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Co. Registration No. 2002/011936/07
VAT Reg No. 4490205400



31 October 2018

Attention: All Affected Persons of International Ferro Metals (SA) Proprietary Limited (in business rescue)

Dear Sir/Madam

NOTICE TO THE AFFECTED PERSONS OF INTERNATIONAL FERRO METALS (SA) PROPRIETARY LIMITED (IN BUSINESS RESCUE) ("THE COMPANY") IN TERMS OF SECTION 132(3)(b) OF THE COMPANIES ACT 71 OF 2008

Attached hereto is a copy of the progress report in relation to the business rescue proceedings of the Company for October 2018.

Yours faithfully



Trevor Murgatroyd

Business Rescue Practitioner

**Companies and Intellectual Property Commission
Republic of South Africa**

Form CoR 125.1

About this Form

- This form is issued in terms of section 132 and 141 of the companies Act, 2008, and Regulation 125 of the Companies Regulations, 2011.
- This Notice and the attached report must be published to every affected person, and to-
 - a) The Commission, if the business rescue proceedings were started by the company; or
 - b) The court, if the proceedings were ordered by the court.
- A report and Notice must be issued at the end of the first three months of the business rescue proceedings, and at regular monthly intervals after that

Contacting the Commission

The Companies and Intellectual Property Commission of South Africa

Postal Address

PO Box 429
Pretoria
0001
Republic of South Africa
Tel: 086 100 2472

www.cipc.co.za

Business Rescue Status Report

Date: 31 October 2018

Customer Code: MURGAT01

Concerning

(Name and Registration Number of Company)

Name: International Ferro Metals (SA) Proprietary Limited

Registration No: 2002/011936/07

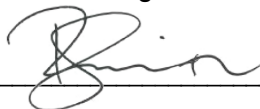
The above named company commenced business rescue proceedings on 26 August 2015.

Because the business rescue proceedings have not concluded within three months, the appointed business rescue practitioner provides the attached report in terms of section 132 (3).

Name and Title of person signing on behalf of the Practitioner:

Ryan Smith - Practitioner's Attorney

Authorised Signature:



International Ferro Metals (SA) Proprietary Limited (in business rescue)

with registration number 2002/011936/07

(the "**Company**")

Business Rescue Status Report in terms of Section 132 (3) of the Companies Act 71 of 2008 (the "Act")

1. Introduction

This report is for the month of October 2018 and is published as an update to the business rescue status report for the month of September 2018 published to affected persons and filed with the Companies and Intellectual Property Commission.

2. Implementation of the Amended Business Rescue Plan and Sale Agreements

- 2.1 All Conditions Precedent to the Sale of Mining Right Agreement have been fulfilled. The BRP and advisors continue to liaise with the Regional Department of Mineral Resources ("**DMR**") office in order to clarify the remaining outstanding request.
- 2.2 The Regional Office of the DMR previously responded and included additional provisions that needed to be complied with for them to confirm their satisfaction to the Mineral and Petroleum Titles Registration Office ("**MTO**"):
- 2.3 The additional conditions raised by the Regional Office have been complied with. The Regional Office is in the process of providing written confirmation to the MTO. Upon receipt thereof by the MTO, it is expected that the registration of the Notarial Deed of Cession at the MTO should occur shortly thereafter.
- 2.4 The BRP and advisors continue to endeavour to progress the conditions precedent to the Sky Chrome transaction. The Section 11 application was submitted to the DMR on or about 15 February 2018. Interaction with the Bapo Ba Mogale Traditional Authority ("**Bapo**") continues in order to obtain the necessary waiver and consent from Bapo. Interaction with the DMR regarding progress of section 11 approval is continuing.

3. Insurance Claim

- 3.1 The exercise being undertaken by John Morley (Lloyd Warwick International South Africa (Pty) Ltd) is at an advanced stage and the BRP expects the report shortly.
- 3.2 Dewatering of the mine has been completed.
- 3.3 The BRP sent a letter to the insurer challenging its avoidance of the relevant insurance policy and calling on it to settle the claim. A response has been received which the BRP is presently considering.

4. Creditor Distributions

All creditors who have not yet furnished the business rescue practitioner with correct banking details must please do so immediately, so that the dividend due can be paid. Separate notices have been circulated to respective creditors.

SIGNED AT JOHANNESBURG THIS 31st DAY OF OCTOBER 2018



Trevor Murgatroyd

Business Rescue Practitioner of International Ferro Metals (SA) Proprietary Limited