

SAIL MINERALS (PTY) LIMITED

First Creditors Meeting

06 October 2021

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Agenda

1. Welcome and Objectives
2. Business Rescue Process
3. Background
4. Actions to Date
5. Opinion of Business Rescue Practitioner
6. Proof of Claims
7. Creditors' Committee
8. Confirmation of the BRP
9. Conclusion



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1st Meeting of Creditors

1. Welcome
2. First Meeting of Creditors of Sail Minerals (Pty) Limited (“the Company”)
3. Objectives of the First Meeting of Creditors
4. The main objectives of todays meeting are as follows:
 - The BRP needs to inform creditors as to whether or not there is a reasonable prospect of a successful Business Rescue;
 - The appointment of a Creditors’ Committee; and
 - The receipt of Claims from Creditors.
 - The confirmation of the BRP



The Business Rescue Process 1/2

Business Rescue

Business Rescue involves proceedings to facilitate the rehabilitation of a company that is financially distressed by providing for:

- A temporary supervision of the company, and of the management of its affairs, business and property; and
- A temporary moratorium on the rights of claimants against the company or in respect of property in its possession.



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The Business Rescue Process 2/2

Primary Objective of Business Rescue

The development and implementation of a Business Rescue Plan that either:

- A. Rescues the company by restructuring its affairs, business, property, debt and other liabilities and equity in a manner that maximizes the likelihood of the company continuing its existence on a solvent basis; OR
- B. A process that results in a better return for the company's creditors or shareholders than would result from the immediate liquidation of the company.



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Business Rescue Timeline

Salient dates to the business rescue

Event	Date
Court order to commence business rescue proceedings in terms of section s131(1)	21 September 2021
Appointment of Siviwe Dongwana as interim business rescue practitioner in terms of section 131(5)	21 September 2021
Notice to all Affected Parties	23 September 2021
Notice of First Meeting of Creditors	30 September 2021
The First Meeting of Creditors	06 October 2021
The Publication of the Business Rescue Plan	27 October 2021
Meeting to consider and vote on the Business Rescue Plan	10 November 2021



Business Rescue Waterfall

Order of Priority Provided in terms of the Companies Act:

1. The Business Rescue Costs, including but not limited to legal costs, the costs of the advisors, operating costs and other costs associated with the Business Rescue.
2. Pre-Commencement Secured Creditors, in respect of such encumbered asset.
3. Employees for their Employment during Business Rescue (Post-Commencement Employees).
4. Secured Post-Commencement Creditors.
5. Unsecured Post-Commencement Creditors.
6. Remuneration, reimbursement or expenses relating to Employment prior to Business Rescue.
7. Pre-Commencement Concurrent Creditors.



