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Notice of administrator's progress report



Companies House

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COMPANIES HOUSE

1 Company details

Company number 0 2 1 6 7 8 4 3

Company name in full ASA Resource Group Plc

→ Filling in this form
Please complete in typescript or in
bold black capitals.

2 Administrator's name

Full forename(s) Mark

Surname Skelton

3 Administrator's address

Building name/number The Shard

Street 32 London Bridge Street

Post town London

County/Region

Postcode S E 1 9 S G

Country United Kingdom

4 Administrator's name ①

Full forename(s) Trevor

Surname Birch

① Other administrator
Use this section to tell us about
another administrator.

5 Administrator's address ②

Building name/number The Shard

Street 32 London Bridge Street

Post town London

County/Region

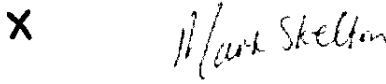
Postcode S E 1 9 S G

Country United Kingdom

② Other administrator
Use this section to tell us about
another administrator.

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Notice of administrator's progress report

6	Period of progress report																	
From date	d	0	d	1	m	0	m	8	y	2	y	0	y	1	y	7		
To date	/	d	3	d	1	m	0	m	1	y	2	y	0	y	1	y	8	
7	Progress report																	
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8	Sign and date																	
Administrator's signature	Signature 										X							
Signature date	d	2	d	8	[0 , 2 , 2 , 0 , 1 , 8													

AM10

Notice of administrator's progress report



Presenter information

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name Oliver Jones

Company name Duff & Phelps Ltd

Address The Shard

32 London Bridge Street

Post town London

County/Region

Postcode S E 1 9 S G

Country United Kingdom

DX

Telephone 020 7089 4700



Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- ☐ The company name and number match the information held on the public Register.
- ☐ You have attached the required documents.
- ☐ You have signed the form.



Important information

All information on this form will appear on the public record.



Where to send

You may return this form to any Companies House address, however for expediency we advise you to return it to the address below:

The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ.
DX 33050 Cardiff.



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For further information please see the guidance notes on the website at www.gov.uk/companieshouse or email enquiries@companieshouse.gov.uk

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Progress Report to Creditors

28 February 2018

**Asa Resource Group Plc
(In Administration)**

Joint Administrators' Progress Report for the first Administration to Creditors
for the period from 1 August 2017 to 31 January 2018

**Duff & Phelps Ltd.
The Shard
32 London Bridge Street
London
SE1 9SG**

Definitions

Word or Phrase	Definition
the Act	The Insolvency Act 1986 (as amended)
the Administration End Date	30 November 2017, being the date of the end of the Administration following the Order
Alvarez & Marsal	Alvarez & Marsal Europe LLP, Suite 3 Regency House, 91 Western Road, Brighton BN1 2NW
the Appointment Date	1 August 2017, being the date of appointment of the Joint Administrators
ASA Meat	ASA Meat (SA) Pty Ltd, a group company
the Bank or Barclays	Barclays Bank PLC, with whom the Company banked
BEIS	Department for Business, Energy & Industrial Strategy
Bindura / BNC	Bindura Nickel Corporation, Zimbabwe, a group company
Category 1 Disbursements	The Joint Administrators' external and incidental costs and expenses in dealing with the Administration
Category 2 Disbursements	The Joint Administrators' internal costs and expenses in dealing with the Administration
CIMGC	China International Mining Group Corporation company incorporated in British Virgin Isles with an address of Unit 8, 509-510 Level 5, Core E Cyberport 3, 100 Cyberport Road, Hong Kong
the Company / ASA	ASA Resource Group Plc (In Administration) (Company Number: 02167843)
the Directors	Mr Ian Barry Dearing, Mr Olivier Barbeau, Mr Niall Henry, Mr Scott Morrison and Mr David Murangari, the directors of the Company. Please note that as per the background section of this report, there were numerous changes to the directors of the Company throughout its existence. The board of directors during the period referenced within the background do not have the same composition as the board of directors as at the Appointment Date.
DRC	Democratic Republic of Congo
Duff & Phelps	Duff & Phelps Ltd., The Shard, 32 London Bridge Street, London, SE1 9SG

EBITDA	Earnings before interest, tax, depreciation and amortization, a measure of a company's operating performance
EC Regulation	EC Regulation on Insolvency Proceedings 2000
First Administration	Administration commenced on 1 August 2017 and ending on 30 November 2017
FRGM	Freda Rebecca Mine (PVT) Ltd, a group company, based in Zimbabwe
the Group	The Company and its subsidiaries, as detailed at Appendix 1
Hailiang	Hailiang Group Co. Ltd., parent company to Zhejiang Hailiang and RPI
HeadCo	ASA Headco Limited (Company Number 10885796), a new UK company, incorporated by the Directors on 26 July 2017, to act as an intermediate holding company for the Group
HMRC	HM Revenue & Customs
Interested Party / PAR	Pan African Resources Plc, being a prospective purchaser of the shares in HeadCo
the Joint Administrators	Mark Skelton and Trevor Birch of Duff & Phelps
JV	Joint Venture
JV Agreement	Joint Venture Agreement
Kogi	Guangzhou Kogi Import and Export Trade Company Limited a company incorporated in People's Republic of China
Kwan	Mr Yim Chiu Kwan, former Finance Director, also known as Sam Y.C Kwan
MAH	Mwana Africa Holdings (Pty) Ltd, a group company
Mwana Holdings	Mwana Africa Holdings (Proprietary) Limited, a group company
the New Administrators	Marks Skelton and Trevor Birch of Duff & Phelps Ltd., and Richard Fleming of Alvarez & Marsal
Ning	Mr Yat Hoi Ning, former director also known as Ning Yihai
Ning Petition	Ning Petition and Application under Section 994 of the Companies Act
NED	Non-Executive Director
NPV	Net Present Value

the Order	On 30 November 2017 it was ordered by the High Court of Justice, Business and Property Courts of England and Wales that the Old Administration cease and the Joint Administrators be removed from office. On the same date it was also ordered that the New Joint Administrators be appointed. The court reference remains as 5705 of 2017
Prescribed Part	Pursuant to Section 176A of the Act, where a floating charge is created after 15 September 2003, a designated amount of a company's net property (floating charge assets less costs of realisation) shall be made available to non-preferential unsecured creditors
the Proposals	The Joint Administrators' Report to Creditors and Statement of Proposals dated 20 September 2017
Qiaoyu	Qiaoyu Limited, a company incorporated in the British Virgin Isles with registered office at Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands with offices at Room 2504, Kwai Hung Holdings Centre, 89 King's Road, Hong Kong and of suite 1406, 14/F, Arion Commercial Centre, 2-12 Queens Road West, Hong Kong
the Reporting Period	The period from 1 August 2017 to 31 January 2018
RPI	Rich Pro Investments Limited, a company incorporated in British Virgin Isles with registered office at Akara Building, 24 De Castro Street, Wickhams Cay 1, Road Town, Tortola, British Virgin Islands
RPS	Redundancy Payments Service
RSA	Republic of South Africa
the Rules	The Insolvency (England & Wales) Rules 2016 (as amended)
the Second Administration	In accordance with the Order, the Administration of the Company ended on 30 November 2017. On the same date the New Administrators were appointed over the Company, in a new Administration process
the Second Proposals	The New Administrators' Report to Creditors and Statement of Proposals dated 23 January 2018
SEMHKAT	Société d'Exploration Minière du Haut Ketanga SARL
SIP 9	Statement of Insolvency Practice 9 – Industry best practice for Insolvency Practitioners in relation to disclosure of remuneration and disbursements
SOA	Statement of Affairs, documentation to be supplied by the Directors outlining the Company's financial position as at the Appointment Date

the Solicitors	Shoosmiths LLP (Company Number OC374987), legal advisors to the Joint Administrators
SouthernEra	SouthernEra Diamonds Inc., a group company
Zimnick	Zimnick Ltd, a group company
Zhejiang Hailiang	Zhejiang Hailiang Company Limited, a subsidiary of Hailiang
ZRB	The Reserve Bank of Zimbabwe

This document is a Report Prepared by the Joint Administrators in accordance with the Insolvency Act 1986 for creditors. It is not prepared to provide financial advice for shareholders or creditors. Shareholders and creditors are recommended to seek their own financial advice from their stockbroker, bank manager, solicitor, accountant or other appropriate independent financial adviser authorised under the Financial Services and Markets Act 2000 if they are in the United Kingdom, or, if they are in a territory outside the United Kingdom, from another appropriately authorised independent financial adviser.

This report may contain statements on valuation in relation to assets owned by the Company. Any statements / comments in relation to valuation involve risks and uncertainties that could cause actual results to differ materially from those expressed in this report. Many of those risks and uncertainties relate to factors that are beyond the abilities and control of the Company, the Joint Administrators to estimate precisely, such as future market conditions and the behaviour of other market participants, and therefore undue reliance should not be placed on the valuations contained within.

There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by the comments / statements contained in this report. Other unknown or unpredictable factors could cause actual results to differ materially from the assumptions underpinning the valuations contained in this report. Neither the Joint Administrators nor any of its respective employees or associates provides any representation, assurance or guarantee that any valuation expressed or implied in this report will actually occur. Shareholders and creditors are cautioned not to place undue reliance on these valuations. Other than in accordance with their legal or regulatory obligations the Joint Administrators are not under any obligation, and the Joint Administrators disclaim any intention or obligation, to update or revise any valuations, whether as a result of new information, future events or otherwise.

Exchange Rates

The Company had historically reported its financial statements in pound sterling up until 31 March 2011 and in US dollars since this date. For historic figures prior to the Appointment Date, the amounts detailed within this report are as detailed in the currencies per the Company's financial statements, regulatory news statements and according to management.

In respect of the SOA and balances due and payable as at the Appointment Date, the Joint Administrators have converted all figures from US Dollars to British Pounds (as applicable) using the Exchange Rate at 1 August 2017 of \$1 = £0.75722p.

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7. Pre-Administration Costs
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3. Analysis of Time Charged and Expenses Incurred
4. Statement of Creditors' Rights
5. The Order
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Names of Joint Administrators:	Mark Gerard Skelton Trevor Nigel Birch
Date of Appointment:	1 August 2017
Date of Report:	28 February 2018
Appointed by:	The Directors
Court Reference:	Royal Courts of Justice no. 5705 of 2017

1. Introduction

- 1.1 The Joint Administrators were appointed on the Appointment Date by the Directors pursuant to paragraph 22 of Schedule B1 to the Act. The Court reference is 5705 of 2017.
- 1.2 In accordance with Paragraph 100(2) of Schedule B1 to the Act the functions of the Joint Administrators are being exercised by either of the Joint Administrators.
- 1.3 The purpose of this report is to provide creditors with details of the progress of the Administration during the Reporting Period, but in order to mitigate duplication of work a number of references will be made to the Second Proposals for details of events and work undertaken in the Reporting Period.
- 1.4 This report should be read in conjunction with the Proposals and the Second Proposals.
- 1.5 Statutory information on the Company is attached at Appendix 1.
- 1.6 The Court ordered that the Administration end on 30 November 2017 in accordance with the Order. However, the Joint Administrators have not been able to issue a final report and close the first administration due to ongoing litigation in respect of the Ning Petition as referenced further in section 3 of this report. Accordingly, further reports in the Administration will only cover information and updates in respect of the Ning Petition as all other matters will be reported on in the Second Administration.

2. Joint Administrators' Report and Statement of Proposals

- 2.1 In accordance with Paragraph 52(1) of Schedule B1 to the Act, a creditors' meeting was not required to be held as there are anticipated to be sufficient realisations to repay non-preferential unsecured creditors in full. No meeting was convened and the Proposals were deemed to have been approved by creditors on 9 October 2017.
- 2.2 As advised in the Proposals report, the Joint Administrators must perform their functions with the purpose of achieving one of the following objectives:
- Rescuing the Company as a going concern; or
 - Achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in Administration); or
 - Realising property in order to make a distribution to one or more secured or preferential creditors.
- 2.3 As detailed in the Proposals, the Joint Administrators initially sought a sale of the Company's shares to allow the Company to be rescued as a going concern. However, following the Order the Joint Administrators have continued the sale process in the Second Administration. Due to the early termination of the First Administration, it is no longer possible to pursue the objectives of the Administration and the objectives will now be pursued in the Second Administration. Further details can be found in the Second Proposals, which are available to members and creditors of the Second Administration, in accordance with previous correspondence.

3. Progress of the Administration

- 3.1 As noted in the Proposals and as confirmed in a judgment by the Court at the hearing on 30 November 2017, the Directors appointed the Joint Administrators on 1 August 2017 due to the severe liquidity constraints the Company was experiencing, which resulted in the Company being unable to pay its creditors as and when they fell due.
- 3.2 Please refer to paragraphs 3.1 to 3.27 of the Second Proposals for details of the manner in which the affairs and business of the Company have been managed since the Appointment Date. As noted above, the First Administration remains open due to the Ning Petition, with all other aspects of the Administration having been managed by the New Joint Administrators since 30 November 2017 and, therefore, details of the same will be reported through the Second Administration process.

Ning Petition and Application under Section 994 of the Companies Act

- 3.3 As set out in the Witness Statements, on 27 June 2017 Ning and CIMGC filed a section 994 petition in relation to his concerns that three directors (Messrs Ning, Kwan and Yuan-Ching Hu) were improperly removed from the Company's board by the Directors in April 2017. The relief sought from the Court was to confirm that the removal of the three directors was invalid and that they be reinstated to the board, in addition to orders for costs and damages. The reasons for their removal are as set out in the Proposals.
- 3.4 On 24 October 2017, Ning also applied to Court to challenge the Joint Administrators' appointment and make the Joint Administrators a party to his s994 application.
- 3.5 At a Court hearing on 9 November 2017 the Court approved the Joint Administrators being joined into the proceedings. At the hearing, directions were given for all defendants to file their points of defence in respect of the application by 4pm on Thursday 21 December 2017. The points of defence were filed and served on all relevant parties on 21 December 2017 in compliance with the Court's direction.
- 3.6 Further information on the Joint Administrators' investigations in relation to Messrs Ning and Kwan can be found as part of the witness statements filed in relation to the RPI litigation and available on the Duff & Phelps website.
- 3.7 In late January 2018 ahead of the scheduled case management conference ("CMC") for the Ning Petition, Norton Rose Fulbright LLP, solicitors acting on behalf of certain of the Board, made an application to Court to strike out the Ning Petition.
- 3.8 A directions order was confirmed by the Court on 30 January 2018, whereby it was agreed that evidence be provided by all parties in respect of the strike out application ahead of the one-day hearing listed for 30 April 2018.
- 3.9 It is noted that in relation to Messrs Ning and CIMGC section 994 application, the Court has already determined that the Company was cash flow insolvent as at 1 August 2017.
- 3.10 As noted above, as the Joint Administrators are joined to the Ning Petition proceedings, they are unable to finalise the First Administration as they are required to comply with the directions provided by the Court in respect of the same.
- 3.11 The Joint Administrators will be able to proceed to close the First Administration if the strike out application is granted or the petitioners withdraw their claim. If this happens prior to 31 July 2018 then the next report will be the final report for this Administration.

