

CHROMETCO LIMITED

(Incorporated in the Republic of South Africa)

(Registration number 2002/026265/06)

Share code: CMO

ISIN: ZAE007020249

("Chrometco" or "the Company")



OPERATIONS PLACED IN CARE AND MAINTENANCE

Shareholders of Chrometco are hereby advised that the Group has been under severe financial pressure due to the prevailing chrome commodity market price, the Covid-19 pandemic and the Adjusted Level 4 lockdown with limited access to external sources of funding. Over the last year, active and continuous efforts have been made to raise appropriate funding.

This process is still ongoing, but the Group has been dealt further blows with the introduction of the Adjusted Level 4 lockdown and by a DMRE suspension notice served at the mine, restricting the Sail Minerals (Pty) Ltd's Chrome Wash Plant operations to less than 60%. This resulted in Sail Contracting also not being able to operate its business. It is uncertain when the DMRE will totally uplift the suspension notice, and when the operations can be resumed at 100% capacity.

In light of the financial position in which Sail Contracting now finds itself, it has sought legal advice and has been advised that it has to apply for provisional liquidation because it is unable to meet its commitments to its creditors and employees.

The application for provisional liquidation will be heard by the High Court on 6 July 2021. Any interested party is entitled to oppose the application..

If the application is granted, a provisional liquidator/s will be appointed, who will provide more information on the way forward.

As a consequence, the Mining and Chrome Wash Plant operations will be placed in care and maintenance and Sail Minerals will be applying for Business Rescue.

We are hopeful that a restructuring and capital raising process has reasonable prospects of success, with a potential restart of our operations soon thereafter, although this is not guaranteed.

Johannesburg
5 July 2021

Designated Advisor
PSG Capital



PSG CAPITAL