 507	402 411 507
Penalties	0%	100%
	-	402 411 507
Interest	9.25%	9.25%
2007 - 2015	83 271 270	83 271 270
2008 - 2015	159 415 351	159 415 351
2009 - 2015	24 243 205	24 243 205
Total Interest	266 929 825	266 929 825
Total amount payable	669 341 333	1 071 752 840

KPMG	672 929 825.48	1 078 929 825.48
Difference	-3 588 492.88	-7 176 985.76

[Handwritten signature]

1 Commerce Square
39 Rivonia Road
Sandhurst, Sandton
Johannesburg, 2196
South Africa

Tel: +27 11 911 4300
Fax: +27 11 784 2855
www.bakermckenzie.com

9 October 2015

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Beijing
Brisbane
Hanoi
Ho Chi Minh City
Hong Kong
Jakarta*
Kuala Lumpur*
Manila*
Melbourne
Seoul
Shanghai
Singapore
Sydney
Taipei
Tokyo
Yangon

Europe, Middle East
& Africa

Abu Dhabi
Almaty
Amsterdam
Antwerp
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Baku
Barcelona
Berlin
Brussels
Budapest
Cairo
Casablanca
Doha
Dubai
Düsseldorf
Frankfurt/Main
Geneva
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Chicago
Dallas
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Miami
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Palo Alto
San Francisco
Toronto
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* Associated Firm

** In cooperation with
Trench, Rossi & Watanabe
Advogados

Piers Marsden
Joint Business Rescue Practitioner
Matuson Associates

Daniel Terblanche
Joint Business Rescue Practitioner
Mazars

Attention: Piers Marsden / Daniel Terblanche

Dear Piers, Daniel

BUSINESS RESCUE PROCEEDINGS / EVRAZ HIGHVELD STEEL AND VANADIUM LIMITED / PROPOSED BUSINESS RESCUE PLAN / REQUEST FOR INFORMATION

1. We refer to our previous correspondence, in which we requested information from you regarding *inter alia* the KPMG report and the Revised Final Offer.
2. On 7 October 2015, we received certain documents from you, pursuant to our conference call on 6 October 2015. We have not yet received a copy of your slideshow presentation from the question and answer session on 8 October 2015, and would appreciate it if you would forward us a copy.
3. From PwC's analysis of the documents forwarded by you on 7 October 2015, it is clear that a number of our clients' concerns and queries have not been addressed adequately, or at all. In addition, PwC's analysis has revealed further issues it would appreciate answers to.
4. We set out as follows, PwC's comments and further queries, having regard to *inter alia* PwC's initial queries forwarded to KPMG on 2 October 2015 -
 - 4.1. Paragraph 5.1 The identification, status, qualifications and experience of the valuer(s) who prepared the report.

4.1.1. The information provided in KPMG Report is insufficient for performing a detailed review.

Du Plessis, Van der Merwe Inc. (Registration number 2012/0474712/1)

Directors
BERNSTEIN, Daryl
CHETTY, Vani
DANIELS, Kate
DU PLESSIS, Willem
JANSE VAN RENSBURG, Mike

RUDOLPH, Gerhard
STOLP, Jennifer
VAN DER MERWE, Morris
WHYTE, Kieran

Counsel
PREISS, Mark

4.1.2. PwC's additional queries and comments in this respect were forwarded to the appraiser. However, to date, no response has been received.

4.2. Paragraph 5.2 Confirmation that the valuation was undertaken in accordance with International Valuation Standards (IVS), or any other recognised standard; a comprehensive valuation approach and underlying rationale; and a more detailed description of the methodology applied in the valuation (sources of market prices, dates of actual market prices, indices or any other adjustments used in the calculation).

4.2.1. Again, the information provided in the KPMG Report is insufficient for performing a detailed review. In PwC's opinion, the information provided in the appraiser's report is also too general. For example:

4.2.1.1. there is no information regarding the valuation standards used;

4.2.1.2. the description of the valuation approach and reasoning is brief and general; and

4.2.1.3. the appraiser's report does not contain the necessary details, such as market prices for comparable new or used assets, sources of market prices, dates of actual market prices, indices or any other adjustments used in the calculations; nor does the appraiser's report contain any examples illustrating the calculations.

4.2.2. Given the lack of information, we are advised that PwC cannot express an opinion about the correctness of the valuation methodology applied and the calculations performed until such time as it receives the requested information.

4.3. Paragraphs 6.1.1 - 6.1.5 We have not received the fixed asset register on an item-by-item basis, including the following information: name; inventory number; gross and net book value; date of production (when put into operation); category (buildings, construction, machinery and equipment, etc.).

4.3.1. The fixed asset register provided by you does not contain information about the technical condition of inventory items. In order to perform a proper analysis, our clients require the technical data relevant to the machinery and equipment, including the manufacturer; model; capacity; and technical condition.

4.3.2. Without a fixed assets register with the said necessary information, PwC cannot express an opinion about the correctness and adequacy of the information used in the valuation calculation.