- 3.12 A further update in this regard will be provided in the Joint Administrators' next report.

Current Intercompany Receivables and Management Fees

- 3.13 As detailed in the Proposals, the Company had intercompany receivables totalling £1,157,000 as at the Appointment Date, which primarily related to management fees due from FRGM and BNC, as detailed below:

Entity Name	Loan Balance £'000
BNC	853
FRGM	304
Total Current Intercompany Receivables	1,157

- 3.14 The above amounts are based on the values provided in the SOA.
- 3.15 The management fees are based on a percentage of revenue generated by FRGM and BNC respectively. After the Appointment Date FRGM commenced payment of management fees of c\$150,000 per month (subject to bank charges and currency exchange differences) to the Company, with a total of \$736,839 being received during the Reporting Period.

Cash at Bank

- 3.16 Cash at bank totalling \$950 and £7 has been received in the Reporting Period.
- 3.17 All outstanding asset realisations, including the sale of business and assets (being the shares held in HeadCo) are being pursued in the Second Administration.

Rent Deposit

- 3.18 A rent deposit of £133,800 was held on behalf of a sub-tenant in the Company's London premises. Shortly after the Appointment Date the deposit was returned to the sub-tenant, net of charges totalling £2,003.

4. Investigations

- 4.1 During the Administration, the Joint Administrators undertook significant investigations into the Company's affairs. The Joint Administrators cannot, at this stage, provide a detailed narrative of these investigations as it may hamper any further action that may be required.
- 4.2 The Joint Administrators have a statutory obligation to file a report with BEIS concerning the conduct of all directors of the Company that served in the three years prior to the Appointment Date. The content of this report is confidential and has been submitted to the Insolvency Practitioners Compliance Unit. In order to submit this report, the Joint Administrators issued questionnaires to the relevant directors to request information in respect of the lead up to the Administration. Input was also sought from the Company's pre-Administration professional advisors, such as its lawyers and accountants. An analysis of the Company's bank statements was undertaken and matters raised by other stakeholders were also considered in the process.

- 4.3 Creditors will note from the analysis, as shown at Appendix 3 that the Joint Administrators have undertaken a number of other investigations in respect of connected persons and entities. Due to the complexity of the case, the allegations of misappropriation of funds and the number of related party transactions, it has been necessary for the Joint Administrators to carry out significant investigations into these allegations. Although the Joint Administrators are not able to advise the full extent of these investigation, further details on the nature of the work, the time incurred and the reasons for this work being undertaken is detailed in section 8 of this report.
- 4.4 Although the report has been filed with BEIS, investigations will likely need to be continued in the Second Administration.
- 4.5 For full information in relation to the investigations and RPI Litigation (for which there was naturally considerable overlap), including all witness statements and court filings made, please refer to the Duff & Phelps website.

5. Dividend Prospects / Prescribed Part

Secured Creditors

- 5.1 Please refer to paragraphs 8.1 to 8.3 of the Second Proposals for details of the rent deposit deed granted by the Company.
- 5.2 The Company has no other secured creditors.

Preferential Creditors

- 5.3 Pursuant to the SOA, the estimated preferential claims are nil.
- 5.4 It is understood that the Company had no employees as at the Appointment Date, and accordingly, no preferential creditors. As noted in the Second Proposals, the Joint Administrators are however seeking to clarify whether the Directors qualify as employees.

Prescribed Part

- 5.5 The Company has no registered floating charges and therefore the Prescribed Part does not apply.

Non-Preferential Unsecured Creditors

- 5.6 According to the SOA, non-preferential unsecured creditors total £22,839,968, plus a number of unqualified contingent claims. The Joint Administrators received claims totalling £77,990,326 during the Administration as follows:

Creditor	Claim £'000
BNC Bond Guarantee	18,646
Intercompany Loans	8,073
Trade & Expense Creditors	3,916
HMRC	286
Contingent Liability (Zindico) (approx. \$20 million)	15,144
Bindura Community Share Ownership Trust	5,915
FRGM & BNC (Damages claim)	20,402
Others (Hong Kong Tax Authorities plus other countries)	8
Others (Employment Related Tribunal Claims – South Africa, France, Hong Kong)	5,601
Total	77,991

- 5.7 Please refer to paragraphs 8.10 and 8.18 of the Second Proposals for details of creditor claims received. In accordance with the Court Order, all creditor claims received in the First Administration will carry over to the Second Administration.
- 5.8 Assuming a sale of the shares held in HeadCo is completed, it is expected that a dividend will be paid to non-preferential unsecured creditors in the Second Administration. The quantum and timing of any dividend is currently uncertain.

6. Joint Administrators' Receipts and Payments Accounts

- 6.1 Detailed Receipts and Payments Accounts for the Reporting Period are shown in Appendix 2. Separate bank accounts have been utilised for dollar and sterling transactions.
- 6.2 As at 31 January 2018 there was a cash balance of nil as all funds were transferred to the Second Administration estate.

7. Pre-Administration Costs

- 7.1 Pre-Administration costs are fees, charges and expenses incurred by the administrators or their firm, or another person qualified to act as an insolvency practitioner, before the company entered administration but with a view to its doing so.
- 7.2 Although Duff & Phelps incurred pre-Administration costs of £14,923 in respect of advice to the Directors prior to the Appointment Date, Duff & Phelps will not seek to recover these costs. The time costs incurred will be written off in due course.

8. Joint Administrators' Costs and Expenses

- 8.1 One of the roles of the Creditors' Committee was to authorise the Joint Administrators' remuneration, however this was not discussed at the only Creditors' Committee meeting held in the Administration. In accordance with the Order, once agreed as required by the Order, the time costs incurred by Duff & Phelps will be paid as an expense of the Second Administration.
- 8.2 The time costs incurred in the Reporting Period total £803,332 and are as analysed at Appendix 3. This represents 2,216 hours at an average charge out rate of £363.
- 8.3 No remuneration has been drawn in the Reporting Period.
- 8.4 The Joint Administrators have incurred expenses of £245,838 and \$429,070 in the Reporting Period. These costs are analysed at Appendix 3, where further detail can be found in respect of the roles undertaken by the Joint Administrators' agents and professional advisors.
- 8.5 The Joint Administrators have incurred expenses in dealing with the Administration of the Company and these are detailed in Appendix 3.
- 8.6 Below is a summary of the time incurred by the Joint Administrators in the reporting period.

RPI Litigation

- 8.7 The Joint Administrators have incurred time costs of £271,880 in respect of the RPI Litigation and dealing with their representatives. This work has largely consisted of reviewing the Company's books and records and providing an analysis of the same, liaising with certain employees of the group, preparing the necessary documentation to meet the requirements of the Court's directions and liaising with the Joint Administrators' legal advisors. As noted above, copies of the Witness Statements prepared in respect of the RPI Litigation are available on the Duff & Phelps website.

Exit Strategy

- 8.8 The Joint Administrators have incurred time costs totalling £162,510 in respect of assessing the potential exit strategies available to the Company, meeting with various stakeholders, and various boards of the operating subsidiaries to understand the requirements for the Group relating to the various exit options.
- 8.9 Time was also incurred corresponding with Hailiang and RPI, both directly and via their solicitors KL Gates LLP, to understand their position in relation to the takeover and the financing proposal put forward to the Joint Administrators.

- 8.10 This work has been necessary and to the benefit of creditors for the Joint Administrators to ascertain the exit option that provides the greatest return to all stakeholders.

Ning / Yim Investigations

- 8.11 The Joint Administrators have incurred time costs totalling £57,959 in respect of investigating the actions of previous management. This time relates to entering into extensive correspondence with Ning and Yim regarding the provision of information and addressing concerns raised by the Company, reviewing the Company's books and records regarding the concerns raised and liaising with Shoosmiths accordingly.
- 8.12 The Joint Administrators also engaged with a Hong Kong firm, Verity Consulting Limited, who liaised with Ning to retrieve documents from the Hong Kong office.

Other Investigations and eDiscovery

- 8.13 The Joint Administrators have incurred time costs totalling £64,233 in respect of other investigations and eDiscovery to support these investigations. This time is in relation to work such as and extensive review of the Company's books and records to understand and map the concerns raised by the Company, with added complexity regarding the connectivity issues due to a substantial amount of the evidence being in Mandarin and Cantonese.
- 8.14 eDiscovery is the software system for reviewing a large number of documents in an efficient manner. This work was undertaken by the Disputes & Investigations team in Duff & Phelps whom assisted the Joint Administrators with reviewing the email server back-up data they had obtained from UC Exchange Company and ACT Systems. This work has assisted the Joint Administrators with their statutory investigations and all other investigations.
- 8.15 This time also relates to dealing with UC Exchange Company that hosted the firms email server in Hong Kong. Despite a large number of daily requests, the Joint Administrators had to send a colleague from Duff & Phelps' Hong Kong office to retrieve a backup of the email server. Subsequent to this, the Joint Administrators continued to chase UC Exchange Company daily for further information that was not initially made available.

Second M&A Process

- 8.16 The Joint Administrators have incurred time costs totalling £28,641 in respect of the sale process of the Company's assets since the initial Court hearing, as referenced in paragraphs 3.12 to 3.17 of the Second Proposals.

Takeover Offer, Panel and SP Angel

- 8.17 The Joint Administrators incurred time costs of £17,636 in respect of issues relating to the initial takeover offer, liaising and meeting with the Takeover Panel and SP Angel Corporate Finance LLP, the Company's nominated advisor.

Subsidiary Matters

- 8.18 Time costs totalling £4,778 have been incurred dealing with administrative matters in relation to the Company's subsidiaries, including the disposal of ASA Meat and SouthernEra. As detailed in section 3, these sales were already in process as at the Appointment Date. This work has led to a direct benefit to the Administration estate which will allow the New Joint Administrators to inject cash into the Group to retain its value for the eventual purchaser.

Statutory Matters

- 8.19 The Joint Administrators incurred time costs totalling £119,496 in respect of Statutory Matters. This includes drafting and issuing the Proposals and various letters to creditors and members of the Company since 1 August 2017. This work also contains case reviews to assess the handling of the case and the ongoing strategy, cashiering and accounting which includes making payments to key suppliers and journaling of funds to reflect the position in the Joint Administrators' case management system. This time also includes liaising with the Directors in order to understand the Company's background in greater detail to assist with the direction of the Administration and queries raised by stakeholders.
- 8.20 A further amount of £29,312 was incurred in dealing with statutory matters for the Administration during the Second Administration.
- 8.21 Although this work does not provide a direct benefit to the Administration estate it is necessary to ensure that the Joint Administrators' strategy is correct and so that the case runs efficiently. In addition, the role of an administrator is highly regulated and this work undertaken by the Joint Administrators ensures that they act within the Rules and the Act.

Creditors

- 8.22 The Joint Administrators have incurred time costs totalling £23,316 in respect of liaising with creditors. This time has been incurred from correspondence with creditors via email and telephone, writing to creditors and dealing with creditor Proof of Debt forms.
- 8.23 This work does not bring any financial benefit to the Company's creditors, however, given the position of the Company and the lack of clarity provided by the former management it is understandable that the creditors will have queries. As the Joint Administrators act on behalf of the creditors, they have a duty to respond to these queries and provide regular updates.
- 8.24 The total time costs incurred in the Reporting Period are as analysed at Appendix 3.
- 8.25 The Joint Administrators have incurred Category 1 Disbursements totalling £31,319. No Category 2 Disbursements have been incurred. Details of the disbursements incurred are also analysed at Appendix 3.
- 8.26 A statement of creditors' rights concerning the Joint Administrators' fees is enclosed at Appendix 4.

9. Extension of the Administration and Conclusion

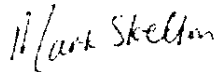
- 9.1 An Administration automatically comes to an end after one year, unless an extension is granted by the Court or with the creditors' consent.
- 9.2 At present it is uncertain as to whether it is likely that the Administration will need to be extended, as it is wholly dependent on the Ning Petition. Should the Administration need to be extended creditors will be notified in due course.

10. Next Report

- 10.1 The Joint Administrators are required to provide a progress report within one month of every 6 month period. The next report will be issued no later than 31 August 2018. However, it is anticipated that the next report will be Final Report, depending on the outcome of the Ning Petition and whether an extension of the Administration is granted.

- 10.2 If you have any queries or require any further assistance, please do not hesitate to contact my colleague Oliver Jones of this office on 020 7089 4700.

Yours faithfully
For and on behalf of
ASA Resource Group Plc



Mark Skelton
Joint Administrator

The affairs, business and property of the Company are being managed by the Joint Administrators, Mark Skelton and Trevor Nigel Birch, who act as agents for the Company and without personal liability. Both are licensed by the Insolvency Practitioners Association and bound by the Insolvency Code of Ethics

Appendix 1

Statutory information

Statutory Information

Date of Incorporation	22 September 1987
Registered Number	02167843
Company Directors	Mr Ian Barry Dearing Mr Olivier Barbeau Mr Niall Patrick Henry Mr Scott Douglas Morrison Mr David Edgar Hoover Murangari
Company Secretary	Mr Ian Barry Dearing
Shareholding of the Directors and Company Secretary (*)	Mr Ian B Dearing – 1,374,879 Ordinary Shares Mr Olivier Barbeau – 1 Ordinary Share Mr Niall P Henry – 1,830,615 Ordinary Shares Mr Scott Douglas Morrison – 1 Ordinary Share Mr David Edgar Hoover Murangari - Nil
Registered Office	Current: C/O Duff & Phelps Ltd. The Shard 32 London Bridge Street London SE1 9SG Former: One Fleet Place London EC4M 7WS
Any Other Trading Names	Mwana Africa Plc

*As at the Appointment Date



Appendix 2

Joint Administrators' Receipts and Payments Accounts

ASA Resource Group Plc (In Administration)

Joint Administrators' Receipts and Payments Account (Sterling)

Statement of Affairs ERV		The Reporting Period 1 August 2017 to 31 January 2018	
£			£
	Assets Specifically Pledged		
-	Tenant Rent Deposit (net of costs)	131,796.58	
43,376	Rent deposit	-	
<u>43,376.00</u>		<u>131,796.58</u>	
	Cost of Realisations		
	Indebtedness to Secured Creditor		
-	Sub-tenant	(131,796.58)	
(43,376)	St James's Place UK Plc	-	
<u>(43,376)</u>		<u>(131,796.58)</u>	
-	Total Fixed Account		<u>-</u>
	Assets Subject to a Floating Charge		
-	Transfer from US dollar account	214,836.85	
-	Bank interest	27.80	
-	Cash at bank (sterling account)	7.16	
62,039,035	Investments in subsidiaries	-	
17,416,060	Inter-company loans	-	
Unascertained	Trade and other receivables	-	
1,157,536	Current inter-company receivables	-	
-	Fixed assets	-	
<u>80,612,631</u>		<u>214,871.81</u>	
	Cost of Realisations		
	Legal fees	(205,308.00)	
	Stationery & postage	(4,433.23)	
	IT costs	(2,111.57)	
	Storage costs	(1,996.26)	
	Transfer to second Administration - VAT	(695.98)	
	Transfer to second Administration - cash	(220.01)	
	Statutory advertising	(84.60)	
	Bank charges	(22.16)	
		<u>(214,871.81)</u>	
-	Preferential Creditors		
	Preferential creditors	-	
		<u>-</u>	
	Unsecured Non-Preferential Creditors		
(37,984,368)	Trade and expense creditors	-	
		<u>-</u>	
(78,797,255)	Called up share capital		
<u>(36,168,992)</u>	Total Floating Charge Account		<u>-</u>
	Represented By:		
	Floating / main current account	-	
	Floating charge VAT receivable	-	
	Balance		<u><u>-</u></u>

Notes

All payments have been made on behalf of the Company, as opposed to any of its subsidiaries.

