
MINUTES OF THE FIRST MEETING OF CREDITORS HELD IN TERMS OF SECTION 147 OF THE COMPANIES ACT, 2008

Date: 31 May 2017

Time: Scheduled Time - 13h00
Commencement Time: 13h18
Closed: 13h43

Venue: The Kimberley Club
42 Currey Street,
Kimberley, Northern Cape Province

Welcome and Introduction

1. An attendance register was circulated for completion by attendees.
2. Peter van den Steen ("van den Steen") opened the meeting and welcomed everyone.
3. van den Steen and Trevor Murgatroyd introduced themselves as the joint business rescue practitioners ("BRPs").
4. van den Steen explained that the company was placed in business rescue pursuant to a court order and that the court appointed the BRPs as joint interim business rescue practitioners.

Ratification of Appointment of the BRPs

5. van den Steen explained that their appointment needed to be ratified in terms of the Companies Act, 2008 before they can commence work in respect of the company.
6. All attendees were provided with a ballot paper for the purpose of voting on the ratification of the BRPs as joint BRPs.

Reasonable Prospects of Success

7. van den Steen explained the background to business rescue and the protection that the moratorium on claims against the company provides to enable the BRPs to prepare a plan to rescue the company, as an alternate to liquidation.
8. van den Steen explained that if the company was placed in liquidation, it would lose its mining rights and the liquidator would be obligated to sell assets in order to recover some benefit for the creditors.
9. van den Steen advised that from the BRPs' investigations to date (which had been limited given the time between their interim appointment as BRPs, and this meeting) the BRPs were of the view that there is a reasonable prospect of rescuing the company, based on the plan that was previously presented to all the creditors (but which has been delayed in its implementation and by litigation) and that the BRPs would test the feasibility of the plan.
10. Van den Steen summarised the salient features of the previous plan presented to creditors -
 - a. the construction of the Wouterspan Plant had been completed;
 - b. the ramp up to 200 000 cubed metres per month is in progress and is the target in the plan;
 - c. the reduction of costs;
 - d. the disposal of redundant and sub-economic assets to raise cash; and
 - e. shareholder funding – shareholders having already advanced USD8million and agreed to a postponement of the repayment of their loans.
11. Van den Steen confirmed that the company is operating on a cash-on-delivery basis.



Creditors' Claims

12. Van den Steen advised that –
 - a. there is a moratorium on all pre-business rescue claims;
 - b. pre-business rescue claims will be dealt with in the business rescue plan;
 - c. BRPs will look at utilising a dispute resolution mechanism to resolve disputed claims;
 - d. BRPs will be assessing all claims and reconciling them against the company's records, and to the extent that the amounts differ, the BRPs will request source documents to support the claims;
 - e. invited creditors to submit their claims on or before 30 June 2017;
 - f. claim forms can be accessed from businessrescue@rockwelldiamonds.com and on the website www.rockwelldiamonds.com/business-rescue-updates/ (which contains a link to each of the companies which have been placed under business rescue).

Creditors Committee

13. The creditors were asked whether they wish to form a committee of creditors and, if so to appoint members.
14. van den Steen advised that the minutes of the meeting would be circulated together with the attendance register (which contains the contact details of all of the creditors who attended the meeting) and that the creditors can decide if they wish to form a creditors' committee and that it is up to the creditors to contact each other to do so.
15. van den Steen advised that the point of the creditors' committee is to engage with the BRPs, share ideas and remain up to date with the business rescue process.
16. Frank Cohen -
 - g. Question: how many creditors does the company have?
 - h. Answer - Van den Steen: 51 creditors.
17. van den Steen asked if there were any further questions. There were no further questions and the meeting proceeded to the next agenda item.

Extension of Date for Publication of Plan

18. van den Steen advised that the business rescue plan needed to be published within 25 business days of his and Murgatroyd's appointment.
19. van den Steen advised that due to the size, nature and complexity of the company, it is unlikely that the plan will be finalised and published within the timeframe provided for by the Companies Act.
20. van den Steen advised that in order to extend the date for the publication of the business rescue plan, a majority of creditors present and voting is required to agree to an alternative or a longer date for publication.
21. The BRPs proposed that the publication date for the business rescue plan be extended to on or before 30 September 2017 and that if required, they would seek a further extension from the creditors.
22. van den Steen advised that creditors had been provided with a ballot paper to vote for the extension of the publication date of the business rescue plan to 30 September 2017.
23. The BRPs stated that once the creditors had cast their votes, the ballot papers would be collected and collated.
24. van den Steen asked if the creditors had any further questions

Questions & Answers.

- Q1:** Frank Cohen asked a general question in relation to the availability of post commencement finance ("PCF").



- A1:** van den Steen stated that the BRPs had received assurances of receiving PCF from the shareholders but that the company was currently operating on a "cash on delivery" ("COD") basis.
- Q2:** Saxendrift Mine (Pty) Ltd and HC van Wyk Diamonds Limited are also under business rescue. The creditor questioned if the BRPs are BRPs in each of the entities from the same date.
- A2:** van den Steen explained that they are the BRPs for all three "integrated companies". Van den Steen advised that Rockwell Resources RSA (Pty) Ltd is the majority shareholder of Saxendrift Mine (Pty) Ltd and HC van Wyk Diamonds Limited.
- Q3:** Frank Cohen asked whether, in relation to the obligations of directors to furnish a statement of affairs and other information, the directors had complied with their obligations?
- A3:** van den Steen advised that the BRPs had requested information in writing about the status and affairs of the business and that the directors had a week from the date of this meeting (7 June 2017) to submit the required response to the BRPs.
- Q4:** The documents the creditors received from Ms Brenda Barreto relating to the business rescue have the date of 18 May 2017 on them, but that is not the official date that the company was placed under business rescue as that would be today?
- A4:** van den Steen advised that the official date when the company was placed under business rescue is 18 May 2017 by a court order but stated that the BRPs' appointment now needs to be ratified. van den Steen advised that the company had been in business rescue since the 18 May 2017.
25. No further questions were raised.
26. The ballot forms were collected and counted.
27. van den Steen announced that there was 100% support for the ratification of the appointment of the joint BRPs and 100% support for the extension of the date of the publication of the business rescue plan.