4.4. Paragraph 6.2 PwC require a more detailed calculation of the Orderly Liquidation Value (OLV) for the most significant objects (OLV greater than R500 000) in an MS Excel spreadsheet with working links.

- 4.4.1. The information provided in the appraiser's report is insufficient for performing a detailed review. According to the report, *"the major proportion of the OLY is based on current steel scrap prices and is subject to market price fluctuations"*. Neither a detailed description of the methodology nor any scrap prices or actual weights of scrap are provided.
- 4.4.2. In addition, the KPMG report does not contain any information about transportation and cutting costs.
- 4.4.3. Without the requested information, PwC cannot confirm the correctness of the valuation methodology used and express an opinion about the reasonableness of the valuation result.
- 4.5. Paragraph 6.3 (Pages 7-8) - Please provide us with a detailed calculation of SARS' claims in the amount of R672.9 million and R1 078.9 million. In this respect, we would appreciate it if you would advise how the interest and penalties included in SARS' claims were calculated? In this respect, please provide us with an MS Excel spreadsheet with working links and a substantive update on the current status of your engagements with SARS. To this end, have you received an actual assessment? If so, has consideration been given to an appeal? Moreover, what advice have you received in respect of the merits of the matter?
- 4.5.1. As you know, we plan to meet with ENSafrica's tax team but in the meantime would appreciate any correspondence between SARS and ENSafrica and/or the BRPs regarding its potential claim (including any assessments and opinions if available).
- 4.6. Paragraph 6.5 (Page 17) - Please explain why a value is placed on assets subject to liens, which is estimated at 50% of the amount claimed by creditors. In this respect, please provide us with an MS Excel spreadsheet with working links.
- 4.7. Paragraph 6.6 (Page 18) - Please provide us with a more detailed explanation for the reference in the table to "Restricted Cash"; it is currently given as R8 420 000 and the comment simply states that: *"It is assumed that the guarantees will be called on."* No underlying basis is provided for this assumption and no amounts are provided to illustrate the impact that the assumed calls on the guarantees will have on the free residue account. What kinds of obligations are covered by restricted cash? If you set it to zero, were the corresponding obligations written off from the liability side when liquidation dividends were calculated? In this respect, please provide us with the relevant calculations in an MS Excel spreadsheet with working links.
- 4.7.1. To complete the analysis, PwC have advised that they need a list of liabilities that correspond to each individual restricted cash item, as well as confirmation that these liabilities were not included in the obligations when the liquidation dividend was calculated.

- 4.8. Paragraph 6.6 (Page 18) - Please provide us with an explanation as to why the estimated recovery amount of all investments held was taken as zero? Is there any liquidation value of the assets of companies undergoing business rescue? Do such companies have any assets that could be sold? Are there any cash, inventory or accounts receivable?
- 4.8.1. To complete PwC's analysis, we are instructed that they would need to obtain the latest available financial statements, prepared under local GAAP/IFRS, for each of the investees (except Middleburg Steel & Alloys). Please let us have copies of these.
- 4.8.2. In respect of Middleburg Steel & Alloys, PwC need to understand whether the cash proceeds from the sale of the business have been received or whether they are pending accounts receivable.
- 4.9. Paragraph 6.8 Please also clarify how "Customers - Trade Local" was calculated. The description provided is unclear. According to KPMG's analysis, any account receivable that is older than 44 days should be discounted. In this respect, please confirm that Evraz Highveld does not have any contracts with payment terms exceeding 44 days and provide us with detailed calculations in an MS Excel spreadsheet with working links.
- 4.9.1. It would appear that KPMG's assumptions were not based on an analysis of the contractual terms.
- 4.9.2. To enable PwC to complete its analysis, it requires an accounts receivable aging analysis. The relevant spreadsheet of debtors should contain the following information:
- 4.9.2.1. debtor entity's name;
- 4.9.2.2. contract and bills issued under the contract; and
- 4.9.2.3. payment terms under the contracts.
- 4.9.3. Please also provide us with the calculation of the realizable value.
- 4.10. Paragraph 6.9 (Page 19) - The total value for "Inventories" is given as R1 074 470. However, if the lines under this heading are totalled, the amount arrived at comes to R769 620, which is a difference of R304 850. Is there a reason for this or is it simply a calculation error?
- 4.10.1. Please provide the corrected breakdown.
- 4.11. Paragraph 6.13 (Page 19) - Please explain why the recovery rate of loans to third parties has been estimated at zero? Even if Evraz Highveld is undergoing business rescue, there is a potential for recovery from restructuring or selling off its assets.
- 4.11.1. Please provide us with the subordination agreement.