ASA Resource Group Plc (In Administration)

Joint Administrators' Receipts and Payments Account (Dollar)

Statement of Affairs ERV*	The Reporting Period 1 August 2017 to 31 January 2018
\$	\$
Assets Subject to a Floating Charge	
Freda Rebecca Gold Mine Ltd	736,838.67
Cash at bank	949.81
	737,788.48
Cost of Realisations	
Transfer to sterling account	(286,143.06)
Wages & salaries	(270,524.70)
Professional fees	(122,908.24)
Transfer to second Administration - cash	(19,726.99)
Legal fees	(7,050.00)
IT costs	(6,786.51)
DRC VAT (irrecoverable)	(6,153.12)
Storage costs	(5,578.00)
Employee expenses	(5,200.00)
Transfer to second Administration - VAT	(5,904.06)
Zimbabwe VAT (irrecoverable)	(1,310.68)
Bank charges	(503.12)
	(737,788.48)
Preferential Creditors	
Preferential creditors	-
	-
Unsecured Non-Preferential Creditors	
Trade & expense creditors	-
	-
Total Floating Charge Account	-
Represented By:	
Floating / main current account	-
Floating charge VAT receivable	-
	-
Balance	-

Notes

* The SOA was provided in Sterling - please refer to the Sterling Receipts and Payments Account
A US Dollar account was set up and used by the Joint Administrators as most of the Company's trading was in US Dollars. Funds were then transferred to the Sterling account as necessary.

During the Reporting Period payments were made on behalf of the subsidiaries and were allocated to the relevant category. However, in the Second Administration, the payments were allocated to an inter-company loan account, regardless of the category of service. The expenses schedules, attached at Appendix 3 show the payments made in the Administration per subsidiary that they were made on behalf of for reference.

Appendix 3

Analysis of Time Charged and Expenses Incurred

Notes	Company	Type of Expense	Activity	Date of Instruction	Fee Basis	Proposals Estimate	Amount Paid	Amount Incurred	Total Cost	Variance from Proposals Estimate
						£	£	£	£	£
1	Professional Advisors									
2	Shoosmiths LLP	Solicitor's Fees	Providing legal assistance	01-Aug-17	Time costs	Uncertain	55,308.00	130,000.00	130,000.00	130,000.00
3	Shoosmiths LLP	Solicitor's Disbursements	Costs incurred by counsel	01-Aug-17	Time costs	Uncertain	150,000.00	150,000.00	150,000.00	150,000.00
	Other									
4	Total Data Management Limited	Storage Costs	Storage of the Joint Administrators' books and records	Not Instructed	Per unit	500.00	0.00	0.00	500.00	0.00
5	Courts Advertising Limited	Advertising	Statutory Advertising	03-Aug-17	As incurred	189.20	189.20	9,942.20	189.20	0.00
6	Accurate Mailing Limited	Postage & Stationery	Sending letters and reports to creditors	20-Sep-17	Per unit	-	4,433.23	12,577.68	12,577.68	12,577.68
7	ACT Systems Limited	IT Records	Payment of unpaid invoices and further technical engineer investigation	19-Sep-17	Fixed cost	Uncertain	2,111.57	2,111.57	2,111.57	2,111.57
8	Venly Consulting Limited	Books and Records	Collection and storage of books and records from Hong Kong	15-Sep-17	Fixed cost	1,996.26	1,996.26	1,996.26	1,996.26	0.00
	Total Professional Advisor and Other Costs						214,018.26	306,827.71	297,354.71	294,689.25
	Disbursements									
9	Category 1 Disbursements									
10	Bond Premium	Insurance		N/A	Fixed Fee	225.00	225.00	225.00	225.00	0.00
	Travel & Subsistence	Travel and subsistence for off site meetings and travel		N/A	As incurred	30,000.00	31,064.70	31,064.70	31,064.70	1,064.70
	Total Category 1 Disbursements					30,225.00	31,319.70	31,319.70	31,319.70	1,094.70
11	Category 2 Disbursements									
						0.00	0.00	0.00	0.00	0.00
	Total Category 2 Disbursements					0.00	0.00	0.00	0.00	0.00
	Total Estimated Expenses					30,225.00	245,337.86	337,947.41	328,674.41	295,783.95

Notes to Estimated Expenses Schedule

- The Joint Administrators' choice of professional advisors is based on their perception of the experience and ability of the respective firms / individuals to perform their work, the complexity and nature of the assignment and the basis of their fee.
- Shoosmiths instructed to assist the Joint Administrators from a legal perspective. The legal fees were uncertain as reported in the Proposals. However, the costs are in line with a case of this nature due to the amount of work that has been ongoing through the Reporting Period. As detailed at paragraph 10.7 of the Second Proposal costs that constitute a cost of this Administration are in the region of £130,000.
- Legal Counsel instructed to assist the Joint Administrators from a legal perspective. Counsel's fees were uncertain as reported in the Proposals. However, the costs are in line with a case of this nature due to the amount of litigation that has been ongoing through the Reporting Period.
- Books and records of the Company will be stored off site with an external provider for at least the duration of the Administration plus one year. In addition, it is a statutory requirement that books and records of the Administrators must be kept for six years after the conclusion of the Administration.
- Statutory advertising of the Joint Administrators' appointment in the London Gazette is required under insolvency legislation.
- It is more cost effective to employ an external company to print and mail circulars to creditors and members.
- ACT Systems hold information on an email server that will help the Joint Administrators with their ongoing investigations.
- Venly Consulting provide collection and storage of books and records in Hong Kong.
- Category 1 Disbursements are payments to independent third parties where there is specific expenditure directly referable to the Administration.
- It is a statutory requirement for Insolvency Practitioners to have a bond on each case to which they are appointed. The cost is based on the value of the assets.
- Category 2 Disbursements are costs that are directly referable to the Administration but not to a payment to an independent third party.

The total anticipated expenses is an estimate based on information available at the commencement of the appointment. The estimate should therefore be treated with caution as matters are likely to change over the life of the

The above costs exclude VAT

ASA Resource Group Plc (in Administration)

Joint Administrators' Expenses for the period 1 August 2017 to 31 January 2018 (US Dollar) and Critical Payments

Notes	Company	Type of Expense	Activity	Date of Instruction	Fee Basis	Proposals Estimate	Amount Paid	Amount Incurred	Total Cost	Variance from Proposals Estimate
						\$	\$	\$	\$	\$
1	Professional Advisors MweneSande Commercial Lawyers Trust	Legal Fees	Providing legal assistance in Zimbabwe		Time Costs	N/A	7,050.00	7,050.00	7,050.00	7,050.00
2	Other Expenses UCEX	IT Records	Access to books and records and IT systems for investigations	TBC	Fixed Cost	N/A	6,786.51	6,786.51	6,786.51	6,786.51
3	London Stock Exchange	Professional Fees	Fees in respect of listing on stock exchange	21-Sep-17	Fixed Rate	N/A	10,187.45	10,187.45	10,187.45	10,187.45
4	Verity Consulting Limited	Books and Records	Collection and storage of books and records from Hong Kong	15-Sep-17	Fixed Cost	N/A	5,578.00	5,578.00	5,578.00	5,578.00
5	Ian Berry Dearing	Contractor Costs	Consulting costs for assistance during the Administration from retained director		As Incurred	N/A	6,800.00	6,800.00	6,800.00	6,800.00
6	SouthernEria Diamond Inc	Professional Fees	Restore compliance status for KJV sale	01-Sep-17	Fixed Rate	N/A	1,381.09	1,381.09	1,381.09	1,381.09
7	Fasken Martineau DuMoulin LLP Curran & Mitchell (Cayman) Ltd	Professional Fees	Company secretary fees and expenses	24-Nov-17	Fixed Rate	N/A	11,373.66	11,373.66	11,373.66	11,373.66
8	0801721 BC Limited Fasken Martineau DuMoulin LLP	Professional Fees	Restore compliance status for KJV sale	01-Sep-17	Fixed Rate	N/A	567.26	567.26	567.26	567.26
9	Parc Selemba	Professional Fees	Restore compliance status for transfer of shares	01-Sep-17	Fixed Rate	N/A	1,395.00	1,395.00	1,395.00	1,395.00
10	Cabinet Bokondou & Associates	Professional Fees	Lawyers fees	01-Sep-17	Fixed Rate	N/A	30,000.00	30,000.00	30,000.00	30,000.00
11	Mwena Exploration (Congo) Limited Harneys Corporate Services Limited	Professional Fees	Restore compliance status for transfer of shares	01-Sep-17	Fixed Rate	N/A	990.00	990.00	990.00	990.00
12	Alpina Limited Charles Russell (BV) Limited	Professional Fees	Restore compliance status for transfer of shares	01-Sep-17	Fixed Rate	N/A	900.00	900.00	900.00	900.00
13	Freemove Limited Charles Russell (BV) Limited	Professional Fees	Restore compliance status for transfer of shares	01-Sep-17	Fixed Rate	N/A	900.00	900.00	900.00	900.00
14	MIZAKO	Wages & Salaries	Employee wages		As Incurred	N/A	93,225.00	93,225.00	93,225.00	93,225.00
15	Ernst & Young DRC	Professional Fees	Outstanding audit costs	23-Nov-17	Fixed Rate	N/A	9,967.00	9,967.00	9,967.00	9,967.00
16	Mwena Africa Holdings (Pty) Ltd Employee Wages	Wages & Salaries	Employee wages		As Incurred	N/A	181,000.00	181,000.00	181,000.00	181,000.00
17	SEMINKAT Cabinet Bokondou & Associates	Professional Fees	Lawyers fees	01-Sep-17	Fixed Rate	N/A	4,000.00	4,000.00	4,000.00	4,000.00
18	Employee Wages	Wages & Salaries	Employee wages		As Incurred	N/A	14,700.00	14,700.00	14,700.00	14,700.00
19	BEAC	Professional Fees	Technical study conducted and prevention of loss of DRC licenses	23-Nov-17	Fixed Rate	N/A	35,000.00	35,000.00	35,000.00	35,000.00
20	SIBEKA SA Sapience SPRL	Professional Fees	Consultancy fees	22-Nov-17	Fixed Rate	N/A	22,279.00	22,279.00	22,279.00	22,279.00
21	Other Inter-company loan payments Mauribus International Trust Company Limited	Professional Fees	Payment of outstanding invoices	21-Sep-17	Fixed Rate	N/A	5,000.00	5,000.00	5,000.00	5,000.00
Total Professional Advisor and Other Costs							429,069.97	429,069.97	429,069.97	
Total Estimated Expenses							429,069.97	429,069.97	429,069.97	

Notes to Estimated Expenses Schedule

- Professional services rendered in relation to providing Zimbabwean legal advice
- UCEX hosted the Company's email server and provide information relating to this
- Fees in relation to renewing services with the London Stock Exchange per the obligations for an AIM listed company
- Verity Consulting provide collection and storage of books and records in Hong Kong
- Payment of contractor costs arises, necessary to retain the support of key staff during the Administration
- Inter-company loan payment on behalf of SouthernEria Diamond Inc - Professional fees in relation to restoring compliance status for transfer of shares
- Inter-company loan payment on behalf of SouthernEria Diamond Inc - Professional fees in relation to provision of registered office and a company secretary. Annual government late penalty and filing fees
- Inter-company loan payment on behalf of 0801721 BC Limited - Professional fees in relation to restoring compliance status for transfer of shares
- Inter-company loan payment on behalf of Parc Selemba Ltd - Payment to restore compliance status for transfer of shares
- Inter-company loan payment on behalf of Mwena Exploration (Congo) Limited - Payment to restore compliance status for transfer of shares
- Inter-company loan payment on behalf of Alpina Limited - Payment to restore compliance status for transfer of shares
- Inter-company loan payment on behalf of Freemove Limited - Payment to restore compliance status for transfer of shares
- Inter-company loan payment on behalf of MIZAKO - Payment for payroll for December 2016 (excluding taxes), rent, diesel and other expenses
- Inter-company loan payment on behalf of MIZAKO - Payment of outstanding invoices to enable completion of DRC audit
- Inter-company loan payment on behalf of Mwena Africa Holdings (Pty) Limited - Payment in respect of overdue wages, salaries and expenses owed. Payments overdue
- Inter-company loan payment on behalf of SEMINKAT - Payment for DRC lawyers for costs related to Mr Peng's refusal to hand over company books and records
- Inter-company loan payment on behalf of SEMINKAT - Payment in respect of overdue wages, salaries and expenses owed. Payments overdue
- Inter-company loan payment on behalf of SEMINKAT - BEAC invoices for technical study conducted. Payment to prevent the loss of DRC licenses
- Inter-company loan payment on behalf of SIBEKA SA - Consultancy fees from 1 December 2016 to 28 February and 1 July 2016 to 30 November 2016, accounting fees and reimbursement of office expenses
- Inter-company loan payment - Payment in respect of outstanding balances (Asa Gold Ltd, Congo Copper Ltd, Mwena Africa Congo Ltd, Zimrock Ltd)

All costs have varied from the Proposals as these costs were not anticipated at this time. As at the Appointment Date it was unclear how much would need to be loaned to the subsidiaries and other subsidiary matters that have been incurred

The total anticipated expenses is an estimate based on information available at the commencement of the appointment. The estimate should therefore be treated with caution as matters are likely to change over the life of the Administration.

