



**ATTENTION: All Affected Persons of Basil Read Mining SA Proprietary Limited (in business rescue)**

Dear Sir/Madam

**NOTICE TO THE AFFECTED PERSONS OF THE COMMENCEMENT OF BUSINESS RESCUE PROCEEDINGS IN RESPECT OF BASIL READ MINING SA PROPRIETARY LIMITED (IN BUSINESS RESCUE) ("THE COMPANY"), AND OF THE APPOINTMENT OF THE BUSINESS RESCUE PRACTITIONER TO SUPERVISE THE COMPANY, IN TERMS OF SECTIONS 129(3)(a) AND 129(4)(b) OF THE COMPANIES ACT 71 OF 2008**

1. You are hereby notified that the board of the Company adopted a resolution on 6 September 2023 in accordance with Section 129(1) of the Companies Act 71 of 2008 (as amended) ("the Companies Act") in terms of which the Company voluntarily commenced business rescue proceedings, and to appoint Siviwe Dongwana as the business rescue practitioner.
2. Mr Dongwana accepted this appointment. Their letter of acceptance is attached hereto.
3. This letter, the resolution, a form CoR 123.1 (being a Notice of Beginning of Business Rescue), a form CoR123.2 (being a Notice of Appointment as Business Rescue Practitioners), a sworn statement and other supporting documents, were lodged with the Companies and Intellectual Property Commission ("the Commission") on 8 September 2023.
4. The effective date of the Company's business rescue proceedings is accordingly **8 September 2023**.
5. In accordance with the requirements of Section 129(3)(a) of the Companies Act, please find herewith:
  - 5.1. the notice to commence business rescue proceedings (form CoR 123.1), filed with the Commission;
  - 5.2. the resolution passed by the board of directors of the Company; and
  - 5.3. a sworn statement of the facts relevant to the grounds on which the board resolution was adopted.
6. Further, in accordance with the requirements of Section 129(4)(b) of the Companies Act, the notice of appointment of the business rescue practitioner (form CoR 123.2), is also attached herewith.
7. Please note that the aforesaid documents, as well as all other notices relevant to the business rescue proceedings of the Company, are also available at <https://www.basilread.co.za/brpbrm.php>.
8. In terms of section 147(1) and 148(1) of the Companies Act the business rescue practitioner must convene the first meeting of creditors and the first meeting of employees' representatives within 10 business days of their appointment. Further details about these meeting will be provided in due course.
9. We will continue to keep you apprised of the developments with this matter. All queries, however, can be



directed to [brmbusinessrescue@basilread.co.za](mailto:brmbusinessrescue@basilread.co.za) and the Business Rescue Practitioner will address same in due course.

Yours faithfully

**Business Rescue Practitioner**

**Mr Siviwe X. Dongwana**

COR 123.1



Companies and Intellectual  
Property Commission  
a member of the dtic group

## COMPANIES AND INTELLECTUAL PROPERTY COMMISSION REPUBLIC OF SOUTH AFRICA

Date: **08/09/2023**  
Customer name: **SALOME RAMOKONE RANKAPOLE**  
Customer code: **AAHJTE**  
E-mail address: **SRANKAPOLE@ENSAFRICA.COM**  
Rereference Number: **60000759232**

**The Commission has received a form CoR123.1 Notice to Commence Business Rescue Proceedings in terms of section 129 or court order commencing business rescue proceedings in terms of section 131 of the Companies Act, 71 of 2008, dated 08/09/2023 for:**

Company / Close Corporation Name: **BASIL READ MINING SA (PTY) LTD**  
Registration Number: **1990/005815/07**  
Company / Close Corporation Status: **BUSINESS RESCUE**

The application was duly registered on 08/09/2023 and the effective date of commencement of business rescue proceedings is recorded as 08/09/2023.

**Yours sincerely,**

**Commissioner: CIPC**

**The Companies and Intellectual Property Commission of South Africa**  
P.O Box 429, Pretoria, 0001, Republic of South Africa  
Docex 256, Pretoria  
Contact centre 086 100 2472  
[www.cipc.co.za](http://www.cipc.co.za)



1990/005815/07



60000759232

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## Certificate of Confirmation

Registration Number: **1990/005815/07**  
Enterprise Name: **BASIL READ MINING SA**

## ENTERPRISE INFORMATION

Registration number: **1990/005815/07**  
Enterprise Name: **BASIL READ MINING SA (PTY) LTD**  
Registration Date: **27/09/1990**  
Business Start: **27/09/1990**  
Enterprise Type: **PRIVATE COMPANY**  
Enterprise Status: **BUSINESS RESCUE**  
Financial Year End: **DECEMBER**  
Main business/Main object: **ALL ASPECTS OF MINING AND RELATED ACTIVITIES**  
Tax number: **9110202414**