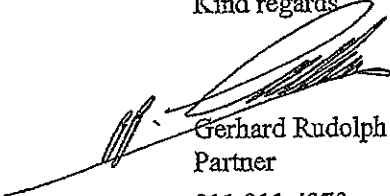
- 4.12. Paragraph 6.14 (Page 20) - Is it assumed that prepayments (excluding deferred selling expenses) are included in "secured dividends to lien creditors"?
- 4.12.1. To complete PwC's analysis, they would need to receive comment on why the corresponding liabilities were not written-off and a list of liabilities that correspond to each individual prepayment item. Please let us have such comment.
- 4.13. Paragraph 6.17 (Page 25) - The total for "Cash and short-term deposits" is given as R3 303 780. However, if the separate items in the column are added up, the total is much lower. How was the total arrived at?
- 4.13.1. In this respect, please provide us with the corrected breakdown
- 4.14. Paragraph 6.21 The spreadsheet accompanying the KPMG Report, which contains two columns for "Wind-down" and "Liquidation Calc Updated", respectively, contains certain figures and assumptions. It is unclear to our clients how these were arrived at.
- 4.14.1. Please provide us with the assumptions made and the detailed calculation of the estimated realisable value of the following assets (in MS Excel format):
- 4.14.1.1. Inventories;
 - 4.14.1.2. Trade and other receivables;
 - 4.14.1.3. Loans to related parties;
 - 4.14.1.4. Prepayments;
 - 4.14.1.5. Cash and short-term deposits;
 - 4.14.1.6. Administrative costs; and
 - 4.14.1.7. Running costs.
- 4.14.2. Please provide us with a breakdown of the following items:
- 4.14.2.1. IDC claims;
 - 4.14.2.2. Preference claims; and
 - 4.14.2.3. Concurrent claims for the liquidation scenario as well as for scenarios A, B and C of the wind-down.
- 4.14.3. Please also specify any environmental liability or any other statute liabilities/provisions that were included in creditors' claims.
- 4.14.4. Please provide us with an explanation of any differences between the book value (according to the latest audited financial statements) and

the value used in calculating liquidation dividends for such environmental liability or any other statute liabilities/provisions.

- 4.14.5. Please explain the rationale for extracting preference claims from concurrent claims in the calculation of concurrent claims for the wind-down scenario.
- 4.15. In relation to the DoveBid report, please provide us with all the tables represented in the KPMG report and the DoveBid report in an MS Excel spreadsheet with working links.
- 4.16. Please provide us with a list of the offers to purchase that were received in respect of the slag dumps, and the details of these offers, including the basis on which it was decided that the offers were not commercially viable.
5. We also require the following additional information and documentation to assist us and PwC to finalise our respective advice to our clients:
- 5.1. the outcome of the LRA process and any delays / pushbacks expected that could impact the liquidation dividend? Please provide us with any relevant correspondence in this respect;
 - 5.2. the minutes of all meetings of the creditors;
 - 5.3. a copy of the summons issued by the business rescue practitioners against Sasfin and other information relating to this;
 - 5.4. a copy of the post-commencement finance facility letter from the IDC;
 - 5.5. correspondence and commitments from Eskom regarding continued supply of electricity / buy back;
 - 5.6. copies of any ITAC correspondence regarding the increase of general custom duty rates;
 - 5.7. correspondence regarding the Competition Commission allegations and any potential settlement amount/s;
 - 5.8. the electronic working papers and assumptions regarding the calculation of the IRP offer;
 - 5.9. how Siyolo Energy and African Resources have been presented in the offer and their involvement in the process;
 - 5.10. details of the Mapochs business rescue process / a recent report regarding Mapochs' status;
 - 5.11. copies of any claims for damages or breach of contract against Evraz Highveld;

- 5.12. the latest post-retirement medical fund obligation figures and documents (Have these been estimated and considered in the liquidation calculation?); and
- 5.13. KPMG used a "store redundancy provision" of R35 million in its realisable value calculation of "Total Auxiliary Material". Please provide the calculation and basis for this item.
6. We await your urgent response.

Kind regards



Gerhard Rudolph
Partner

011 911 4370
gerhard.rudolph@bakermckenzie.com

Cc: Gary Oertel
ENS Africa
By email: goertel@ensafrica.com

Letitia Field
ENS Africa
By email: lfield@ensafrica.com

11 FA 19^M

51

EVRAZ Highveld Steel and Vanadium Limited ("The Company")

Vote to consider the Business Rescue Plan ("BR Plan") as envisioned in terms of Section 152, at a Meeting convened in terms of Section 151 of the Companies Act, 71 of 2008.

BALLOT FORM

For use by creditors at the meeting to be held at Elijah Mashiloane Hall
Old Pretoria Road, Portion 93 of the Farm Schoongezicht 308 JS, eMalahleni (Witbank), at 11h00 on
13 October 2015.