The above costs exclude VAT

ASA Resource Group Plc (In Administration)
Analysis of Joint Administrators' Time Costs for the Period 1 August 2017 to 31 January 2018

Classification of Work Function	Managing Director	Manager	Hours		Support	Total Hours	Time Cost (£)	Avg Hourly Rate (£)
			Senior	Assistant				
Administration and Planning								
Case Review & Case Diary Management	0.00	0.90	10.20	36.70	0.00	47.80	8,250.00	172.59
Cashiering & Accounting	0.00	14.20	23.80	12.90	0.00	50.90	15,521.00	304.93
Dealings with Directors & Management	0.00	0.30	4.50	14.30	0.00	19.10	3,375.00	176.70
IPS Set Up & Maintenance	0.00	0.00	1.80	17.90	0.00	19.70	2,760.00	140.10
Insurance	0.00	0.00	1.60	0.40	0.00	2.00	592.00	296.00
Statement of Affairs	0.00	10.60	4.90	0.60	0.00	16.10	6,310.00	391.93
Statutory Matters (Meetings, Reports & Notices)	25.00	47.50	45.90	65.00	0.00	183.40	58,250.00	317.61
Strategy, Planning & Control	25.50	15.00	1.60	11.40	0.00	53.50	23,614.00	441.38
Tax Compliance / Planning	0.00	0.70	1.30	0.70	0.00	2.70	824.00	305.19
Creditors								
Communications with Creditors / Employees	0.00	2.20	38.10	37.80	0.00	78.10	18,404.00	235.65
Creditors' Committee	1.00	0.80	6.80	0.00	0.00	8.60	3,184.00	370.23
Non-Preferential Creditors / Employee Claims Handling	0.00	0.00	5.40	0.00	0.00	5.40	1,728.00	320.00
Investigations								
CDDA Reports & Communication	3.50	4.00	7.40	0.00	0.00	14.90	6,298.00	422.68
Financial Review & Investigations	0.00	0.00	20.50	38.00	0.00	58.50	11,530.00	197.09
Realisation of Assets								
Other Asset Realisations	1.50	6.80	5.80	0.00	0.00	14.10	5,743.00	407.30
Ning / Yim Investigations	72.50	23.65	9.40	32.70	0.00	138.25	57,959.22	419.23
Other Investigations and eDiscovery	13.70	45.60	84.95	63.80	0.00	208.05	64,232.50	308.74
Takeover Offer, Panel and SP Angel	12.50	21.20	1.90	1.10	0.00	36.70	17,636.00	480.54
Subsidiary Matters	3.50	5.00	0.00	4.40	0.00	12.90	4,778.00	370.39
Exit Strategy	153.50	119.50	46.40	18.20	0.00	337.60	162,510.00	481.37
RPI Litigation	155.50	250.20	156.60	144.90	3.00	710.20	271,880.46	382.82
Second M&A Process	13.50	20.70	33.60	23.90	0.00	91.70	28,641.00	312.33
Matters dealt with in the Second Administration	0.00	17.40	52.00	36.50	0.00	105.90	29,312.00	276.79
Total Hours:	481.20	606.25	564.45	561.20	3.00	2,216.10		362.50
Total Fees Claimed (£):	285,811.46	262,870.77	185,514.50	68,344.45	791.00		803,332.18	

Appendix 4

Statement of Creditors' Rights

STATEMENT OF CREDITORS RIGHTS

Rule numbers refer to Insolvency (England & Wales) Rules 2016 (as amended)

Section numbers refer to Insolvency Act 1986

'Office-holder' refers to the Joint Administrators

Information for creditors on remuneration and disbursements of administrators

Information regarding the fees and disbursements of administrators, including details of the Duff & Phelps' disbursements policy and hourly charge out rates for each grade of staff that may undertake work on this case, is in a document called "A Creditors' Guide to Administrators' Fees". This can be viewed and downloaded from Duff & Phelps website at:

<https://www.duffandphelps.co.uk/services/restructuring/corporate-restructuring-and-debt-advisory/creditor-guides-and-employee-fact-sheets>

(click on the document 'Administration (appointment from 1 October 2015)'). Should you require a copy, please contact this office.

Creditors have the right to request information from the office-holder under rule 18.9

A secured creditor, an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors (including the creditor in question) or any unsecured creditor with the permission of the court may make a written request to the office-holder for further information concerning remuneration or expenses. Such a request must be made within 21 days of receipt of this report and a response will be provided within 14 days of receipt of the request.

Creditors have recourse to court, application to be made within 21 days of the office-holder giving reasons for not providing all the information requested or the expiry of the 14 days within which an office-holder must respond to a request.

Creditors have the right to challenge the office-holder's remuneration and expenses under rule 18.34

A secured creditor, an unsecured creditor with the concurrence of at least 10% in value of the unsecured creditors (including that creditor) or any unsecured creditor with the permission of the court, may make an application to court on the grounds that the remuneration charged or expenses incurred are excessive and/or that the basis fixed for the office-holder's remuneration is inappropriate. The application to court must be made no later than eight weeks after receipt of the Progress Report where the charging of the remuneration or the incurring of expenses in question occurs.

Appendix 5

The Order

IN THE HIGH COURT OF JUSTICE
BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES
INSOLVENCY AND COMPANIES LIST (Ch D)

**BEFORE HIS HONOUR JUDGE PELLING QC SITTING AS A JUDGE OF THE
HIGH COURT**

THURSDAY 30 NOVEMBER 2017

**IN THE MATTER OF ASA RESOURCE GROUP PLC (COMPANY NO. 02167843)
AND IN THE MATTER OF THE INSOLVENCY ACT 1986**

ADMINISTRATION ORDER



UPON THE APPLICATION of Ico Design Partners Limited of 3rd Floor, 24 Chiswell Street, London EC1Y 4YX ("Ico") for the appointment of administrators in respect of Asa Resource Group plc (the "Company") presented to the Court on 22 November 2017 (the "Administration Application")

AND UPON THE APPLICATION of Mark Skelton and Trevor Birch of Duff & Phelps Limited, The Shard, 32 London Bridge Street, London SE1 9SG (respectively, "Mr Skelton" and "Mr Birch") presented to the Court on 22 November 2017 (the "Protocol Application")

AND UPON HEARING (1) for Mr Skelton and Mr Birch and for Ico, Felicity Toube QC and Stephen Robins of Counsel; (2) for Rich Pro Investments ("RPT"), Richard Hacker QC and Lloyd Tamlyn of Counsel; and (3) for Mr Yat Hoi Ning ("Mr Ning") and for China International Mining Group Corporation ("CIMGC"), Andrew Thompson QC and Ben Griffiths of Counsel, who were present in Court for the entirety of the hearing, explained

their clients' position to the Judge, expressly declined to make oral submissions on the Administration Application, and applied for their clients' costs

AND UPON READING the evidence

AND UPON THE COURT BEING SATISFIED that the EC Regulation does apply and that these proceedings are main proceedings as defined in Article 3 of the EC Regulation

IT IS ORDERED that:

Preliminary

1. Insofar as the appointment of Mr Skelton and Mr Birch as joint administrators of the Company on 1 August 2017 by Barry Dearing, Olivier Barbeau, Niall Henry, Scott Morrison and David Murangari (the "**Old Administration**") was:
 - (1) Valid, it is terminated with effect from 12.15pm on 30 November 2017 (the "**Specified Time**"), pursuant to paragraph 79 of Schedule B1 to the Insolvency Act 1986 ("**Schedule B1**"); and
 - (2) Invalid, this Order is without prejudice to: (i) paragraph 2 of the Administration Application seeking the appointment of Mr Skelton and Mr Birch with retrospective effect (which is hereby adjourned generally with liberty to restore); and/or (ii) any other application by any other person for relief in materially the same terms.

Administration

2. With effect from the Specified Time, Mr Skelton, Mr Birch and Richard Dixon Fleming of Alvarez and Marsal Europe LLP, 1 Finsbury Circus, London EC2M 7EB ("**Mr Fleming**") are appointed as the joint administrators of the Company (collectively, the "**Administrators**").

3. During the period for which this order is in force, the affairs, business and property of the Company shall be managed by the Administrators.
4. Pending the formation of a creditors' committee, the Administrators shall be at liberty (but shall not be bound) to consult the members of the creditors' committee in the Old Administration ("the Old Creditors' Committee"). Any such consultation shall not have any statutory effect, nor are any recommendations or decisions of the Old Creditors' Committee binding on the Administrators.
5. The proofs of debt formerly lodged in the Old Administration shall stand as proofs of debt in the administration of the Company commenced by paragraph 2 above.

Protocol

6. The Administrators have liberty to (and are hereby directed by the Court to) enter into and carry into effect the protocol appended hereto (the "**Protocol**"), the terms of which are hereby approved. The Administrators, or any one or more of them, are at liberty to apply to vary the Protocol.
7. Save insofar as the Protocol provides otherwise, the Administrators are permitted to exercise their powers separately, so that any act required or authorised under any enactment to be done by the Administrators may be done by either or both of them.

Costs

8. Ico's costs of the Administration Application shall be payable as expenses of the Company's administration and shall be assessed by way of detailed assessment on the standard basis if not agreed.
9. RPI's costs of and occasioned by (i) its application notice dated 4 October 2017 in the Old Administration ("the Unfair Harm Application"), (ii) its application notice dated 14 November 2017 in the Old Administration ("the Amendment Application"), (iii) the Administration Application, (iv) the Protocol Application and (v) RPI's Part 8 Claim Form and Part 23 Application Notice seeking the appointment of Richard Dixon

Fleming as receiver ("**RPI's Receivership Application**") (whether issued or unissued), shall be payable as expenses of the Company's administration and shall be assessed by way of detailed assessment (on notice to Mr Skelton and Mr Birch) on the standard basis if not agreed.

10. The costs of Mr Skelton and Mr Birch of and occasioned by the Unfair Harm Application, the Amendment Application, the Administration Application, the Protocol Application, and RPI's Receivership Application (whether issued or unissued) shall be payable as expenses of the Company's administration and shall be assessed by way of detailed assessment (on notice to RPI) on the standard basis if not agreed.
11. The costs of Mr Ning and CIMGC in respect of the Administration Application are reserved to be determined when paragraph 2 of the Administration Application is determined, with liberty to apply if it becomes apparent that it is not to be determined.

Miscellaneous

12. Ico shall serve a sealed copy of this Order on RPI (c/o K&L Gates LLP), Mr Ning (c/o K&L Gates LLP), and CIMGC (c/o K&L Gates LLP).
13. Service of a sealed copy of this Order on the Administrators and the Company is hereby dispensed with.
14. Liberty to apply.

Service of this Order

The Court provided a sealed copy of this Order to the serving party:

Ico Design Partners Limited, c/o Shoosmiths LLP, 2 Colmore Square, 38 Colmore Circus, Queensway, Birmingham B4 6BJ (ref: Aaron Harlow)

ASA Resource Group Plc

(In Administration) ("the Company" or "ASA")

Company number 02167843

Joint Administrators: Mark Skelton and Trevor Birch of Duff & Phelps Ltd. ("Joint Administrators"),
The Shard, 32 London Bridge Street, London SE1 9SG ("Duff & Phelps").

Richard Dixon Fleming of Alvarez and Marsal Europe LLP ("Additional
Administrator") of 1 Finsbury Circus, London, EC2M 7EB ("Alvarez")

Together the "Replacement Administrators"

1 It is agreed that the Replacement Administrators will together be appointed as Joint Administrators of the Company, with the following joint and several responsibilities:

- (a) The Replacement Administrators will at all times prior to agreeing any offer in respect of the assets of the Company and/or financing of payments to creditors each consider whether the objective of rescuing the Company as a going concern ("Objective A") is (i) reasonably practicable; and (ii) whether the objective stated in paragraph 3(1)(b) of Schedule B1 ("Objective B") would achieve a better result for the company's creditors as a whole than Objective A. If the Replacement Administrators consider that Objective A is reasonably practicable, and that pursuing Objective B would not achieve a better result for the company's creditors as a whole than Objective A, the Replacement Administrators shall pursue Objective A;
- (b) sub-paragraphs (c) – (h) below shall all be read and understood subject to sub-paragraph (a);
- (c) The Replacement Administrators will if and as appropriate review the marketing that has been undertaken by the Joint Administrators to date and agree any additional appropriate marketing strategy;
- (d) The Replacement Administrators will then if and as appropriate seek, over a limited period of time, if such time limitation is appropriate (such time period to be agreed between the Replacement Administrators), to implement that strategy;
- (e) At the conclusion of the marketing process set out at points (c) and (d) above, the Replacement Administrators would consider the current Investor's offer, together with RPI's offer of finance and any other offer that may be received to determine the appropriate course of action in relation to the Company, including in relation to any administration exit (if appropriate) but always subject to paragraph (a) above.
- (f) In the event that by reason of RPI's takeover and finance offer ("RPI Offer"), the Replacement Administrators consider that Objective A is reasonably practicable and that pursuing Objective B would not achieve a better result for the company's creditors as a whole than accepting the RPI Offer, the Replacement Administrators

will accept the RPI Offer and consent to the registration of the shares that are currently suspended.

- (g) In the event that the Replacement Administrators consider that notwithstanding the RPI Offer, Objective A is not reasonably practicable or pursuit of Objective B would achieve a better result for the company's creditors as a whole than accepting the RPI Offer, the Replacement Administrators may consider any offer (including any offer made by RPI) for the purchase of the assets of the Company, including but not limited to any offer made as a result of (c) and (d) above. Pending their consideration of whether to accept the RPI Offer or any offer made for the assets of the Company, the Replacement Administrators may continue to maintain the suspension of the shares if appropriate so as to avoid any risk to the underlying assets of the Company (and in particular the mining licences);
- (h) the Replacement Administrators will share full access to all documents relating to the Company's administration to enable the Replacement Administrators to fully review all offers received.
- (i) In the unlikely event that there is a dispute between the Replacement Administrators, an urgent application to Court would be made for directions by one or all of the Replacement Administrators.

- 2 It is further agreed by the Replacement Administrators that the Joint Administrators will continue to take the lead for all other functions of the Company's administration and in this regard, the Additional Administrator is appointed jointly with the Joint Administrators and not on a several basis
- 3 The Replacement Administrators will, save where to do so would be prejudicial to the interests of the estate or where there is a conflict arising, consult with Rich Pro Investments Limited before significant decisions are taken which would ordinarily be subject to consultation with, or approval by, the Creditors' Committee or would otherwise have the potential to have a significant impact on the estate. Such matters would include, but not be limited to, any interim financing, share issuance, partial asset sale, and administrators' remuneration.
- 4 All information and documentation in the Company's administration (including the Company records and the administration records) will be made fully available to the Replacement Administrators.
- 5 The Joint Administrators agree to inform and consult the Additional Administrator in connection with all other actions and functions within the Company's administration (for the avoidance of doubt this will include in relation to any legal proceedings that may arise) that arise within the remit of the Joint Administrators as set out at point 2 above.
- 6 In relation to reporting and correspondence to creditors and shareholders and any other relevant parties, the Replacement Administrators shall agree the contents of such correspondence or reports *insofar as it relates to any sales process*. In relation to all other correspondence or reports, or part of such correspondence or reports to creditors or shareholders that do not relate to any sales process, the Joint Administrators agree to provide draft copies of the same to the Additional Administrator and inform and consult with the Additional Administrator prior to such correspondence or reports being issued to creditors and shareholders.

- 7 Any one or more of the Joint Administrators or the Additional Administrator can apply to Court in their own or in the Company's name in connection with any of the matters arising in connection with this division of duties or in connection with the Company's administration.