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Background

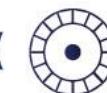
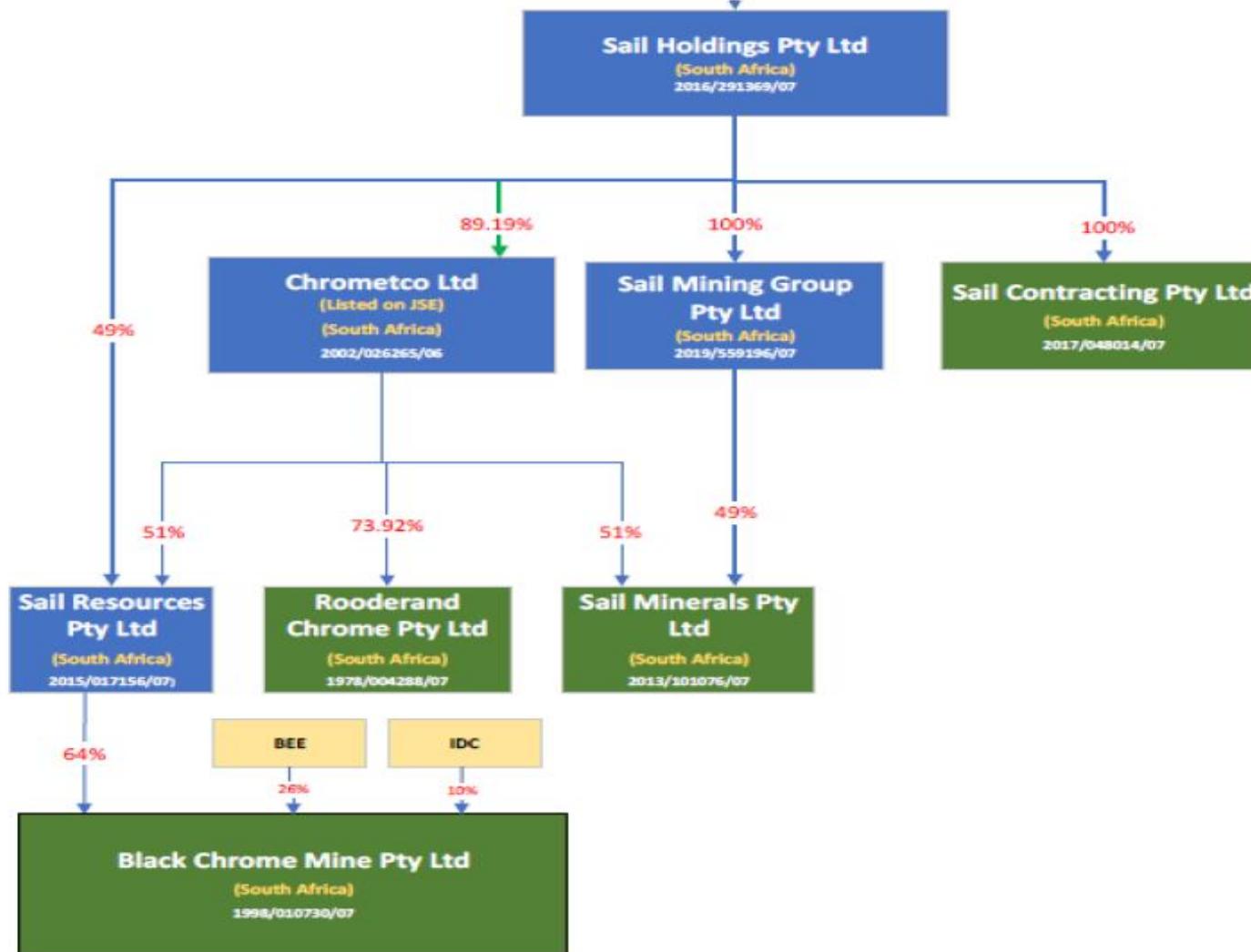
Definition of Financial Distress

Financial distress is defined in the Companies Act – in reference to a company at any particular time:

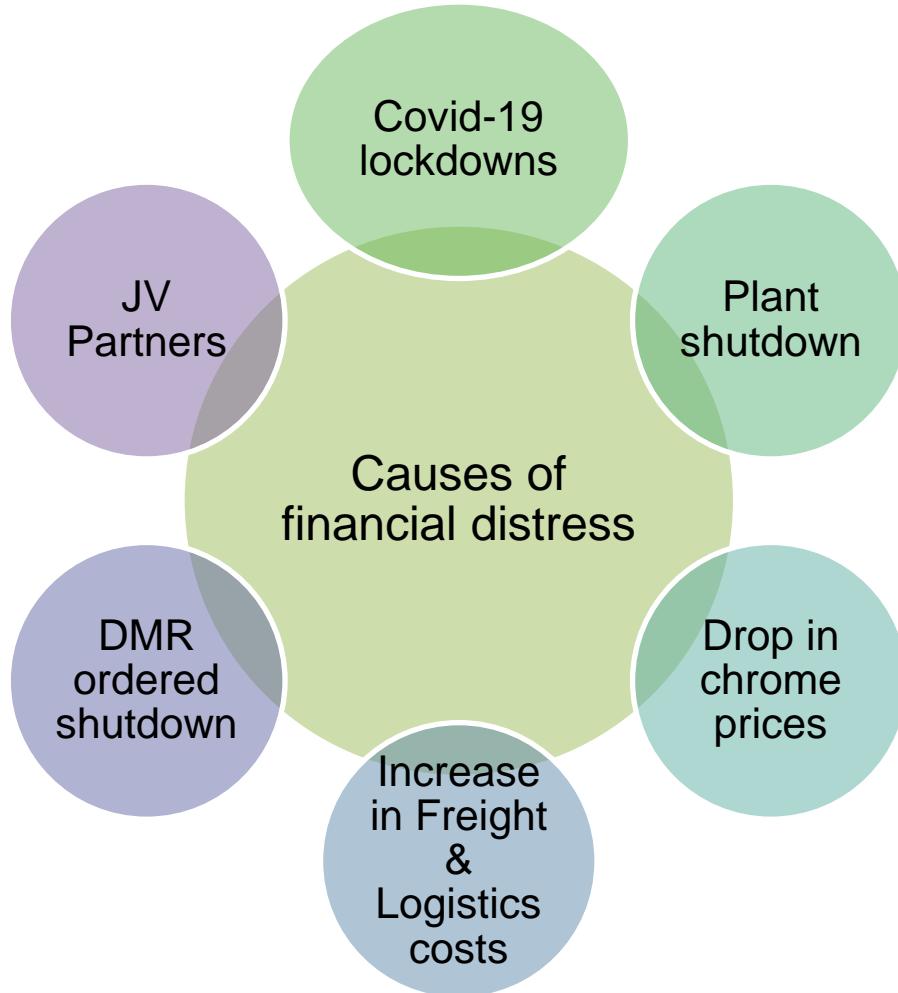
- It appears to be reasonably unlikely that the company will be able to pay all of its debts as they become due and payable within the immediately ensuing 6 months; or
- It appears to be reasonably likely that the company will become insolvent within the immediately ensuing 6 months