Addresses:	Postal Address	Address Of Registered Office
	<b>PRIVATE BAG X170</b>	<b>21 JETPARK ROAD</b>
	<b>BEDFORDVIEW</b>	<b>BOKSBURG</b>
	<b>BEDFORDVIEW</b>	<b>BOKSBURG</b>
	<b>3370</b>	<b>3370</b>
	<b>2008</b>	<b>1459</b>

Company Records Location:

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

P.O Box 429, Pretoria, 0001, Republic of South Africa

Docex 256, Pretoria

Contact centre 086 100 2472

[www.cipc.co.za](http://www.cipc.co.za)



1990/005815/07



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## Certificate of Confirmation

Registration Number: **1990/005815/07**  
Enterprise Name: **BASIL READ MINING SA**

Registration Number: **1990/005815/07**  
Enterprise Name: **BASIL READ MINING SA (PTY) LTD**

## AUDITORS

Name

Postal Address

## ACTIVE MEMBERS / DIRECTORS

Full Name	Director Type	ID Number	Appoint. Date	Cellphone Number	Address
MOHUBE ESTHER SEGATE	DIRECTOR	7007220415085	08/06/2020	0664718922	Postal:PRIVATE BAG X170, BEDFORDVIEW, BEDFORDVIEW, 3370,2008 Residential Address: BUILDING B VISCOUNT OFFICE PARK,8 VISCOUNT ROAD, BEDFORDVIEW, 3370,2007
WILLIAMS NATHAN RICARDO	DIRECTOR	7305245263088	01/07/2018	0834487699	Postal:PRIVATE BAG X170, BEDFORDVIEW, JOHANNESBURG, 3370,2008 Residential Address: BUILDING B VISCOUNT OFFICE PARK,8 VISCOUNT ROAD, BEDFORDVIEW, 3370,2007



1990/005815/07



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MOOSA ISMAIL ABDOOL KADER	DIRECTOR	7603255102083	04/03/2019	0844343298	Postal:PRIVATE BAG X170, BEDFORDVIEW, BEDFORDVIEW, 3370,2008 Residential Address: BUILDING B VISCOUNT ROAD OFFICE PAR,8 VISCOUNT ROAD, BEDFORDVIEW, 3370,2007
MAPASA KHATHUTSHELO	DIRECTOR	7705085506084	30/05/2014	0826547893	Postal:PRIVATE BAG X170, BEDFORDVIEW, JOHANNESBURG, 3370,2008 Residential Address: 19 8TH STREET, HOUGHTON, JOHANNESBURG, 3370,2198



COR 123.2



Companies and Intellectual  
Property Commission  
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## COMPANIES AND INTELLECTUAL PROPERTY COMMISSION REPUBLIC OF SOUTH AFRICA

Date of Issue: **13/09/2023**  
Our Reference: **60000762102**  
Customer Code: **SIVI78**  
Email Address: **SDONGWANA@ADAMANTEM.CO.ZA**

This hereby confirms that your notice of application dated 13/09/2023 for business rescue practitioner(s) was successful.

Company Number: **1990/005815/07**  
Company Name: **BASIL READ MINING SA (PTY) LTD**  
Company Status: **BUSINESS RESCUE**

### Business Rescue Practitioner(s)

Name	Classification	Action	Date
Siviwe Xolisile Arthur Dongwana	Senior Practitioner	Appoint	12/09/2023

**Yours truly**

**Commissioner: CIPC**

the dti Campus (Block F - Entfufukweni), 77 Meintjies Street, Sunnyside, Pretoria | P O Box 429, Pretoria, 0001  
Call Centre: 086 100 2472  
Email: [rvoller@cipc.co.za](mailto:rvoller@cipc.co.za) / Website: [www.cipc.co.za](http://www.cipc.co.za)



1990/005815/07



60000762102

1 of 1

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**RESOLUTION OF THE BOARD OF DIRECTORS OF  
BASIL READ MINING SA PROPRIETARY LIMITED  
(1990/005815/07) ("COMPANY")  
PASSED AT A MEETING OF THE BOARD HELD ON 6 SEPTEMBER 2023 VIA INTERACTIVE  
ELECTRONIC COMMUNICATION**

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**COMMENCEMENT OF VOLUNTARY BUSINESS RESCUE PROCEEDINGS**

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**1. IT IS RECORDED THAT –**

- 1.1 Adequate notice of the meeting and the agenda were given to the directors of the Company in accordance with clause 6.4 (5) of the Memorandum of Incorporation ("**Mol**") as read with section 73 of the Companies Act 71 of 2008, as amended ("**Companies Act**");
- 1.2 A quorum was present for the meeting via interactive electronic communication.
- 1.3 Any non-compliance with the requirements of clause 6.4 (5) of the Mol and otherwise in respect of notice of the meeting, is hereby waived and/or condoned, to the extent necessary;
- 1.3 After careful consideration, the directors of the Company adopted the following resolutions in accordance with the provisions of the Mol and the Companies Act.