Mark Skelton

30/11/17

Mark Skelton

Duff & Phelps

Date:

Trevor Birch

30/11/17

Trevor Birch

Duff & Phelps

Date:

Richard Fleming

30/11/17

Richard Fleming

Alvarez

Date:

Appendix 6

The Second Proposals

Statement of Proposals

23 January 2018

ASA Resource Group Plc (In Administration)

Joint Administrators' Report to Creditors and Statement of Proposals

**Alvarez & Marsal Europe LLP
Suite 3 Regency House
91 Western Road
Brighton
BN1 2NW**

**Duff & Phelps Ltd.
The Shard
32 London Bridge Street
London
SE1 9SG**

Definitions

Word or Phrase	Definition
the Act	The Insolvency Act 1986 (as amended)
Alvarez & Marsal	Alvarez & Marsal Europe LLP, Suite 3 Regency House, 91 Western Road, Brighton BN1 2NW
the Appointment Date	30 November 2017, being the date of appointment of the Joint Administrators
ASA Meat	ASA Meat (SA) Pty Ltd, a group company
the Bank or Barclays	Barclays Bank Plc, with whom the Company banked
BEIS	Department for Business, Energy & Industrial Strategy
Bindura / BNC	Bindura Nickel Corporation, Zimbabwe, a group company
Category 1 Disbursements	The Joint Administrators' external and incidental costs and expenses in dealing with the Administration
Category 2 Disbursements	The Joint Administrators' internal costs and expenses in dealing with the Administration
CDA	Cooperation and Development Agreement
CIMGC	China International Mining Group Corporation, a company incorporated in the British Virgin Isles with an address, at Unit 8, 509-510 Level 5, Core E Cyberport 3, 100 Cyberport Road, Hong Kong
the Code	The City Code on Takeovers and Mergers
the Company / ASA	ASA Resource Group Plc (In Administration) (Company Number: 02167843)
CVL	Creditors' Voluntary Liquidation
the Directors	Mr Ian Barry Dearing, Mr Olivier Barbeau, Mr Niall Henry, Mr Scott Morrison and Mr David Murangari, the directors of the Company at the Appointment Date
DRC	Democratic Republic of Congo
Duff & Phelps	Duff & Phelps Ltd., The Shard, 32 London Bridge Street, London, SE1 9SG
EBITDA	Earnings before interest, tax, depreciation and amortization, a measure of a company's operating performance
EC Regulation	EC Regulation on Insolvency Proceedings 2000

ERV	Estimated to Realise Value, a document supplied by the Joint Administrators in the absence of a SOA showing the movement from the SOA to the position as at the Appointment Date
FRGM	Freda Rebecca Mine (Pvt) Ltd, a group company based in Zimbabwe
the Group	The Company and its subsidiaries, as detailed at Appendix 1
Hailiang	Hailiang Group Co. Ltd., parent company to Zhejiang Hailiang and RPI
HeadCo	ASA Headco Limited (Company Number 10885796), a new UK company, incorporated by the Directors on 26 July 2017, to act as an intermediate holding company for the Group
HMRC	HM Revenue & Customs
Interested Party	A prospective purchaser of the shares in HeadCo
the Joint Administrators	Mark Skelton and Trevor Birch of Duff & Phelps and Richard Fleming of Alvarez & Marsal
JV Agreement	Joint Venture Agreement in respect of Zhejiang Hailiang
Kogi	Guangzhou Kogi Import and Export Trade Company Limited, a company incorporated in the People's Republic of China
Kwan	Mr Yim Chiu Kwan, former Finance Director, also known as Sam Y.C Kwan
MAH	Mwana Africa Holdings (Pty) Ltd, a group company
Mwana Holdings	Mwana Africa Holdings (Proprietary) Limited, a group company
Ning	Mr Yat Hoi Ning, former director also known as Ning Yihai
NED	Non-Executive Director
NPV	Net Present Value
the Old Administration	The Company was previously in Administration from 1 August 2017 to 30 November 2017. Mark Skelton and Trevor Birch of Duff & Phelps were the joint administrators ("Former Joint Administrators") for this period. This Administration ceased in accordance with the Order on 30 November 2017
the Order	On 30 November 2017 it was ordered by the High Court of Justice, Business and Property Courts of England and Wales that the Old Administration cease and the Former Joint Administrators be removed from office. On the same date it was also ordered that the Joint Administrators be appointed. The court reference remains as 5705 of 2017

Prescribed Part	Pursuant to Section 176A of the Act, where a floating charge is created after 15 September 2003, a designated amount of a company's net property (floating charge assets less costs of realisation) shall be made available to non-preferential unsecured creditors
the Previous Proposals	The Former Joint Administrators' Report to Creditors and Statement of Proposals dated 20 September 2017
Protocol	The agreed split of duties to be undertaken by the Joint Administrators in accordance with the Order
Qiaoyu	Qiaoyu Limited, a company incorporated in the British Virgin Isles with registered office at Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands with offices at Room 2504, Kwai Hung Holdings Centre, 89 King's Road, Hong Kong and of suite 1406, 14/F, Arion Commercial Centre, 2-12 Queens Road West, Hong Kong
the Reporting Period	The period from 30 November 2017 to 20 January 2018
RPI	Rich Pro Investments Limited, a company incorporated in the British Virgin Isles with registered office at Akara Building, 24 De Castro Street, Wickhams Cay 1, Road Town, Tortola, British Virgin Islands
RPS	Redundancy Payments Service
RSA	Republic of South Africa
the Rules	The Insolvency (England & Wales) Rules 2016 (as amended)
SEMHKAT	Societe d'exporation Miniere du Haut Katanga
SIP 9	Statement of Insolvency Practice 9 – Industry best practice for Insolvency Practitioners in relation to disclosure of remuneration and disbursements
SOA	Statement of Affairs, documentation supplied by the Directors outlining the Company's financial position as at the appointment date of the Old Administration. A Statement of Affairs has not been prepared for this Administration as the Directors have not had control over the Company since 1 August 2017 and are therefore not in a position to comment on the financial position. The Joint Administrators have therefore provided an ERV to show the updated position as at the Appointment Date
SouthernEra	SouthernEra Diamonds Inc., a group company
the Solicitors	Shoosmiths LLP (Company Number OC374987), legal advisors to the Joint Administrators and the Former Joint Administrators
SPA	Sale and Purchase Agreement
ZRB	The Reserve Bank of Zimbabwe

Zimnick	Zimnick Ltd, a group company
Zhejiang Hailiang	Zhejiang Hailiang Company Limited, a subsidiary of Hailiang

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This document is a Report Prepared by the Joint Administrators in accordance with the Insolvency Act 1986 for creditors. It is not prepared to provide financial advice for shareholders or creditors. Shareholders and creditors are recommended to seek their own financial advice from their stockbroker, bank manager, solicitor, accountant or other appropriate independent financial adviser authorised under the Financial Services and Markets Act 2000 if they are in the United Kingdom, or, if they are in a territory outside the United Kingdom, from another appropriately authorised independent financial adviser.

This report, contains statements on valuation in relation to assets owned by the Company. Any statements / comments in relation to valuation involve risks and uncertainties that could cause actual results to differ materially from those expressed in this report. Many of those risks and uncertainties relate to factors that are beyond the abilities and control of the Company, the Former Joint Administrators and the Joint Administrators to estimate precisely, such as future market conditions and the behaviour of other market participants, and therefore undue reliance should not be placed on the valuations contained within.

There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by the comments / statements contained in this report. Other unknown or unpredictable factors could cause actual results to differ materially from the assumptions underpinning the valuations contained in this report. Neither the Joint Administrators nor any of its respective employees or associates provides any representation, assurance or guarantee that any valuation expressed or implied in this report will actually occur. Shareholders and creditors are cautioned not to place undue reliance on these valuations. Other than in accordance with their legal or regulatory obligations the Joint Administrators are not under any obligation, and the Joint Administrators disclaim any intention or obligation, to update or revise any valuations, whether as a result of new information, future events or otherwise.

Exchange Rates

The Company had historically reported its financial statements in pound sterling up until 31 March 2011 and in US dollars since this date. For historic figures prior to the Appointment Date, the amounts detailed within this report are as detailed in the currencies per the Company's financial statements, regulatory news statements and according to management.

In respect of the SOA, ERV and balances due and payable as at the Appointment Date, the Joint Administrators have converted all figures from US Dollars to British Pounds (as applicable) using the Exchange Rate at 1 August 2017 of \$1 = £0.75722p.

1. Introduction

- 1.1 The Joint Administrators were appointed on 30 November 2017 by an order of the High Court of Justice, Business and Property Courts of England and Wales (number 5707 of 2017), in accordance with the Order. A copy of the Order is attached at Appendix 8. The application to the Court was made by a creditor, Ico Design ("ICO"). Further details are set out in paragraphs 3.7 to 3.11 below.
- 1.2 The functions of the Joint Administrators may be exercised in accordance with the Order and in accordance with their powers under the provisions of the Act. The Joint Administrators are permitted to exercise their powers separately, so that any act required or authorised under any enactment to be done by the Joint Administrators may be done by either or all of them. In accordance with the Order and the protocol contained within the same, Richard Fleming is appointed jointly and severally with Mark Skelton and Trevor Birch to consider whether the Company can be rescued as a going concern and in the event that the Company could not be rescued as a going concern they would jointly undertake a sales process in relation to the Company's business and assets. In relation to all other functions of the Joint Administrators, Mark Skelton and Trevor Birch will continue to take the lead. for all other functions of the Joint Administration.
- 1.3 This report is the statutory statement of proposals of the Joint Administrators. It sets out the circumstances leading up to their appointment and their strategy for achieving the purpose of the Administration.
- 1.4 The Joint Administrators considered the position prior to accepting the appointment and, having regard to the Insolvency Practitioners Association's ethical guidelines, considered that there were no circumstances preventing them from accepting the appointment.
- 1.5 These proposals are delivered to creditors on 24 January 2018, as all creditors and shareholders have been given notice that all future documentation will be delivered via the Portal (creditors), or Duff & Phelps' website (shareholders) in accordance with the Joint Administrators' letter dated 14 December 2017. In accordance with Rule 1.49 (5) (a) of the Rules, a document is deemed delivered on when the document is first made available on the website.
- 1.6 These proposals will also be delivered via the Portal set up by the Joint Administrator at Alvarez & Marsal and a copy be found at <https://www.ips-docs.com/case/A814128/821418A>.

2. Background

- 2.1 Statutory information on the Company and a summary of its financial history is included at Appendix 1.
- 2.2 The current group structure is also shown at Appendix 1.
- 2.3 The Company operates as the Group's holding company and treasury function. Its ordinary shares are listed on the London Stock Exchange, although trading in the Company's shares is currently suspended.
- 2.4 The Company operated from offices in: London, England; Harare, Zimbabwe; Sandton and Johannesburg, South Africa; and Cyberport Road, Hong Kong.
- 2.5 It should be noted that only ASA Resource Group Plc is subject to the Administration appointment and all other companies in the Group continue to operate normally under the control of their existing management.

- 2.6 The circumstances leading up to this Administration and termination of the Old Administration are set out in paragraphs 3.7 to 3.11 below. The Previous Proposals distributed in the Old Administration provided significant history in relation to the Company and background leading up to the Old Administration. The Joint Administrators do not propose to repeat the information previously provided where no change has occurred or update required, as the creditors of the Company have not materially changed since the distribution of the Previous Proposals. A copy of the Previous Proposals is available to creditors upon request, has been filed at the Registrar of Companies and remains available on the portal and website that creditors and shareholders were notified of in the Old Administration. A brief summary of the Company's history is shown below.

Company History

- 2.7 The Company was formed from Mwana Holdings, a private South African company established in 2003, which was run by its founder Kalaa Mpinga.
- 2.8 Soon after its establishment, Mwana Holdings completed three major mining acquisitions, including the Bindura nickel mine in 2003, the Anmercosa base metal and gold prospects in the Katanga copper belt in 2004, and the Freda Rebecca gold mine in 2005.
- 2.9 In October 2005, the Company, then named African Gold Plc, was the target of a reverse takeover by Mwana Holdings. The Company then became the holding company of the Mwana Holdings group, and was renamed Mwana Africa Plc and subsequently listed on London Stock Exchange's Alternative Investment Market.
- 2.10 The Company subsequently changed its name to ASA Resource Group Plc in September 2015.
- 2.11 Since 2005, the Group made a number of acquisitions and disposals as it sought to create a pan-African resources group, primarily focussed on mining and exploration interests in gold, nickel, copper and diamonds. The Group's main activities are focussed on mining activities in Zimbabwe, which are the primary cash generating activities in the Group, and exploration interests in the DRC.
- 2.12 Over the years significant funds have been raised by successive capital raisings from shareholders, which coupled with cash, was utilised by FRGM and BNC in order to progress the development of exploration in the DRC.
- 2.13 Please refer to the Previous Proposals for further details of the Company's history for the years leading up to the Old Administration.

3. Events during the Old Administration

- 3.1 As noted in the Previous Proposals and as confirmed in a Judgment by the Court at the hearing on 30 November 2017, the Directors appointed the Former Joint Administrators on 1 August 2017 due to the severe liquidity constraints the Company was experiencing, which resulted in the Company being unable to pay its creditors as and when they fell due.

The RPI Takeover Offer

- 3.2 In July 2017 RPI made an offer to all shareholders to purchase their shares at 2.1p. The Previous Proposals provides full details in relation to RPI's Open Offer and the relevant regulatory news announcements in respect of the Company.

Litigation Commenced by RPI

- 3.3 *In the Previous Proposals, the Former Joint Administrators set out the concerns they had in relation to RPI Open Offer. In summary, the Former Joint Administrators' concerns arose out of RPI's lack of engagement with the relevant mining authorities in Zimbabwe, and also with the Boards of FRGM and BNC, and the impact this would have on the ability of the Former Joint Administrators' ability to rescue the Company as a going concern.*
- 3.4 *In order to facilitate discussions with RPI, the Former Joint Administrators agreed to a number of extensions to the Open Offer date under Rule 31.6(a) of the Code whilst discussions took place between the Former Joint Administrators and RPI.*
- 3.5 *Despite this, an agreement was not reached on the way forward, and on 4 October 2017 RPI commenced legal action against the Former Joint Administrators whereby they applied to Court to seek relief on a number of issues, including requiring the Former Joint Administrators to accept the US\$40m facility agreement, register the shares and replace the Directors.*
- 3.6 *Full information in relation to the RPI Litigation, including all witness statements and court filings made, has previously been made available to creditors via the Duff & Phelps website and, accordingly, has not been repeated here.*
- 3.7 *Following the preparation and filing of evidence by all parties to the RPI legal actions, a consensual agreement was reached between RPI and the Former Joint Administrators which enabled the administration process to move forward in a constructive manner. As a result of this consensual agreement being reached the legal action by RPI was either stayed or, as appropriate, discontinued. The consensual agreement was confirmed in a Court Order on 30 November 2017. As part of the consensual agreement it was agreed that Richard Fleming would be appointed jointly with the Former Administrators as administrators of the Company. The roles of all administrators would be defined in the Protocol.*

Continued Litigation and the Appointment of Richard Fleming

- 3.8 *A copy of the Court Order documenting the consensual agreement and Protocol is attached as Appendix 8.*
- 3.9 *In summary, the settlement provided for the following:*
- *Appointment of a third administrator, Richard Fleming, alongside the Former Joint Administrators to consider whether the Company could be rescued as a going concern and in the event that such a rescue was not achievable, to conduct the sale process jointly and severally in accordance with the Protocol.*
 - *The Former Joint Administrators' fees, costs and expenses be payable as an expense of the Administration.*
 - *RPI's costs in respect of their application be paid as an expense of the Administration.*
 - *ICO's costs of the application be paid as an expense of the Administration.*
- 3.10 *At the Court hearing on 30 November 2017, it was determined by the Court that the Company was insolvent on the date in which the Former Joint Administrators were appointed. The Court made no determination as to the validity of the Former Joint Administrators appointment and that appointment remains subject to challenge by Mr Ning and CIMGC pursuant to their section 994 application. The section 994 application is currently listed for trial in February 2019.*

- 3.11 In order to avoid any challenge to the validity of the appointment of the Joint Administrators and in order to enable the Joint Administrators to achieve one of the statutory purposes, the Court terminated the Old Administration with effect from 12.15pm on 30 November 2017 and appointed the Joint Administrators of the Company with effect from 12.15pm on 30 November 2017.

