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



11 January 2017

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 December 2016.

Yours faithfully



Trevor Murgatroyd

Business Rescue Practitioner

Directors: CC Jordaan (Chief Executive Officer)
JFJ Muller | MS Phalatse | X Yin **
(**PRC)

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: 11 January 2017

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 December 2016 and is published as an update to the business rescue status report published to affected persons and filed with the Companies and Intellectual Property Commission on 28 November 2016.

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

- 2.1 The application to the Department of Mineral Resources ("DMR") for the Section 11 transfer of the mining right of Lesedi (Sale of Mining Right Agreement) has been lodged and is being processed by the DMR. We await the outcome of the DMR consideration.
- 2.2 The Section 11 application process relating to Sky Chrome (Sale of Equity and Claims Agreement) remains in process. The discussions with the remaining shareholder in Sky Chrome have not yet been concluded.
- 2.3 The fulfilment of the remaining suspensive conditions relating to the Lesedi and Sky Chrome transactions continue to be progressed.

SIGNED AT JOHANNESBURG THIS 11th DAY OF JANUARY 2017



Trevor Murgatroyd

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