

Makonjwaan Imperial Mining Company Pty Limited

MIMCO

Registration No. 1987/005176/07

A subsidiary of Vantage Goldfields Limited

8 Streak Street
PO Box 820
Nelspruit 1200
South Africa

Tel. +27 (0) 13 753 3046
Fax. +27 (0) 13 752 6978
email: Info@vantagegoldfields.com
website: www.vantagegoldfields.com

6 April 2016

Notice to all affected persons of the Company

Shareholders
Creditors
Employees
Trade Unions
Statutory Regulatory Authorities
Any other affected parties

The company has adopted and filed a resolution to apply for Voluntary Business Rescue in terms of S129 of Chapter 6 of the Companies Act 71 of 2008 on 4 April 2016.

Consequently this serves as notice to all affected parties hereby that the Company is in Business Rescue.

To this effect we enclose the following documentation in terms of S129 (3) for your records:

- CoR 123.1 Notice of beginning of Business Rescue Proceedings;
- the resolution in terms of, and the effective date that the Company went into Business Rescue;
- the sworn statement confirming the facts relevant to the grounds on which the board resolution was founded.

Further communication will follow shortly.

Yours faithfully



M McCHESNEY
Chief Executive Officer

11329743

Companies and Intellectual Property Commission
Republic of South Africa

Form CoR 123.1

About this Form

- This form is issued in terms of section 129 and 131 of the Companies Act, 2008, and Regulation 123 of the Companies Regulations, 2011.
- A company resolution to commence business rescue proceedings has no force or effect until it has been filed with this notice.
- This notice must be published to every affected person within 5 business days after -
 - (a) It has been filed, in the case of a resolution; or
 - (b) The date of the court order, in such a case.
- If this Notice is issued following a board resolution -
 - (a) The company must appoint a business rescue practitioner within 5 business days after filing this notice; and
 - (b) Any affected person may apply to a court in terms of section 130 for an order setting aside the resolution.
- The fee for filing this notice is R0.

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

Notice of Beginning of Business Rescue Proceedings

Date: 4 APRIL 2016

Customer Code: GERT H1

Concerning

(Name and Registration Number of Company)

Name: MAKONJWAN IMPERIAL MOWING COMPANY PTY LTD

Registration No: 1987/005176/07

The above named company advises that business rescue proceedings have commenced in terms of Chapter 6 of the Companies Act, as a result of:

The Board of the company having adopted the attached resolution in terms section 129, on 4 APRIL 2016

A Court having made the attached order in terms of section 131, on _____

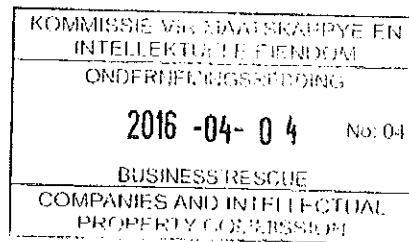
In terms of section 132 (1)(a), the company's business rescue proceedings commenced on 4 APRIL 2016, being the date on which:

This notice was filed with the Commission.

The court issued the attached order.

(Only in the case of a company resolution)

In support of this Notice, the company has attached a sworn statement of the relevant facts upon which the resolution was founded by a director representing the Board.



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

MICHAEL MCCHESEY

Authorised Signature:

Michael McChey

MAKONJWAAN IMPERIAL MINING COMPANY (PTY) LIMITED
"MIMCO"

Registration No. 1987/005176/07

RESOLUTION PASSED BY THE DIRECTORS OF THE COMPANY
("The Board")

RESOLVED THAT:

- 1 That the Company voluntarily commences business rescue proceedings and be placed under supervision in terms of Section 129 of the Companies Act, 2008, as amended ("*the Act*") on the basis that the Board has reasonable grounds to believe that:
 - 1.1 the Company is financially distressed as it appears to be reasonably unlikely that the Company will be able to pay its debts as and when they become due and payable within the immediate ensuing period;
 - 1.2 that there is a reasonable prospect of rescuing the Company for *inter alia* the following reasons:
 - 1.2.1 the company's mine (Lily Mine) has sufficient ore reserves for at least 10 years.
 - 1.2.2 The mine has a robust operating margin at the current gold price.
- 2 No liquidation or litigation is currently pending against the Company.
- 3 That the Company, within 5 business days as from filing hereof will:
 - 3.1 publish a notice of this resolution, in the prescribed form, to every affected person, including a sworn statement of the facts relevant to the grounds on which this resolution was founded;
 - 3.2 appoint a business rescue practitioner/s;
 - 3.3 within 2 business days as from making the appointment of a business rescue practitioner/s, file a notice of the appointment of the practitioner/s;
 - 3.4 within 5 business days as from filing the notice of appointment, publish a notice of appointment to each affected person.
- 4 That Michael McChesney in his capacity as managing director of the Company, depose to the sworn statement as contemplated in paragraph 3.1 above.
- 5 That Michael McChesney in his capacity as managing director of the Company, be authorised to sign all documents pertaining to the above and be further authorised to appoint a business rescue practitioner as contemplated in Section 129 (3) (b) of the Act.