Alternative Buyer

- 3.12 Prior to the commencement of RPI's litigation, the Former Joint Administrators had not sought to find alternative buyers for the Company's assets. The Former Joint Administrators instead sought to try and engage with RPI to see if the Company could be rescued as a going concern. At the initial Court hearing (a directions hearing) in relation to RPI's litigation, Counsel for the Former Joint Administrators advised the Court that, in the current circumstances, the Former Joint Administrators had no option but to test the market and see if there was any other way in which the Company could be rescued as a going concern or whether there were any parties interested in acquiring the Company's assets.
- 3.13 Immediately following the initial Court hearing, the Former Joint Administrators commenced an accelerated M&A process and approached a number of parties who might be interested in the assets of the Company and would be able to transact, given the Company's current circumstances. The Interested Party was quickly identified and expressed interest in acquiring all the assets of the Company. The Interested Party was able to quickly undertake a significant amount of due diligence in relation to the Company and its subsidiaries, including meeting with the local boards of the operating subsidiaries and the respective mining ministers in both Zimbabwe and the DRC to ensure they were an acceptable party to acquire the Company's assets.
- 3.14 In November 2017, Heads of Terms were agreed and signed by the Former Joint Administrators and the Interested Party including granting the Interested Party exclusivity for a period to agree an SPA. The Former Joint Administrators were not able to reveal the identity of the Interested Party or the quantum of its offer as it may have prejudiced their offer and the sale process. This remains the case in this Administration.
- 3.15 The Interested Party is a listed entity on a London market with an existing and proven track record in this sector. In addition, the Former Joint Administrators were advised that the Interested Party had access to sufficient funds to complete the transaction and also provide the much needed working capital to the Group. On information available to the Former Joint Administrators at the time of signing the Heads of Terms, the offer from the Interested Party produced an expected return to shareholders higher than that of the RPI offer of 2.1p per share, albeit there was the inherent risk that the final return could be less than 2.1p.
- 3.16 Under the terms of the Interested Party's offer, the Interested Party would assume responsibility for liabilities in excess of £60 million.
- 3.17 The offer from the Interested Party remained open at the end of the Old Administration – at this point in time the Former Joint Administrators were negotiating the terms of the SPA with the respective solicitors.

Liquidity

- 3.18 As highlighted in the Previous Proposals and as confirmed in the Order by the Court dated 30 November 2017, the Company was cash flow insolvent as at the date of the Old Administrator's appointment. The Group continues to experience liquidity constraints in both in Zimbabwe in respect of the operating mines and in the DRC in respect of the exploration sites.

- 3.19 *The Joint Administrators are closely monitoring the Group's liquidity needs, and in the event the sales process takes longer than anticipated, in conjunction with the FRGM and BNC Boards, the Joint Administrators have sought to make contingency arrangements to try and resolve any liquidity needs.*
- 3.20 *As set out in the witness statements of MS2, management and the Interested Party have estimated that the working capital required by the Group over the next 12 months in order to bring creditors to terms, operate the mines optimally and progress with the planned exploration activities is circa \$36m.*

Ning Petition and Application under Section 994 of the Companies Act

- 3.21 *As set out in the Witness Statements, on 27 June 2017 Ning and CIMGC filed a section 994 petition in relation to his concerns that three directors (Messrs Ning, Kwan and Hu) were improperly removed from the Company's board by the Directors in April 2017. The relief sought from the court was to confirm that the removal of the three directors were invalid and that they be reinstated to the board, in addition to orders for costs and damages. The reasons for their removal are as set out in the Previous Proposals.*
- 3.22 *On 24 October 2017, Ning also applied to court to challenge the Former Joint Administrators' appointment and make the Former Joint Administrators a party to his s994 application.*
- 3.23 *At a Court hearing on 9 November 2017 the Court approved the Former Joint Administrators being joined into the proceedings. At the hearing, directions were given for all defendants to file their points of defence in respect of the application by 4pm on Thursday 21 December 2017. The points of defence were filed and served on all relevant parties on 21 December 2017 in compliance with the Court's direction.*
- 3.24 *Further information on the Former Joint Administrators' investigations in relation to Messrs Ning and Kwan can be found as part of the witness statements filed in relation to the RPI Litigation and available on the Duff & Phelps website.*
- 3.25 *It is expected that the s994 application will be heard during February 2019. It is noted that in relation to Messrs Ning and CIMGC s994 application, the Court has already determined that the Company was cash flow insolvent as at 1 August 2017. It is also understood by the Joint Administrators that the other defendants (excluding the Former Joint Administrators) may shortly issue an application to Court to strike out the section 994 petition. As far as the Joint Administrators are aware, this has not yet taken place. If such an application is made, it is possible that the hearing of the s994 application may be delayed beyond February 2019.*

Disputed Shares

- 3.26 *As shareholders and creditors will note from the witness statements previously made available, there are a number of shares that are currently disputed.*
- 3.27 *The Joint Administrators' investigations into this matter are ongoing and an update will be provided in the next report.*

4. Purpose of the Administration

4.1 The purpose of an Administration is to achieve one of the following hierarchical objectives:

- Rescuing the company as a going concern; or
- Achieving a better result for the company's creditors as a whole than would be likely if the company were wound up (without first being in Administration); or
- Realising property in order to make a distribution to one or more secured or preferential creditors.

4.2 The Joint Administrators are of the view that, subject to the transaction structure of the sale of the Company's assets, either the rescue of the company as a going concern or achieving a better result for creditors than a liquidation will be achieved.

4.3 In accordance with Paragraph 49(2) of schedule B1 to the Act, the Joint Administrators note the following:

- The Joint Administrators are currently still pursuing the first and second objective, which will be achieved either through a refinance of the Company or via a sale of the Company's assets, being the interest in HeadCo. As noted above, there are two interested parties, being RPI and the Interested Party, interested in purchasing the shares in HeadCo.
- Either of the above scenarios will likely provide a better result for the Company's creditors as a whole than will be achieved if the Company were wound up without first being in Administration and as noted above, subject to the transaction structure, may also rescue the company as a going concern. As it currently stands, and based on information available to the Joint Administrators, each of the options and both the offers from RPI and the Interested Party will likely result in a repayment of all creditors in full (assuming the creditor position does not materially change over the course of the Administration). It is also anticipated that there will be sufficient funds to allow a distribution to the Company's shareholders, the quantum of which is uncertain, following the repayment of all creditors in full and the costs of both Administrations. It is doubtful that this would have been achievable had the Company been wound up, given the Group's liquidity requirements and uncertain impact on the Group's mining assets as a result of the liquidation of the Company.
- The Joint Administrators are not able to achieve the third objective as the Company has no secured or preferential creditors.

4.4 The Joint Administrators' proposals for achieving the purpose of the Administration are set out in the remainder of this report.

5. Statement of Affairs

5.1 Due to the Directors' powers ceasing upon the commencement of the Old Administration and the Former Joint Administrators controlling the affairs of the Company thereafter, the Joint Administrators have not requested a statement of affairs from the Directors. In light of this, the Directors are not in a position to accurately reflect the Company's financial position as at the Appointment Date.

5.2 In place of a statement of affairs for the new Administration, the Former Joint Administrators have provided an ERV, attached at Appendix 3, to show the Company's financial position as at the Appointment Date. This also shows the financial position stated in the SOA provided in the Old Administration. A schedule of the Company's creditors is also attached at Appendix 3.

- 5.3 Some creditor amounts shown may differ from the actual amount owed. This does not affect their claim.

6. Progress of the Administration to Date

- 6.1 The manner in which the affairs and business of the Company have been managed since the appointment of the Joint Administrators, and will continue to be managed and financed, are set out below.

Sale of HeadCo

- 6.2 Since the Appointment Date, it has not been possible to achieve the purpose of rescuing the Company as a going concern due to the opposition of the boards of BNC and FRGM and the Zimbabwean governmental authorities to the proposed refinancing of the Company by RPI. As a result of this continued opposition, the Joint Administrators have continued to try and assist RPI in trying to achieve a rescue of the Company as a going concern. Please see additional comments regarding this at paragraph 6.3 below. This has included facilitating and arranging meetings in Zimbabwe for RPI. Given the ongoing difficulty in trying to rescue the Company as a going concern, the Joint Administrators have focussed on the sale of the Company's assets (being the shares in HeadCo) to RPI and the Interested Party, with the aim of transacting with one of the parties at the earliest opportunity due to the liquidity requirements faced by the Group and the potential diminution in value of the Company's assets if this is prolonged. At the commencement of the current Administration, and with the agreement of the Interested Party, the Joint Administrators removed the exclusivity granted to the Interested Party and opened up the sales process. It is important that a transaction is completed as soon as possible to provide the trading subsidiaries with new liquidity to bring creditors to terms, comply with their legal obligations in the various jurisdiction they operate in and continue to operate in accordance with their life of mine plans. The negotiations with the two interested parties commenced in the Old Administration and have continued during the current Administration.
- 6.3 As highlighted in the Previous Report, the Former Joint Administrators were concerned about undertaking any transaction in relation to the Company which did not have the support of the relevant government authorities. In light of this, the Joint Administrators flew to Zimbabwe in early December 2017 in order to meet with the boards of FRGM and BNC as well as the Minister of Mining in Zimbabwe. The Joint Administrators wanted to meet face to face with the relevant stakeholders to ensure that all the relevant processes pertaining to the mining licences were adhered to and that all stakeholders would be prepared to work with the eventual purchaser or, if a rescue of the Company as a going concern was achieved, with RPI under the existing group structure. In addition, the Joint Administrators note that application / interpretation of the mining laws in Zimbabwe are open to interpretation and accordingly support of the Zimbabwean Government to any transaction would be required in connection with the rescue of the Company as a going concern and preferable in connection with the disposal of Headco, albeit not a requirement as there would be no risk to the Company's assets post disposal if all the Company held was cash in respect of the same.
- 6.4 Upon their appointment, the Joint Administrators opened up dialogue with both interested parties and assisted them with their due diligence requirements, setting up a data room in respect of the same.
- 6.5 Throughout the Reporting Period the Joint Administrators have continued correspondence with both interested parties and their legal advisors with the aim to progress a sale of the Company's assets. This included arranging meetings with the boards of FRGM and BNC, keeping stakeholders kept abreast of the developments regarding the sale process, answering numerous

due diligence requests and negotiating the terms of the two SPAs. Due to the competing bids in respect of HeadCo and the different transaction structures, the Joint Administrators have continued to evaluate both offers as negotiations have progressed.

- 6.6 The Joint Administrators are aware that both RPI and the Interested Party have visited the local boards in Zimbabwe and the Minister of Mining in Zimbabwe as part of their ongoing due diligence process in relation to making an offer for HeadCo in order to seek confirmation regarding the impact of a change in control to the mining licences.
- 6.7 The Joint Administrators are actively considering and progressing both offers and intend to agree the sale of HeadCo as soon as possible. As you will be aware, details of the same remain confidential at this time. Nonetheless, due diligence is still ongoing and the Joint Administrators are finalising negotiations on the respective SPAs. A further update will be provided as and when available.
- 6.8 On 16 January 2018, the Joint Administrators travelled to South Africa and Zimbabwe to hold separate discussions with RPI and the Interested Party with the view to moving to exchange on a sale contract with either of the interested parties in the next couple of weeks. These meetings were ongoing at the time of writing this report and therefore no further information can be provided at this time. The Joint Administrators also engaged in discussions with a couple of other interested parties regarding their interest in the assets of the Company and these are currently ongoing.

Zimbabwean Assets

- 6.9 The Joint Administrators continue to monitor the position regarding the mining operations at FRGM and BNC. As noted above, the both FRGM and BNC require liquidity in order to bring suppliers back to terms, with significant arrears at both entities. The Joint Administrators are hopeful these issues will be resolved through a sale of HeadCo to either interested party.

DRC Assets

- 6.10 During the course of the Old Administration, as part of their investigations, the Former Joint Administrators uncovered correspondence between the DRC Minister of Mines and Mr Ning between November 2016 and March 2017, raising concerns that licence fees and other fees in relation to Zani Kodi were unpaid and that the Minister of Mines was terminating the existing mining licences and its partnership with the Company. We are advised that the ASA Board had not been informed of this development during this period.
- 6.11 Despite a number of correspondence between the Joint Administrators, the DRC Minister of Mines and other DRC government officials, the DRC has not changed its position. We understand that there are significant outstanding amounts owed in relation to the Zani Kodi project. The Zani Kodo assets were valued in the Directors' SOA of the Old Administration at £15.14 million. Whilst this value has been carried forward for the purposes of the ERV, as shown at Appendix 3, the Joint Administrators believe this value is uncertain in view of the issues raised and until the validity of the mining licences can be resolved.

Sale of Subsidiaries

- 6.12 Prior to the Old Administration, the sale of two of the Company's subsidiaries had been agreed. One of these sales had completed prior to the Former Joint Administrators' involvement and the

second was ongoing. In respect of Klipspringer, due to the progress of the sales and the market value obtained, the Former Joint Administrators allowed this sale to continue and it has subsequently completed during the Old Administration. The second sale was completed prior to the Former Joint Administrators' appointment, but consideration remained outstanding to the Company.

Klipspringer

- 6.13 The sale of Klipspringer completed on 4 October 2017. The total sale price was ZAR 22m (c.\$1,571,400). The first two instalments totalling \$750,000 (cZAR10.5m) have been paid since the appointment date of the Old Administration, with the net total of \$519,520 being paid to the Administration estate after discharging transaction costs and critical group payments, all of which was received during the Reporting Period. The final instalments totalling ZAR11.5m are due by December 2018. These instalments will be paid to the purchaser of HeadCo if the transaction is completed ahead of their payment.