I / We, being a representative of SARS a creditor, in the
amount of:

± R519 million

Please indicate below with an "X"

In Favour of BR Plan
X

Against BR Plan

Signed at eMalahleni on 13 October 2015

Name:

H. J. R. JHA

Designation:

REPRESENTATIVE OF SARS

Signature:

[Signature]

Being duly authorised

8
✓

CLAIM FORM

IN THE MATTER OF:

EVRAZ HIGHVELD STEEL AND VANADIUM LIMITED

REGISTRATION NUMBER: 1960/001900/06

NAME IN FULL OF CREDITOR: SOUTH AFRICAN REVENUE SERVICE (SARS)

ADDRESS IN FULL: 2 MARKEIT DRIE, SUNNYSIDE, JOHANNESBURG

E-MAIL ADDRESS; TEL NO; FAX; CELL: NR00HAT@SARS.GOV.ZA

BANK ACCOUNT (NAME OF BANK, BRANCH CODE, ACCOUNT NUMBER, REFERENCE):

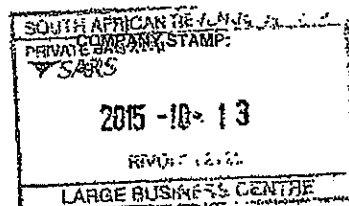
TOTAL AMOUNT OF CLAIM: R 545, 016, 871 - 96

- I, FINE-TE ISABELLA EXIMA do hereby confirm: -
in my capacity as REPRESENTATIVE
of SARS (Creditor)
- That Evraz Highveld Steel and Vanadium Limited which has been placed under business rescue on 13 April 2015, was at the date of commencement of the business rescue, and still is, justly and truly indebted to the Creditor the sum of:
R FIVE HUNDRED AND FORTY FIVE THOUSAND SEVENTY SIX THOUSAND (amount in words)
EIGHT HUNDRED AND SEVENTY ONE AND AND NINETY SIX CENTS
being for: UNPAID TAXES
- That the said debt arose in the manner and at the time set forth in the supporting document* hereunto annexed. (*please attach relevant statement / invoice as supporting documents).
- That no other person besides the said is liable for the said debt or any part thereof.
- That the Creditor has not, nor has any other person, in my knowledge on the Creditor's behalf, received any security for the said debt or any part thereof.
- That the Creditor has not, nor has any other person, in my knowledge on the Creditor's behalf received any security for the said debt or any part thereof save and except:

which security I value at R _____

DATED AT Johannesburg this 13 day of OCTOBER 2015.

SIGNATURE: [Signature]



Evrz Highveld Steel & Vanadium Limited


Claim: Assessment on 2007, 2008, 2009

As referenced in the Business Rescue Plan, paragraph 7.5.5

To whom it may concern,

This is the SARS's claim relating to the assessments that may be raised in respect of Evraz Highveld Steel (Pty) Ltd ("Evrz") for the 2007 to 2009 years of assessment.

Kindly be advised that the audit is still in progress and that, after due process, audit assessments may be issued once the taxpayer has supplied SARS with an answer to the SARS letter of intention to assess. Please note that the claim is only an estimate and that the full amount will be determined upon assessment.


On behalf of SARS

14 FA 20"

Malan, Berna

From: Malan, Berna
Sent: 12 October 2015 04:36 PM
To: 'mscruse@matusonassociates.co.za'
Cc: Rudolph, Gerhard; O'Connor, Callum; 'olga.yukova@evraz.com'
Subject: Proxy documents for Mastercrocft S.a.r.l. and East Metals A.G.
Attachments: EMAG_proxy.pdf; EMAG_resolution signed by 1st director.pdf; EMAG_resolution signed by 2nd director.pdf; EMAG_resolution signed by 3rd director.pdf; Mastercrocft resolution signed by 3rd manager.pdf; Mastercrocft resolutions signed by 2 managers.pdf; Mastercrocft_Proxy to BM.pdf

Dear Sirs,

Please find attached the proxies for East Metals A.G. and Mastercrocft S.a.r.l. in respect of the creditors' meeting of Highveld Steel and Vanadium Limited, for tomorrow, 13 October 2015.

Kind regards,

Berna Malan
Associate
Baker & McKenzie
4 Sandown Valley Crescent
Sandown, Sandton
Johannesburg, 2196, ZA
Tel: +27 (0) 11 911 4382
Switchboard: +27 (0) 11 911 4300
Fax: +27 (0) 11 783 4177
Berna.Malan@bakermckenzie.com

We're moving

As of 1 October 2015 our new address will be
1 Commerce Square, 39 Rivonia Road, Sandhurst.

Baker & McKenzie

Baker & McKenzie is a member of Baker & McKenzie International, a Swiss Verein.

EVRAZ HIGHVELD STEEL AND VANADIUM LIMITED

(Incorporated in the Republic of South Africa)

(Registration No 1960/001900/06)

PROXY

For the use in relation to meeting(s) convened in terms of section 151 of the Companies Act 71 of 2008, in respect of the business rescue proceedings of EVRAZ HIGHVELD STEEL AND VANADIUM LIMITED (IN BUSINESS RESCUE) ("EVRAZ HIGHVELD STEEL") to be held at Elijah Mshiloane Hall, Evraz Highveld, Old Pretoria Road, Portion 93 of the Farm Schoongezicht, 308 JS, WITBANK on 13 October 2015.