**WHEREAS –**

2. All of the members of the board of directors of the Company, sufficient to constitute a quorum, validly consider and resolve that they reasonably believe that the Company is sufficiently financially distressed, within the meaning of section 128 (1) (f) (i) of the Companies Act, as it will be unable to pay its debts as they become due and payable within the ensuing 6 (six) months, for the following reasons:
  - 2.1 The Company reflected an operating loss before tax of R 73,026,819 for the period ended 31 July 2023 (R41,022,739 Operating loss before tax for the financial year ended 31 December 2022), which compares negatively to the budget of R36,165,034 profit before tax. The Company experienced negative cash flows from operating activities of R38,808,169 for the 2023 financial year, but did end on a positive cash balance of R22,571,008 as at 31 July 2023.
  - 2.2 The Company lost its single largest contract being the contract mining project ("**the Contract**") at the Gamsberg Zinc Mine of Vedanta Zinc Incorporated ("**the Client**") which was terminated by the client during in August 2023.
  - 2.3 Following the termination of the Contract, the Company engaged with the client for another contract to provide open cast mining services, however the Client advised that this contract would only be for one month. Regrettably, after protracted negotiations with the client, the Client did not conclude the contract. Consequently, the Company experienced liquidity constraints and struggled to pay its creditors.
  - 2.4 The remaining contracts of the Company are relatively small and the cashflows therefrom are insufficient to carry the current overheads as well as provide the Company a sufficient runway to obtaining another significant contract.



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- 2.5 The mining equipment which the Company was using at the Contract, which represents the majority of mining equipment of the Company, is pledged as security for funding the implementation of business rescue proceedings of the Company's parent, Basil Read Limited, since the inception of such business rescue proceedings in June 2018. Concerns have also been raised by the pledgees of such assets regarding the potential deterioration of the mining equipment and loss of value following the termination of the Contract,
- 2.6 The Company currently has little or no liquidity, with no realistic prospects of any significant improvements in its fortunes for the balance of the current financial year.
- 2.7 Taking all of the above into consideration, the Board of directors of the Company is of the view that the Company is financially distressed but that there remains a reasonable prospect of rescuing the Company and accordingly that the Company should be placed under supervision and in business rescue proceedings as contemplated in section 129 (1) of the Companies Act.

**3. RESOLUTION:**

**ACCORDINGLY, IT IS RESOLVED THAT:**

- 3.1 The Company voluntarily commences with business rescue proceedings immediately and that it be placed under supervision in terms of section 129 (1) of the Companies Act;
- 3.2 The Company lodges the requisite documents for the commencement of business rescue proceedings with the Companies and Intellectual Property Commission of South Africa and any documents ancillary thereto and/or necessary for the commencement and/or continuation of business rescue proceedings;
- 3.3 **SIVIWE XOLISILE DONGWANA** (identity number: 701128 5610 085) be appointed as the business rescue practitioner in terms of section 129 (3) (b) of the Companies Act.
- 3.4 To the extent required, authorise **EDWARD NATHAN SONNENBERGS INCORPORATED** to lodge any and all documents with the Companies and Intellectual Property Commission in order to give effect to the aforesaid resolutions.
- 3.5 **NATHAN WILLIAMS** (identity number: 7305245263088) of the Company be and is hereby authorised to do all things necessary, or to procure the doing of all things necessary and to sign any and all documents, or to procure the signing of any and all documents, as it necessary to give effect to the above resolutions on behalf of the board of directors of the Company, including deposing to and signing the sworn statement contemplated in section 129 (3) (a) of the Companies Act.




**K. MAPASA**  
Director



**ES MOHUBE**  
Director



**NR WILLIAMS**  
Director



**IAK MOOSA**  
Director

## SWORN STATEMENT

I, the undersigned,

**NATHAN WILLIAMS**

(Identity Number: 7305245263088)

do hereby state as follows –

- 1 I am a director of Basil Read Mining SA Proprietary Limited (Registration Number: 1990/005815/07) ("**Company**"), a company with its registered address and principal place of business at 21 Jetpark, Boksburg, Gauteng, 1459.
- 2 I am duly authorised to depose to this sworn statement on behalf of the Company.
- 3 The facts contained herein were presented to the Company's board of directors by Ismail AK Moosa, as Financial Director of the Company, at an urgent meeting of the Company's board of directors on 6 September 2023 and which I believe to be true and correct.
- 4 This Sworn Statement is made by me on behalf of the Company to support the commencement of business rescue proceedings in terms of section 129 (1) of the Companies Act 71 of 2008, as amended ("**Act**").
- 5 With this Sworn Statement I intend to provide the relevant information that is required in order to demonstrate that the Company should be placed under supervision and in business rescue proceedings.
- 6 The information contained in this Sworn Statement and the opinions expressed in the Sworn Statement relate to the financial difficulties of the Company and how the Company can –
  - 6.1 be rescued and continue as a going concern as an alternative to liquidation; or
  - 6.2 pay a higher dividend to its creditors than that which would become payable to creditors if the Company were to be liquidated.