ASA Meat

- 6.14 The sale of ASA Meat completed on 12 July 2017. The final sale price was ZAR 15m (c\$1,070,000). ZAR 2m (c\$143,000) was received by the Group prior to the Appointment date and has been used to discharge costs in respect of the transaction. The final instalment of ZAR 13m was due in December 2017, but has not yet been received by the Joint Administrators.

Current Intercompany Receivables

- 6.15 As detailed in the Previous Proposals, the Company had intercompany receivables totalling £1,157,000 as at the appointment date of the Old Administration, which primarily related to management fees due from FRGM and BNC, as detailed below:

Entity Name	Loan Balance £'000
BNC	853
FRGM	304
Total Current Intercompany Receivables	1,157

- 6.16 The above figures are based on the values provided in the SOA.
- 6.17 The management fee agreements are based on a percentage of revenue generated by FRGM and BNC respectively.
- 6.18 As set out in the Previous Proposals, under the terms of the restructured Smelter Bond agreed during September 2016, no payments can be made from BNC to ASA until the sinking fund for bond capital and interest payments to bondholders had been established and fully paid up.
- 6.19 Since the appointment date of the Old Administration, once FRGM was able to address issues raised by the ZRB in relation to past foreign currency externalisation, FRGM continued to pay monthly management fee instalments of c\$150,000 per month (subject to bank charges and currency exchange differences) to the Company. Subject to liquidity constraints at FRGM, it is expected that these payments will continue to be remitted to the Company until the sale is completed.

- 6.20 Due to liquidity constraints, FRGM is currently paying a one off amount each month rather than a percentage of revenue which we understand is less than the amount due under the management fee agreement, a final reconciliation of the amounts due to the Company will be undertaken in due course but will not be material or impact the final transaction price.

Non-Current Intercompany Receivables

- 6.21 As noted in the Previous Proposals, the principle non-current intercompany receivables were in respect of loans to SEMHKAT (\$18.7m) and Mizako SARL (\$55.3m) which were in order to allow the exploration subsidiaries to develop their assets into operating mines. The loans were due to be repaid from cashflows as and when available.
- 6.22 These subsidiaries are not yet able to generate revenue and, accordingly, any value attributed to these loans will be considered in the sale to the eventual purchaser.

Book Debts

- 6.23 Below is a summary of the Company's book debts as per the Directors' SoA.

Name	Amount Due £'000
Qiayou	2,091
HMRC	592
Other	9
Total Book Debts	2,692

- 6.24 As detailed in the Previous Proposals, HMRC were recorded as a debtor in the amount of £592,000. In the notes of the SoA, the HMRC debtor amounts are comprised of National Insurance overpayment (£1,141) and VAT outstanding claims (£591,054). The debtor position is in respect of VAT which is disputed since 2014 by HMRC, and requires further investigation which will be undertaken in due course. As detailed in paragraph 8.11, HMRC are also a creditor in the sum of £285,997 and so may have a right of set-off against the balance due.
- 6.25 The Company's records show a book debt of £2,091,000 due from Qiayou which relates to a deposit due in respect of a smelter plant. The Joint Administrators are making enquires into this outstanding balance as it was apparent that goods were never delivered. Investigations into the reason behind the transfer of funds and their use are currently ongoing, having been commenced in the Old Administration. The balance due from Qiayou has not changed since the SOA submitted in the Old Administration. It should be noted that Qiayou has submitted a proof of debt in the Administration for £561,283. In light of this, the validity of this claim will be reviewed and may be subject to offset against the outstanding balance should the claim be valid.
- 6.26 The 'Other' book debts noted below relate to loans to a former staff member and Kwan and will not be recovered.

Cash from the Old Administration

- 6.27 Cash at bank of £220 and \$19,727 was transferred from the Old Administration.

7. Investigations

- 7.1 The Joint Administrators have a duty for this Administration to investigate the conduct of the directors and affairs of the Company in the three years leading up to the Appointment Date, including antecedent transactions which include transactions to defraud creditors, preference payments and transactions at an undervalue. Significant work was undertaken in the Old Administration in respect of investigations.
- 7.2 The work undertaken by the Former Joint Administrators included liaising with the Group's key stakeholders, requesting all directors who held office in the previous three years to provide questionnaires, reviewing in detail the Company's trading history, financial and IT records and undertaking forensic analysis of the same.
- 7.3 Section 7 of the Previous Proposals set out the key areas of investigation that the Former Joint Administrators undertook. The Joint Administrators at Duff & Phelps continue to assess the issues raised, and subject to legal advice received, discussion with the Creditors Committee and a cost benefit analysis, will make a decision whether to commence further litigation in this regard. The extent of any future investigations will be dependent on these discussions and also the outcome of the Ning s994 application.
- 7.4 The Joint Administrators at Duff & Phelps have a statutory obligation to file a report with BEIS regarding the conduct of the directors that held office in the three years prior to the Administration. This report must be filed within three months from the Appointment Date and the content of this report is confidential. It is likely that the Joint Administrators at Duff & Phelps will file the same report that was filed in the Old Administration, unless any further evidence comes to light in the interim.

8. Liabilities and Dividends

Secured Creditors

- 8.1 The Company granted a rent deposit deed to St James's Place UK Plc, dated 17 October 2012, which confers a fixed charge and full title guarantee over the rent deposit for all sums due to the landlord under the terms of the rent deposit deed. This rent deposit is in respect of the tenancy agreement for the Company's former London office.
- 8.2 The rent deposit amount held by St James's Place UK PLC totalled £43,375 at the appointment date of the Old Administration. It is noted that there were outstanding rental arrears for the period up to 4 October 2017 of £42,055 to be deducted from this amount and also outstanding service charges. Any residual balance will be subject to dilapidations and, therefore, it is not believed that there will be any recovery from this source.
- 8.3 The Joint Administrators have written to the landlord to request confirmation on this position. Any further amounts due to the landlord will rank as a non-preferential unsecured claim in the Administration.
- 8.4 The Company has no other secured creditors.

Preferential Creditors

- 8.5 It is understood that the Company has no employees and therefore no preferential creditors are expected to arise.
- 8.6 The Joint Administrators are however seeking to clarify whether the Directors qualify as employees.

Prescribed Part

The Prescribed Part is calculated as a percentage of net property, as follows:

Net property less than £10,000:	50% unless the Joint Administrator considers that the costs of making a distribution to the non-preferential unsecured creditors would be disproportionate to the benefits
Net property greater than £10,000:	50% up to £10,000 plus 20% thereafter to a maximum of £600,000.

- 8.7 The Company has no registered floating charges and therefore the Prescribed Part provision does not apply.

Non-Preferential Unsecured Creditors

- 8.8 Following receipt of creditor claims during the Old Administration, the non-preferential unsecured creditors total £77,990,326 as at the Appointment Date. A number of these claims are subject to review. The non-preferential unsecured creditors can be summarised as follows:

Creditor	Claim £'000
BNC Bond Guarantee	18,646
Intercompany Loans	8,073
Trade & Expense Creditors	3,916
HMRC	286
Contingent Liability (Zindico) (approx. \$20 million)	15,144
Bindura Community Share Ownership Trust	5,915
FRGM & BNC (Damages claim)	20,402
Others (Hong Kong Tax Authorities plus other countries)	8
Others (Employment Related Tribunal Claims – South Africa, France, Hong Kong)	5,601
Total	77,991

- 8.9 A list of creditor claims can be found at Appendix 3. The values shown are either from the SOA provided in the Old Administration or the claims received from creditors during the Old Administration. Claims have not yet been adjudicated upon and therefore are subject to change if the Joint Administrators dispute or reject the same.
- 8.10 As stated in the Previous Proposals, the Company is a guarantor for a bond issued by BNC with a value of \$20 million plus interest of 10% per annum. A claim has been received for £18.65 million which will be adjudicated upon in due course.

- 8.11 HMRC were previously estimated to be a creditor in the amount of £308,878 (\$408,000). The Joint Administrators have sent notice of their appointment, Document VAT 769, the Proposals and Notice to Submit Claims to HMRC; and HMRC have submitted a claim in the Old Administration of £285,997 in relation to estimations of VAT and PAYE. It is still being established whether there are any further amounts due to HMRC, whether the estimates provided by HMRC in respect of its claim are accurate and whether HMRC have a right of set-off against balance due, as referred to as paragraph 6.24.
- 8.12 The intercompany loans are amounts owed by the Company to ASA Gold Ltd, Mwana Africa Holdings (Pty) Ltd. and FRGM.
- 8.13 The claim of Zindico of approximately \$20 million relates to a potential liability arising from legal proceedings issued against the Company, amongst other respondents, by a group of local investors in relation to the Indigenisation and Economic Empowerment Bill in Zimbabwe and compliance with indigenisation regulations for FRGM. The Company is a named defendant in the Zimbabwean legal proceedings. It is currently unclear as to the validity of this claim.
- 8.14 The Former Joint Administrators were provided with a copy of a letter dated 13 September 2017 from Bindura Community Share Ownership Trust ("BCSOT") alleging breaches of commitments for payments by FRGM and BNC to the BCSOT and also failure to cede 10% shareholding to the communities they operate in. A claim of £5,915,125 has been received in this regard. It is currently unclear as to the impact of this on either direct liabilities at the Company or its indirect shareholding in FRGM and BNC. It is also currently unclear as to the validity of this claim.
- 8.15 The damages claims from FRGM and BNC are based on a forensic report commissioned by FRGM and BNC to ascertain the full extent of the financial irregularities which occurred previously and also breaches of Zimbabwean Foreign Exchange controls and other laws. At this stage, it is unclear as to whether the Company will also be affected by the outcome of these investigations and, if so, to what extent.
- 8.16 The amount claimed by the Hong Kong tax authorities relates to potential employee costs incurred during the period the Company was based in Hong Kong. It is currently being established whether the Company has any further obligations to any other tax authorities in addition to Hong Kong and HMRC.
- 8.17 The claims in respect of employment related tribunals relate to claims currently being pursued in South Africa, Hong Kong, France and Mauritius, where the Company may be a co-defendant.
- 8.18 Non-preferential unsecured creditor claims received in the Old Administration and this Administration currently total £62,533,738, the balance being those creditors the Directors have previously identified on the SOA that have not yet submitted claims.
- 8.19 It should be noted that creditors should only submit a claim in the Administration for monies owing in respect of the Company. The Company is not liable for monies owing by other entities within the Group (unless the Company is a guarantor) and, therefore, claims received relating to other entities will be rejected.
- 8.20 Based upon the current information available, and if a sale of HeadCo is executed at the existing price range, it is anticipated that there will be sufficient realisations to enable all non-preferential unsecured creditors of the Company to be repaid in full. Should there be sufficient realisations to repay creditors in full they will be entitled to statutory interest on their debts. This will be calculated by the Joint Administrators in accordance with UK insolvency law and therefore this should not be calculated by creditors.

- 8.21 If not already done so creditors of the Company should submit their claim by uploading a proof of debt form and supporting documentation via the online portal. Details of how to do this were provided in the Joint Administrators' letter dated 14 December 2017.

9. Statement of Pre-Administration Costs

- 9.1 Pre-Administration costs are fees, charges and expenses incurred by the administrators or their firm, or another person qualified to act as an insolvency practitioner, before the company entered administration but with a view to its doing so.
- 9.2 No pre-Administration time costs have been incurred by the Joint Administrators in relation to the current Administration, as the current administration arose from the termination of the Old Administration and the immediate appointment of the Joint Administrators by the Court.

10 Costs & Expenses

Estimated Fees and Expenses

- 10.1 It is proposed that the Joint Administrators' fee basis is on a time cost basis. However, on the assumption that a creditors' committee will be formed, this proposal will be discussed with the creditors' committee in due course and it is possible that this basis may change.
- 10.2 The time costs already charged since the Appointment Date are analysed at Appendix 4. Time is charged in six-minute units.
- 10.3 To 20 January 2018, the Joint Administrators and their staff at Duff & Phelps have incurred time costs totalling £288,775, based on 793.1 hours at an average charge out rate of £364.11 per hour. Details of these time costs are shown in paragraphs 10.9 to 10.26.
- 10.4 To 20 January 2018, the Joint Administrator and his staff at Alvarez & Marsal has incurred time costs totalling £395,045, based on 576.9 hours at an average charge out rate of £684.77 per hour. Details of these time costs are shown in paragraphs 10.11 and 10.20 to 10.24.
- 10.5 The Joint Administrators' fees will be agreed by the creditors' committee once it is formally established and in accordance with the Order. Therefore, the Joint Administrators will not yet be submitting a fee estimate or fee narrative with this report, but this will be dealt with in due course. The Joint Administrators have 18 months from the Appointment Date to fix the basis of their remuneration.
- 10.6 The Joint Administrators are uncertain of the estimated level of the expenses of the Administration but have estimated where they can based on current information (as shown in Appendix 5 Estimated Expense Schedule details expenses incurred and paid to date). In addition, certain critical payments will be made on behalf of other members of the Group in order for them to allow the Group to continue operating and to preserve the value of the respective assets. To date these critical payments total \$128,366. This schedule illustrates the estimated expenses for the whole of the Administration and is for information purposes only. No approval is required by creditors. These estimates are, where applicable, likely to change over the course of the Administration but creditors will be informed of any variations with associated reasons in the six-monthly progress reports. Please note that much of the costs expected to be incurred are noted as 'uncertain' as the quantum of these costs will be dependent a number of factors, including timing of the sale completion and the complexity of the final transaction.

- 10.7 Costs relating to the litigation will constitute an expense of the Administration. These costs, together with Administration costs and costs in the Old Administration are not likely to exceed £3 million. Costs in the Old Administration which do not constitute an expense of the Administration are in the region of £130,000.

- 10.8 Details of how to obtain further information relating to the fees and disbursements of the Joint Administrators is in Appendix 7.

Joint Administrators' Remuneration

- 10.9 In accordance with the Order, the Joint Administrators are jointly undertaking the sales process, with the remainder of the tasks of the Administration being undertaken by the Joint Administrators at Duff & Phelps. In addition to the sale process, Richard Fleming of Alvarez & Marsal will be required to comply with his statutory obligations and undertake any necessary tasks to comply with the same.