We, the undersigned, EAST METALS AG, being a creditor of EVRAZ HIGHVELD STEEL do hereby declare that we are entitled to vote at a meeting of creditors in terms of the aforementioned section and hereby nominate-

Name: GERHARD RUDOLPH

[ID NUMBER: 691101 5253 083]

of BAKER & MCKENZIE

or, failing him/her

Name: DARRYL BERNSTEIN

[ID NUMBER: 810523 5014 080]

of BAKER & MCKENZIE

or, failing him/her

Name: CALLUM O'CONNOR

[ID NUMBER: 840407 5063 087]

of BAKER & MCKENZIE

or, failing him/her

Name: BERNAL MALAN

[ID NUMBER: 750616 0066 089]

of BAKER & MCKENZIE

as our proxy to attend the aforementioned meeting on our behalf.

Our proxy may vote as he or she thinks fit.


Signed this 6 day of October 2015



EAST METALS AG

Giacomo Balzini

President of the Board of Directors



Circular Resolution
of the Board of Directors of

EAST METALS AG

Baarerstrasse 131, 6300 Zug, Switzerland

Pursuant to Article 713, Section 2 of the Swiss Code of Obligation and Article 13 et seqq. of the Articles of Association of EAST METALS AG (the "Company"), the undersigned, being all of the duly elected members of the Board of Directors of the Company, by signing this circular resolution consent to the adoption of the following resolutions with the same force and effect as if said resolutions had been duly adopted at a meeting of the Board of Directors and waive their right to a discussion.

The undersigned members of the Board of Directors of the Company, each waiving the rights to discuss the below item and proposal, resolve by circular resolution as follow:

In the matter Evraz Highveld Steel and Vanadium Limited, under Business rescue ("Highveld") for the meeting convened in terms of section 151 of the Companies Act No. 71 of 2008 to be held at Elijah Mshiloane Hall, Evraz Highveld, Old Pretoria Road, Portion 93 of the Farm Schoongezicht, 308 JS, Witbank on 13 October 2015 ; Or at any adjournment of the meeting thereafter

The members of the Board of Directors approve to appoint

Name: GERHARD RUDOLPH

ID NUMBER: 691101 5253 083

of BAKER & MCKENZIE

or, failing him/her

Name: DARRYL BERNSTEIN

ID NUMBER: 810523 5014 080

of BAKER & MCKENZIE

or, failing him/her

Name: CALLUM O'CONNOR



ID NUMBER: 840407 5063 087

of BAKER & MCKENZIE

or, failing him/her

Name: BERNA MALAN

ID NUMBER: 750616 0066 089


of BAKER & MCKENZIE

as our proxy to attend and vote at a meeting of creditors in terms of the aforementioned section on our behalf.

The members of the Board of Directors approve the issuance of above mentioned proxy and herewith explicitly empower Mr. Giacomo Baizini to execute this proxy.

The members of the Board of Directors:

Date/Place: 6 October 2015 Moscow /



Mr. Giacomo Baizini

Date/Place: /

Mr. Joseph Vazquez

Date/Place: /

Mrs. Alevtina Grebennikova



EVRAZ HIGHVELD STEEL AND VANADIUM LIMITED

(Incorporated in the Republic of South Africa)
(Registration No 1960/001900/06)

PROXY

For the use in relation to meeting(s) convened in terms of section 151 of the Companies Act 71 of 2008, in respect of the business rescue proceedings of EVRAZ HIGHVELD STEEL AND VANADIUM LIMITED (IN BUSINESS RESCUE) ("EVRAZ HIGHVELD STEEL") to be held at Elijah Mshiloane Hall, Evraz Highveld, Old Pretoria Road, Portion 93 of the Farm Schoongezicht, 308 JS, WITBANK on 13 October 2015.

We, the undersigned, **MASTERCROFT S.A.r.l.**, being a creditor of EVRAZ HIGHVELD STEEL do hereby declare that we are entitled to vote at a meeting of creditors in terms of the aforementioned section and hereby nominate-

Name: **GERHARD RUDOLPH**
[ID NUMBER: 691101 5253 083]
of **BAKER & MCKENZIE**

or, failing him/her

Name: **DARRYL BERNSTEIN**
[ID NUMBER: 810523 5014 080]
of **BAKER & MCKENZIE**

or, failing him/her

Name: **CALLUM O'CONNOR**
[ID NUMBER: 840407 5063087]
of **BAKER & MCKENZIE**

or, failing him/her

Name: **BERNA MALAN**
[ID NUMBER: 750616 0066 089]
of **BAKER & MCKENZIE**

as our proxy to attend the aforementioned meeting on our behalf. Our proxy may vote as he or she thinks fit.

Signed in Luxembourg on the 6th day of October 2015.

MASTERCROFT S.A.r.l.