- 7 The Company commenced business in the 1990s and has been focussed on opencast mining and related services.
- 8 The Company reflected an operating loss before tax of R73 026 819 for the 7-month period ended 31 July 2023. The Company experienced a negative cash flow from operating activities of R38 808 169 for the 2023 financial year. Despite the negative cash flow, the Company ended on a positive cash balance, as at 31 July 2023 of R22 571 008. The Company had an operating loss of R41 022 739 for the financial year ended 31 December 2022 as well, which compared negatively to the budget of R36 165 034 profit before tax for the same period.
- 9 The Company lost its single largest contract being the contract mining project (“the **Contract**”) at the Gamsberg Zinc Mine of Vedanta Zinc Incorporated (“the **Client**”) which was terminated by the Client in July 2023.
- 10 Following the termination of the Contract, the Company engaged with the Client for another contract to provide open cast mining services, however the Client advised that this contract would only be for one month. Regrettably, after protracted negotiations with the Client, the Client did not conclude the contract. Consequently, the Company experienced liquidity constraints and struggled to pay its creditors.
- 11 The remaining contracts of the Company are relatively small and the cashflows therefrom are insufficient to carry the current overheads as well as provide the Company a sufficient runway to obtaining another significant contract.
- 12 The mining equipment which the Company was using at the Contract, which represents the majority of mining equipment of the Company, is pledged as security for funding the implementation of business rescue proceedings of the Company’s parent, Basil Read Limited, since the inception of such business rescue proceedings in June 2018. Concerns





have also been raised by the pledgees of such assets regarding the potential deterioration of the mining equipment and loss of value following the termination of the Contract.

- 13 The Company currently has little or no liquidity, with no realistic prospects of any significant improvements in its fortunes for the balance of the current financial year.
- 14 The Company is therefore financially distressed, within the meaning of section 128 (1) (f) (i) of Chapter 6 of the Companies Act, in that, it appears to be reasonably unlikely that the Company will be able to pay all of its debts as they fall due and payable within the immediately ensuing six months.
- 15 In addition, the Company is engaged (or may become engaged) in labour related proceedings, which may result in the incurrence of ongoing legal expenses, which expenses may be curtailed should the duly appointed business rescue practitioner elect not to continue with such proceedings.
- 16 Notwithstanding the above, the directors of the Company believe that there is a reasonable prospect of rescuing the business of the Company, if action is immediately taken and if the Company commences business rescue proceedings. This position is reinforced by the positive cash balance experienced as at the end of July 2023. If the Company is placed under supervision, initiatives can be taken by the business rescue practitioner, when duly appointed, to take the following steps -

- 16.1 an immediate temporary moratorium on all payments to creditors;





16.2 instituting a structured wind-down of the Company and the sale of its assets at a value higher than in a liquidation, without the Company incurring any further significant costs; and

16.3 negotiating a managed cession of the remaining contracts to other parties in a manner that does not undermine the operations and businesses of the Company's clients. Discussions are underway to effect seamless transitioning in certain of these contracts which may include the sale of plant therein and the transfer of employees.

17 Accordingly, the Company through its board of directors, is of the view that the Company is financially distressed and that there remains a reasonable prospect of rescuing the company and accordingly that the Company should be placed under supervision and in business rescue proceedings.



**NATHAN WILLIAMS**

I certify that this statement was signed and sworn to before me at SANDTON SAPS on this the 07<sup>th</sup> SEPTEMBER 2023 by the deponent after he declared that he knew and understood the contents of this statement, that he had no objection to taking the prescribed oath and has taken the prescribed oath which he considered binding on his conscience, having complied with regulations contained in government notice R1258 of 21 July 1972, as amended.

 717-1111-4  
RAXGWALE

**COMMISSIONER OF OATHS**

Name: RAXGWALE ISHEBA.

Address: 2 SUMMIT ROAD. MORNINGSIDe.

Capacity: SERGEANT.

<b>SOUTH AFRICAN POLICE SERVICE</b>
CLIENT SERVICE CENTRE SANDTON
2023 -09- 07
KLIENTE DIENSSENTRUM SANDTON
<b>SUID-AFRIKAANSE POLISIEDIENS</b>

