



**Phumelela Gaming and Leisure Limited
(in Business Rescue)**

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12 March 2021

To All Affected Persons

**RE: PHUMELELA GAMING & LEISURE LIMITED (IN BUSINESS RESCUE) AND
GOLD CIRCLE**

A letter dated 05 March 2021 circulated by Gold Circle to its members has been brought to the attention of Phumelela Gaming and Leisure (Pty) Ltd (in Business Rescue).

The letter contains factual inaccuracies. The inaccuracies will be dealt with during the dispute resolution proceedings and Phumelela are deliberately omitting from responding thereto in any other forum.

With regard to creditors' claims:

1. the business rescue practitioner has treated all creditors equally and fairly;
2. in the process of proving claims creditors were invited to submit their claims to the business rescue practitioner for adjudication;
3. where adequate information was provided and accords with Phumelela's records and the BRP's investigations, these claims are admitted without further ado;
4. where claims are inadequate and do not tie up with Phumelela's records and/or the BRP's investigations, the BRP calls for additional information to try and reconcile and/or resolve the claims, all with a view to reaching finality thereon;
5. all accepted claims receive and will receive dividends as and when declared;
6. claims that do not tie up with Phumelela's records and the BRP's investigations are then rejected;

Applying this process, the business rescue practitioner thoroughly investigated Gold Circle's monetary claim and engaged with them about the monetary claim and their claim to own 39% of the issued share capital of Phumelela's offshore subsidiary. These investigations revealed that both claims were factually and legally incapable of acceptance.

Phumelela's business rescue practitioner engaged Gold Circle further. At the conclusion of these engagements both claims were then rejected on 16 February 2021.

In this regard Phumelela and its business rescue practitioner were also assisted and advised by their legal team.

Phumelela has per its records at date of commencement of business rescue, a substantial claim against Gold Circle. At a time Phumelela endeavored to engage with Gold Circle to reserve Phumelela's claim and resume monthly settlements with Gold Circle but its offer was never acknowledged.

Affected Parties will continue to be regularly apprised of developments pertaining to the implementation of Phumelela's business rescue plan. These reports are published at month-end and circulated to all Affected Parties. They may also be found under the business rescue tab on www.phumelela.com.

Progress reports regarding the dispute resolution process with Gold Circle will form part of these monthly reports.

Yours sincerely



John Evans
Business Rescue Practitioner