Alexander Gehrke
Manager



Circular Resolution
of the Board of Directors of

EAST METALS AG

Baarerstrasse 131, 6300 Zug, Switzerland

Pursuant to Article 713, Section 2 of the Swiss Code of Obligation and Article 13 et seqq. of the Articles of Association of EAST METALS AG (the "Company"), the undersigned, being all of the duly elected members of the Board of Directors of the Company, by signing this circular resolution consent to the adoption of the following resolutions with the same force and effect as if said resolutions had been duly adopted at a meeting of the Board of Directors and waive their right to a discussion.

The undersigned members of the Board of Directors of the Company, each waiving the rights to discuss the below item and proposal, resolve by circular resolution as follow:

In the matter Evraz Highveld Steel and Vanadium Limited, under Business rescue ("Highveld") for the meeting convened in terms of section 151 of the Companies Act No. 71 of 2008 to be held at Elijah Mshloane Hall, Evraz Highveld, Old Pretoria Road, Portion 93 of the Farm Schoongezicht, 308 JS, Witbank on 13 October 2015 ; Or at any adjournment of the meeting thereafter

The members of the Board of Directors approve to appoint

Name: GERHARD RUDOLPH

ID NUMBER: 691101 5253 083

of BAKER & MCKENZIE

or, failing him/her

Name: DARRYL BERNSTEIN

ID NUMBER: 810523 5014 080

of BAKER & MCKENZIE

or, failing him/her

Name: CALLUM O'CONNOR

32



ID NUMBER: 840407 5063 087

of BAKER & MCKENZIE

or, failing him/her

Name: BERNAL MALAN

ID NUMBER: 750616 0066 089

of BAKER & MCKENZIE

as our proxy to attend and vote at a meeting of creditors in terms of the aforementioned section on our behalf.

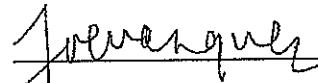
The members of the Board of Directors approve the issuance of above mentioned proxy and herewith explicitly empower Mr. Giacomo Baizini to execute this proxy.

The members of the Board of Directors:

Date/Place: /

Mr. Giacomo Baizini

Date/Place: 6/10/15' Zug



Mr. Joseph Vazquez

Date/Place: /

Mrs. Alevtina Grebennikova





Mastercrocft S.à r.l.
1, rue de Louvigny, L-1946 Luxembourg
Grand-Duchy of Luxembourg
Tel +(352) 267 343; Fax +(352) 267 343 9000

Mastercrocft S.à r.l.
Société à responsabilité limitée
1, rue de Louvigny, L-1946 Luxembourg Grand-Duchy of Luxembourg
R.C.S.: B 186304

(the "Company")

**CIRCULAR RESOLUTION OF THE BOARD OF MANAGERS OF THE COMPANY
DATED _____ OCTOBER 2015**

The undersigned, being all the members of the Board of Managers of the Company (the "Board of Managers") hereby note the terms of Article 12 of the Company's articles of association which states that: *Resolutions signed by all members of the Board of Managers will be as valid and effectual as if passed at the meeting duly convened and held.*

Whereas

- 1) The Company owns shares in the share capital of Evraz Highveld Steel and Vanadium Limited, under Business Rescue, incorporated and existing under the laws of the Republic of South Africa;
- 2) The Company shall be represented at the meeting convened by Business Rescue Practitioners and Evraz Highveld Steel and Vanadium Limited in terms of section 151 of the Companies Act No. 71 of 2008 to be held at Elijah Mshiloane Hall, Evraz Highveld, Old Pretoria Road, Portion 93 of the Farm Schoongezicht, 308 JS, WITBANK on the 13th October 2015 or at any adjournment of the meeting thereafter.

DOCUMENT

Proxy dated 6 October 2015 (the "Proxy"), enclosed hereto as Schedule I.

AGENDA

1. Appointment of the Company's proxy
2. Approval of the issuance of the Proxy
3. Authorization


DECLARATIONS – RESOLUTIONS

The Board of Managers confirms that it has no opposite interest in the matters referred to in the present meeting.

The Board of Managers is of the opinion that the matters referred to herein are in compliance with the articles of association of the Company and the applicable legal provisions and will not result in any breach of any restriction imposed by the law, any agreement to which the Company is a party or any arrangement by which the Company is bound.

Each Manager acknowledges having carefully reviewed and considered the Proxy referred to this resolution.

Mastercrocft S.à r.l.
46A, avenue J.F. Kennedy, L-1855 Luxembourg
Tel. +(352) 267 343; Fax. +(352) 267 343 9000



After due and careful consideration of the above, the Board of Managers resolves to take the following resolutions, which are deemed to be in the Company's corporate interest and conducive to its corporate purpose.