SAIL Group Organogram



Background



Opinion of the Business Rescue Practitioner

Opinion

- It is the view of the Business Rescue Practitioner (“the Practitioner”) that, notwithstanding inevitable risks and challenges, there is a reasonable prospect of a successful Business Rescue, based on the following:
 - The business of the Company;
 - The Post-Commencement Funding (“PCF”) during Business Rescue; and
 - The support from all stakeholders
- As the Practitioner, I believe that Business Rescue Process will achieve a better outcome for all stakeholders than a liquidation.
- All options will be investigated, together with input from stakeholders.



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Termination of business rescue proceedings

In terms of the Act, should the Business Rescue Practitioner (“the Practitioner”) at any time conclude that there is no longer a reasonable prospect of rescuing the Company, the BRP must advise affected persons and apply to court for an order discontinuing the proceedings and placing the Company into liquidation.

Termination of Business Rescue Proceedings

- The BR Plan proposed is rejected and proceedings are not extended.
- The court orders the conversion of the Business Rescue Proceedings into liquidation.
- The Practitioner concludes that the Company is no longer in financial distress.
- The Practitioner files a notice of substantial implementation of the approved Plan.



Proof of Claims

- Outstanding amounts for services rendered and goods delivered prior to 21 September 2021, being the date of commencement of Business Rescue, are subject to the moratorium.
- A claim form will need to be submitted for such amounts - these claims will be reconciled to the Company's records and any discrepancies investigated.
- The payment of these amounts will be dealt with in terms of the Business Rescue Plan.
- The claim forms have already been provided with the notice for this meeting
- A manual claim form is available for those creditors who experience difficulties submitting their claim form online.
- Manual claims can be submitted to the BRP at: Adamantem, 1st Floor Corner House, 77 Commissioner Street, 2001



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Creditors' Committee

Functions, Duties and Membership of the Creditors' Committee

- A committee, appointed in terms of section 147 of the Companies Act, may:
 - Consult with the Practitioner about any matter relating to the Business Rescue Proceedings; and
 - Receive and consider reports relating to the Business Rescue Proceedings.
- Members need to be independent creditors or an authorised agent of an independent creditor.
- It is the view of the Practitioner that the input of a pro-active Creditors' Committee will add significantly to the process and will be helpful in achieving the goals set out in the Business Rescue Plan.



Communication Channels

General Enquiries

- The Practitioner will communicate timeously with all stakeholders, in writing, as required by the Act.
- A Frequently asked Questions (FAQ) will be published on: www.sailgroup.com
- Further information relevant to the Business Rescue Proceedings can be found on the website
- Creditors' queries relating to ongoing payment terms, claims and or general queries can be directed to the email address: businessrescue@sailchrome.com

Creditors

- Creditor queries relating to Business Rescue proceedings and or the formulation of a Plan to be through the Creditors Committee
- The Practitioner will meet with the chairperson of the Creditors Committee as and when required.
- Committees will be advised of these meetings and minutes of these meetings will be provided.

Employees

- The Practitioner will engage the remaining employees of the company directly



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Confirmation of BRP

Ratification of the BRP appointment

- A proxy form has been sent to all affected parties
- We only require the vote of those creditors who are not in support of the appointment

Employees

- The Practitioner will engage the remaining employees of the company directly



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