KOMMISSIE VIR MAATSKAPPYE EN INTELLEKTUELE EIENDOM	
ONDERNEEMINGSREDDING	
2016 -04- 04	No 04
BUSINESS RESCUE COMPANIES AND INTELLECTUAL PROPERTY COMMISSION	



DATED at Nelspruit on this the 4th day of April 2016



MICHAEL McCHESNEY
Chief Executive Officer



DAVID MICHAEL BEGG
Director-Operations



DERRICK WAYNE SHORT
Chief Financial Officer

KOMMISSIE VIR MAATSKAPPE EN INTELLEKTUELE EIENDOM	
ONDERNEEMINGSREDDING	
2016 -04- 04	No: 04
BUSINESS RESCUE	
COMPANIES AND INTELLECTUAL PROPERTY COMMISSION	

**SWORN STATEMENT IN TERMS OF SECTION 129(3) OF THE COMPANIES ACT 71 OF 2008,
AS AMENDED, IN RELATION TO THE BUSINESS RESCUE PROCEEDINGS OF
MAKONJWAAN IMPERIAL MINING COMPANY (PTY) LIMITED
"MIMCO"
Registration No. 1987/005176/07**

I, the undersigned,

**Michael McChesney
Chief Executive Officer**

ID. No. 500903 5066089

Do hereby make oath and state:

- 1 I am the director of the Company. I am duly authorised to depose to this sworn statement in terms of a resolution dated 4 April 2016.
- 2 The facts I depose to in this statement are within my personal knowledge and are to the best of my belief both true and correct.
- 3 The Company is in the business of gold mining.

The Company business activity is based in Nelspruit.
- 4 On 4 April 2016 a resolution was adopted for the Company to voluntarily begin business rescue proceedings and place itself under supervision.
- 5 The Company is financially distressed as it appears to be reasonably unlikely that it will be able to pay its debts as and when they become due and payable within the immediate ensuing period;
- 6 The reason for the financial distress of the Company is as follows:
 - 6.1 on 5 February 2016 the company's only operation, the Lily Mine, suffered an unexpected *force majeure* event in which a portion of the crown pillar collapsed resulting in a massive sinkhole at the main entrance to the mine;
 - 6.2 as a result the mine is not able to produce gold or to generate income.
- 7 However there is a reasonable prospect of rescuing the Company for the following reasons:
 - 7.1 A new entrance (decline shaft) will be developed in a safe and secure position to access the underground workings;
 - 7.2 this can be achieved in 4 – 6 months whereafter normal production operations can begin.


KOMMISSIE VIR MAATSKAPPE EN ONDERNEMINGSREDDING	
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- 8 No liquidation or litigation is currently pending against the Company.
- 9 If the management of the Company and the appointed Practitioner is afforded a fair opportunity to restructure the affairs of the Company, it is my strong belief that there are reasonable prospects of the Company being rescued.


MICHAEL McCHESENEY

I HEREBY CERTIFY that the deponent has acknowledged that he knows and understands the contents of this affidavit, which was signed and sworn before me at Nelspruit on this the 4th day of April 2016 the regulations contained in Government Notice No R1258 of 21 July 1972, as amended, and Government Notice No R1648 of 19 August 1977, as amended, having been complied with.


COMMISSIONER OF OATHS

JOANNE COCHRANE
Commissioner of Oaths
Practising Attorney in the R.S.A
Block B, 6 Streak Street
Streak Street Office Park
Docex 73
Postnet Suite 83
Private Bag X 11326 Nelspruit 1200

Full Names: _____

Business Address: _____

Designation: _____

Capacity: _____