FIRST RESOLUTION

The undersigned members of the Board of Managers of the Company, each waiving the rights to discuss the below item and proposal, resolve by circular resolution as follow:

In the matter Evraz Highveld Steel and Vanadium Limited, under Business rescue for the meeting convened in terms of section 151 of the Companies Act No. 71 of 2008 to be held at Elijah Mshiloane Hall, Evraz Highveld, Old Pretoria Road, Portion 93 of the Farm Schoongezicht, 308 JS, WITBANK on the 13th October 2015, or at any adjournment of the meeting thereafter, the members of the Board of Managers approve to appoint:

Name: **GERHARD RUDOLPH**
[ID NUMBER: 691101 5253 083]
of BAKER & MCKENZIE

or, failing him/her

Name: **DARRYL BERNSTEIN**
[ID NUMBER: 810523 5014 080]
of BAKER & MCKENZIE

or, failing him/her

Name: **CALLUM O'CONNOR**
[ID NUMBER: 840407 5063087]
of BAKER & MCKENZIE

or, failing him/her

Name: **BERNA MALAN**
[ID NUMBER: 750616 0066 089]
of BAKER & MCKENZIE

as the Company's proxy and to act for Mastercroft S.à r.l. behalf at the meeting for purposes for voting on the Business Rescue Plan or any amendment therein.

In particular the proxy is to attend and vote at a meeting of creditors in terms of the aforementioned section on the Company's behalf.

SECOND RESOLUTION

The members of the Board of Managers approve the issuance of above mentioned Proxy.

THIRD RESOLUTION


The Board of Managers unanimously resolved to authorize any one manager of the Company, acting solely and with full power of substitution, on behalf and in the name of the Company, to sign the Proxy.

The present resolutions have been executed in counterparts. All the counterparts shall together constitute one and the same written resolutions of the Board of Managers of the Company. The date of the present resolutions shall be the date of the last signature hereunder.

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Signature page of the Circular resolutions of the Board of Directors of the Company

Alexander Gehrke
Place:
Date:


Giacomo Balzini
Place: Moscow
Date: 6 October 2015

Kurt Nauer
Place:
Date:

Schedule I

EVRAZ HIGHVELD STEEL AND VANADIUM LIMITED

(Incorporated in the Republic of South Africa)
(Registration No 1960/001900/06)

PROXY

For the use in relation to meeting(s) convened in terms of section 151 of the Companies Act 71 of 2008, in respect of the business rescue proceedings of EVRAZ HIGHVELD STEEL AND VANADIUM LIMITED (IN BUSINESS RESCUE) ("EVRAZ HIGHVELD STEEL") to be held at Elijah Mshiloane Hall, Evraz Highveld, Old Pretoria Road, Portion 93 of the Farm Schoongezicht, 308 JS, WITBANK on 13 October 2015.

We, the undersigned, **MASTERCROFT S.à.r.l.**, being a creditor of EVRAZ HIGHVELD STEEL do hereby declare that we are entitled to vote at a meeting of creditors in terms of the aforementioned section and hereby nominate-

Name: **GERHARD RUDOLPH**
[ID NUMBER: 691101 5253 083]
of **BAKER & MCKENZIE**

or, failing him/her

Name: **DARRYL BERNSTEIN**
[ID NUMBER: 810523 5014 080]
of **BAKER & MCKENZIE**

or, failing him/her

Name: **CALLUM O'CONNOR**
[ID NUMBER: 840407 5063087]
of **BAKER & MCKENZIE**

or, failing him/her

Name: **BERNA MALAN**
[ID NUMBER: 750616 0066 089]
of **BAKER & MCKENZIE**

as our proxy to attend the aforementioned meeting on our behalf. Our proxy may vote as he or she thinks fit.



EVRAZ making the world stronger

Signed in Luxembourg on the 6th day of October 2015.

MASTERCROFT S.à.r.l.

Manager

**Circular Resolution
of the Board of Directors of**

EAST METALS AG

Baarerstrasse 131, 6300 Zug, Switzerland

Pursuant to Article 713, Section 2 of the Swiss Code of Obligation and Article 13 et seqq. of the Articles of Association of EAST METALS AG (the "Company"), the undersigned, being all of the duly elected members of the Board of Directors of the Company, by signing this circular resolution consent to the adoption of the following resolutions with the same force and effect as if said resolutions had been duly adopted at a meeting of the Board of Directors and waive their right to a discussion.

The undersigned members of the Board of Directors of the Company, each waiving the rights to discuss the below item and proposal, resolve by circular resolution as follow:

In the matter Evraz Highveld Steel and Vanadium Limited, under Business rescue ("Highveld") for the meeting convened in terms of section 151 of the Companies Act No. 71 of 2008 to be held at Elijah Mshiloane Hall, Evraz Highveld, Old Pretoria Road, Portion 93 of the Farm Schoongezicht, 308 JS, Witbank on 13 October 2015 ; Or at any adjournment of the meeting thereafter

The members of the Board of Directors approve to appoint

Name: GERHARD RUDOLPH

ID NUMBER: 691101 5253 083

of BAKER & MCKENZIE

or, failing him/her

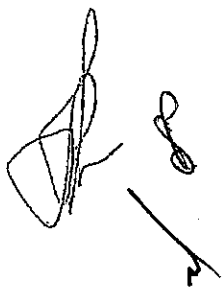
Name: DARRYL BERNSTEIN

ID NUMBER: 810523 5014 080

of BAKER & MCKENZIE

or, failing him/her

Name: CALLUM O'CONNOR



ID NUMBER: 840407 5063 087

of BAKER & MCKENZIE

or, failing him/her

Name: BERNA MALAN

ID NUMBER: 750616 0066 089

of BAKER & MCKENZIE

as our proxy to attend and vote at a meeting of creditors in terms of the aforementioned section on our behalf.

The members of the Board of Directors approve the issuance of above mentioned proxy and herewith explicitly empower Mr. Giacomo Baizini to execute this proxy.

The members of the Board of Directors:

Date/Place: /

Mr. Giacomo Baizini

Date/Place: /

Mr. Joseph Vazquez

Date/Place: *Aug 10th 2015*

Mrs. Alevtina Grebennikova

Handwritten signature

Mastercrocft S.à r.l.
1, rue de Louvigny, L-1946 Luxembourg
Grand-Duchy of Luxembourg
Tel. +(352) 267 343; Fax. +(352) 267 343 9000

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Société à responsabilité limitée
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R.C.S.: B 186304
(the "Company")

**CIRCULAR RESOLUTION OF THE BOARD OF MANAGERS OF THE COMPANY
DATED _____ OCTOBER 2015**

The undersigned, being all the members of the Board of Managers of the Company (the "Board of Managers") hereby note the terms of Article 12 of the Company's articles of association which states that: *Resolutions signed by all members of the Board of Managers will be as valid and effectual as if passed at the meeting duly convened and held.*

Whereas

- 1) The Company owns shares in the share capital of Evraz Highveld Steel and Vanadium Limited, under Business Rescue, incorporated and existing under the laws of the Republic of South Africa;
- 2) The Company shall be represented at the meeting convened by Business Rescue Practitioners and Evraz Highveld Steel and Vanadium Limited in terms of section 151 of the Companies Act No. 71 of 2008 to be held at Elijah Mshiloane Hall, Evraz Highveld, Old Pretoria Road, Portion 93 of the Farm Schoongezicht, 308 JS, WITBANK on the 13th October 2015 or at any adjournment of the meeting thereafter.

DOCUMENT

Proxy dated 6 October 2015 (the "Proxy"), enclosed hereto as Schedule I.

AGENDA

1. Appointment of the Company's proxy
2. Approval of the issuance of the Proxy
3. Authorization


DECLARATIONS – RESOLUTIONS

The Board of Managers confirms that it has no opposite interest in the matters referred to in the present meeting.

The Board of Managers is of the opinion that the matters referred to herein are in compliance with the articles of association of the Company and the applicable legal provisions and will not result in any breach of any restriction imposed by the law, any agreement to which the Company is a party or any arrangement by which the Company is bound.

Each Manager acknowledges having carefully reviewed and considered the Proxy referred to this resolution.

Mastercrocft S.à r.l.
46A, avenue J.F. Kennedy, L-1855 Luxembourg
Tel. +(352) 267 343; Fax. +(352) 267 343 9000



After due and careful consideration of the above, the Board of Managers resolves to take the following resolutions, which are deemed to be in the Company's corporate interest and conducive to its corporate purpose.

FIRST RESOLUTION

The undersigned members of the Board of Managers of the Company, each waiving the rights to discuss the below item and proposal, resolve by circular resolution as follow:

In the matter Evraz Highveld Steel and Vanadium Limited, under Business rescue for the meeting convened in terms of section 151 of the Companies Act No. 71 of 2008 to be held at Elijah Mshiloane Hall, Evraz Highveld, Old Pretoria Road, Portion 93 of the Farm Schoongezicht, 308 JS, WITBANK on the 13th October 2015, or at any adjournment of the meeting thereafter, the members of the Board of Managers approve to appoint:

Name: **GERHARD RUDOLPH**
[ID NUMBER: 691101 5253 083]
of BAKER & MCKENZIE

or, failing him/her

Name: **DARRYL BERNSTEIN**
[ID NUMBER: 810523 5014 080]
of BAKER & MCKENZIE

or, failing him/her

Name: **CALLUM O'CONNOR**
[ID NUMBER: 840407 5063087]
of BAKER & MCKENZIE

or, failing him/her

Name: **BERNA MALAN**
[ID NUMBER: 750616 00661089]
of BAKER & MCKENZIE

as the Company's proxy and to act for Mastercroft S.à r.l. behalf at the meeting for purposes for voting on the Business Rescue Plan or any amendment therein.

In particular the proxy is to attend and vote at a meeting of creditors in terms of the aforementioned section on the Company's behalf.

SECOND RESOLUTION

The members of the Board of Managers approve the issuance of above mentioned Proxy.

THIRD RESOLUTION

The Board of Managers unanimously resolved to authorize any one manager of the Company, acting solely and with full power of substitution, on behalf and in the name of the Company, to sign the Proxy.

The present resolutions have been executed in counterparts. All the counterparts shall together constitute one and the same written resolutions of the Board of Managers of the Company. The date of the present resolutions shall be the date of the last signature hereunder.

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