Administration and Planning

- 10.10 The role of an administrator is highly regulated and subject to the Rules, the Act and best practice guidelines. Accordingly, a considerable amount of statutory work is undertaken that may not directly benefit the creditor body but is required under UK insolvency law. This work includes preparing statutory reports, regular case reviews to ensure that matters are being progressed, the upkeep of the Joint Administrators' diary systems, insurance of assets (to protect the value in the assets), strategy, planning and control, in order to ensure that the case strategy is appropriate and dealing with cashing and accounting, which consists of making payments, journaling receipts and reconciliations of bank accounts. The Joint Administrators at Duff & Phelps have incurred time costs of £66,387 in respect of these duties. The benefit to creditors of this work is that the case runs in an efficient manner.
- 10.11 Whilst Richard Fleming is not severally liable in respect of the day to day activities of the case, as a Joint Administrator he is required to maintain statutory files and sight copies of reporting and statutory correspondence. Accordingly, time spent on this category includes reviewing statutory reports and correspondence, maintaining case records, performing regular case reviews to ensure that all matters are being progressed in line with statutory duties, and the set up and upkeep of diary and case control systems. It also includes regular review of the case strategy, planning and control, in order to ensure that the primary case strategy is appropriate and in line with the statutory purpose. Mr Fleming's staff do not deal with the cashing and accounting functions of the Administration. Mr Fleming and his staff have incurred time costs of £40,323 in respect of these duties.

Creditors and Shareholder Correspondence

- 10.12 Through the Administration the Joint Administrators have a statutory duty to liaise with creditors and shareholders, respond to queries they may have and keep them up to date with the Administration matters. The Joint Administrators have therefore incurred time in writing to all creditors and shareholders to make them aware of the new Administration process. The Joint Administrators also intend to set up a creditors' committee having received sufficient nominations for the same and therefore work has been undertaken in this regard also, liaising with prospective members and reviewing the validity of their claims. The Joint Administrators at Duff & Phelps have incurred time costs of £11,671 in this regard. This work does not provide a direct benefit to the Company's creditors, but it is important to keep them updated and respond to their queries in accordance with best practice.

Investigations

- 10.13 The Joint Administrators' investigations are a statutory requirement and are therefore required by UK insolvency law. These investigations are necessary to consider the conduct of those directors who were in office in the last three years and investigate the reasons as to why the Company entered an insolvency process. This can provide a financial benefit to the Company's creditors as it is possible to pursue directors who have not acted in the best interest of the Company and the investigations can lead to identifying assets that can be realised for the benefit of the Administration.
- 10.14 Time incurred in the Reporting Period has been kept to a minimum and relates to ad hoc correspondence in relation to understanding certain transactions and obtaining additional books and records.
- 10.15 The Joint Administrators at Duff & Phelps have incurred time costs of £612 in respect of these duties.

Ning 994

- 10.16 As mentioned previously in this report, Ning commenced litigation against the Former Joint Administrators in respect of section 994 of the Companies Act. Accordingly, the Joint Administrators have incurred time costs in defending the action taken against them, reviewing the documentation provided by Ning's representatives (including translation of the same) and liaising with former staff to understand further background into the alleged events and liaising with the Solicitors and Ning's representatives. This work has largely been undertaken by Duff & Phelps' forensic accounting team and therefore time costs have been incurred in liaising with these colleagues. This has not yet led to a benefit to the Administration estate, however, the Joint Administrators are obliged to defend themselves against any legal action. Had this action not been responded to, it is likely that there would have been a negative impact on the Administration which will have impacted the Former Joint Administrators' ability to sell the Company's assets.
- 10.17 The Joint Administrators at Duff & Phelps have incurred time costs of £2,593 in this regard.

FRGM, BNC and Disposal of Klingspringer and ASA Meat

- 10.18 The Company is the ultimate controlling party of a number of subsidiaries (as shown at Appendix 1). Time has been spent liaising with the management of these subsidiaries to understand their liquidity needs and details of any critical payments required to keep the entities live and operational. This work is to the benefit of creditors as it has retained value within the Group.
- 10.19 Time has also been incurred in finalising the sale of Klingspringer, following up deferred consideration in respect of ASA Meats and liaising with the Group's staff to understand the relevant apportionments and financials of the disposals. The sale of these two subsidiaries has led to a direct benefit to the Administration estate due to the funds received to the Group which in turn has helped alleviate certain liquidity issues, allowing the Group to continue to trade and therefore retaining value in the Group to enable a sale to be completed. The Joint Administrators at Duff & Phelps have incurred time costs of £7,962 in this regard.

Sale of Business

- 10.20 The Sale of Business relates to both the attempt to rescue the Company as a going concern and the sale of the Company's assets, being HeadCo. Significant time has been incurred liaising with RPI and the Interested Party (including their advisors) in order to provide the necessary information in order for them to consider offers for the shares in HeadCo and for negotiations in respect of the sale. This time also includes the meetings held in Zimbabwe and Johannesburg, as appropriate, where the Joint Administrators liaised with the Minister for Mining, the boards of BNC and FRGM and interested parties. This work has been necessary in order to assist with the sale of the shares in HeadCo to a viable party, which it is expected will allow the Company's creditors to be repaid in full from the expected sale proceeds. Work has also occurred in liaising with the Solicitors in respect of the legal aspects of the sale and reviewing the liquidity position of the Group to ensure that the operations continue whilst a sale is progressed. Time has also been incurred in reviewing the draft sale and purchase agreements with RPI and the Interested Party. Significant work has also been undertaken in reviewing the creditor position and advising RPI and the Interested Party of the creditor position in order for them to consider the same prior to submitting their final offers.
- 10.21 The Joint Administrator at Alvarez & Marsal has also spent significant time reviewing and understanding the sale process that took place in the old Administration in order to understand its nature and basis of approach, to inform the appropriate strategy and suitability in the current Administration. In order to frame discussions with parties bidding for assets, the Joint Administrators at Alvarez & Marsal considered the basis of preparation of the asset and liability positions prepared jointly by management and Duff & Phelps included in the Joint Administrators' Statement of Proposals dated 20 September 2017. This included consideration of methodologies, comparable companies and transactions, plus valuation model inputs including operational assumptions and discount rates. This analysis has been used to benchmark the relevant offers. Work has also taken place in relation to the review of Non-Disclosure Agreements in order to gain access into the data room. This work is of benefit to creditors as it provides an indicative reference point in order to assess the level of an acceptable offer.
- 10.22 Time has been spent liaising with key subsidiary management teams to understand the liquidity needs of their respective businesses, to ensure that they are kept live and operational. The Joint Administrator at Alvarez & Marsal has worked with management to understand cash forecasts and, where necessary, reviewed and considered current and prospective liquidity sources & cash mitigations, to ensure that headroom can be managed. This work is to the benefit of creditors as it has provided near term guidance that key businesses hold sufficient liquidity, the preserving operational value of the businesses.
- 10.23 The Joint Administrators of Duff & Phelps have also undertaken work for matters such as understanding the tax position of HeadCo, liaising with the data room provider, preparation of financial information and outcome statements for the use of the prospective purchasers, and liaising with the Group's employees in relation to due diligence enquiries.
- 10.24 This work with regard to the sale of business will result in a direct benefit for the Company's creditors as it is likely that it will enable them to be repaid in full, together with statutory interest. The Joint Administrators at Duff & Phelps have incurred time costs of £180,270 in this regard and the Joint Administrator at Alvarez & Marsal has incurred costs of £354,722.

RPI Litigation

- 10.25 The Old Administration ceased due to the litigation being undertaken by RPI which led to the new Administration appointment. Accordingly, there were matters that had to be dealt with following the hearing to close this matter off. Time costs have been incurred by the Joint Administrators in reviewing the Order and reviewing the protocol documentation to ensure that the Order is complied

with. This time also includes preparing for meetings with Alvarez & Marsal and RPI's solicitors, and attending these meetings in respect of the general running of the Administration.

10.26 The Joint Administrators at Duff & Phelps have incurred time costs of £6,648 in this regard.

11. Joint Administrators' Receipts and Payments Account

11.1 A Receipts and Payments Account is provided at Appendix 2 and is self-explanatory. A separate account has been provided for payments made in sterling and US dollars.

11.2 As set out in the expenses table, a number of critical payments have been made on behalf of group entities in order to preserve the value of the underlying assets. These are noted as inter-company loans on the Receipts and Payments Account and further detailed in the Expenses Schedule.

12. EC Regulation

12.1 It is the Joint Administrators' opinion that the EC Regulation applies and these proceedings are main proceedings as defined in Article 3 of the EC Regulation.

13. Deemed Approval

13.1 A creditors decision on the approval of these proposals will not be sought as the Joint Administrators believe that the Company has sufficient property to enable each creditor to be paid in full.

13.2 The Joint Administrators' proposals will be deemed approved by the creditors unless creditors whose debts amount to at least 10% of the total debts of the Company request the Joint Administrators to seek a specific decision from the Company's creditors.

13.3 Further information is provided in Appendix 7, Statement of Creditors Rights.

14. End of Administration

14.1 The options available to the Joint Administrators for the exit from the Administration are as follows:

- Compulsory Liquidation
- Creditors' Voluntary Liquidation ("CVL")
- Company Voluntary Arrangement
- Return of control to the Directors
- Dissolution of the Company

14.2 At present the Joint Administrators recommend that the Administration should be exited via dissolution, for the reasons set out below.

14.3 The Joint Administrators have formed the view that once all the outstanding Administration matters have been finalised, and all liabilities incurred during the Administration have been discharged, there will be sufficient funds available to repay all non-preferential unsecured creditors in full and also allow a dividend to the Company's shareholders. It is proposed that this

action will be undertaken in the Administration, for which the Joint Administrators will have to apply to Court.

- 14.4 Once all outstanding matters have been satisfactorily completed by the Joint Administrators, they will give notice to the Registrar of Companies to the effect that the Company has no remaining property to realise which might permit further distributions to its non-preferential unsecured creditors and shareholders, at which stage the Administration will cease. The Company will be dissolved three months following the registration of the notice at the Registrar of Companies.
- 14.5 Should the Court reject an application to make a distribution to shareholders and a dividend to creditors in the Administration, then the Company will exit Administration via CVL where the distributions to creditors and shareholders will take place.
- 14.6 You will note from the proposals section below that the Joint Administrators have left the choice of exit route from Administration open so that an alternative strategy can be adopted, should this prove more appropriate at the time.

15. Joint Administrators' Proposals

- 15.1 The Joint Administrators' proposals in paragraphs 15.1.1 to 15.1.5 shall be deemed approved by the creditors on the expiry of the period in which a decision can be requisitioned by creditors as detailed in the Appendix 7, being eight business days from the date of this report.
- 15.1.1 That the Joint Administrators continue the Administration to deal with such outstanding matters in relation to the Company as the Joint Administrators consider necessary, and in accordance with the Order, until such time as the Administration ceases to have effect.
- 15.1.2 That the Joint Administrators do all such other things and generally exercise all of their powers as contained in Schedule 1 of the Act, as they, in their sole and absolute discretion consider desirable or expedient in order to achieve the purpose of the Administration and in accordance with the Order.
- 15.1.3 That the Joint Administrators be at liberty to apply to the Court to allow the Joint Administrators to distribute surplus funds to non-preferential unsecured creditors and seek to agree a distribution mechanism for shareholders. If such permission is given, the Administration will be brought to an end following these distributions by filing form AM23 (notice of move from Administration to Dissolution) with the Registrar of Companies.
- 15.1.4 That the Joint Administrators, once all outstanding matters have been satisfactorily completed, take the necessary steps to give notice under Paragraph 84 of Schedule B1 of the Act to the Registrar of Companies to the effect that the Company has no remaining property which might permit a distribution to its creditors, at which stage the Administration will cease.
- 15.1.5 Should the Court application proposed at paragraph 15.1.3 be rejected by the Court, that the Joint Administrators, where they consider that there are funds available to be distributed to the non-preferential unsecured creditors (other than under the prescribed part) take the necessary steps to put the Company into either creditors' voluntary liquidation or into compulsory liquidation as they deem appropriate. It is proposed that two of the Joint Administrators, being Mark Skelton and Trevor Birch of Duff & Phelps would act as Joint Liquidators should the Company be placed into creditors' voluntary liquidation. In accordance with Paragraph 83(7) of Schedule B1 to the Act and Rule 3.60(6)(b) of the Rules creditors may nominate a different person as the proposed liquidator, provided the nomination is received at this office prior to the approval of these proposals. In the absence of such nomination, Mark Skelton and Trevor Birch will be appointed Joint Liquidators and, in accordance with Section 231 of the Act, any act

required or authorised under any enactment to be done by the Joint Liquidators is to be done by all or any one or more of them.

The Joint Administrators will be seeking specific agreement to the following proposals from the non-preferential unsecured creditors and preferential creditors, where applicable, in due course, either by a decision procedure or through a creditors' committee if formed:

- 15.1.6 That the Joint Administrators be discharged from all liability pursuant to Paragraph 98 of Schedule B1 to the Insolvency Act 1986, upon filing the end of the Administration or their appointment otherwise ceasing.
- 15.1.7 Where a creditors' committee is not established, that the Joint Administrators' remuneration be agreed on a time cost basis as set out a fee estimate, to be circulated to creditors in due course.
- 15.1.8 Where a creditors' committee is not established, that the Joint Administrators be authorised to draw their company's internal costs and expenses in dealing with the Administration (Category 2 Disbursements).

16. Invitation to Form a Creditors' Committee

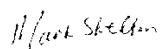
- 16.1 In accordance with the Joint Administrators' letter dated 14 December 2017, creditors were invited to nominate themselves (or their representatives) to sit on a creditors' committee. The purpose of the committee is to assist the Joint Administrators in discharging their functions. In particular, a creditors' committee takes on the responsibility for approving the basis of the Joint Administrators' fees and other costs.
- 16.2 The Joint Administrators have received sufficient nominations for a creditors' committee to be established, and therefore, a resolution is required for the creditors' committee to formally be established. It is proposed that the creditors' committee comprise those members from the Old Administration owing to the matters previously discussed with them regarding matters in the administration.
- 16.3 Accordingly, at Appendix 6 is a Business by Correspondence form, where creditors are asked to consider the following resolutions:
 - 1) That a creditors' committee be established; and
 - 2) That the creditors' committee consist of the following members, all of whom were on the previous creditors' committee:
 - Scott Douglas Morrison;
 - Ico Design Partners Limited (represented by Niall Henry);
 - ASA Gold Ltd (represented by Toindepi Munganyi)
 - Mwana Africa Holdings (Pty) Limited (represented by Olivier Barneau); and
 - Dube, Manikai & Hwacha Legal Practitioners (represented by Edwin Manikai)
- 16.4 Any creditor wishing to vote should return the resolutions to the office of Duff & Phelps no later than 23.59 (GMT) on Thursday 8 February 2018.
- 16.5 As it is expected that a creditors' committee will be established, the Joint Administrators are not seeking the approval of the unsecured non-preferential creditors in respect of the resolutions detailed at paragraphs 15.1.6, 15.1.7 and 15.1.8 above, at this juncture.

- 16.6 Should creditors resolve that a creditors' committee be established, it shall take effect from the date that the Registrar of Companies is notified.

17. Other Matters

- 17.1 If any creditor has any information concerning the Company's affairs that they would like to bring to the Joint Administrators' attention, then they would be pleased to hear from them.
- 17.2 If you require further information or assistance, please do not hesitate to contact Oliver Jones of Duff & Phelps on 020 7089 0918 or Theresa Murphy of Alvarez & Marsal on 020 7863 4714.

Yours faithfully
For and on behalf of
ASA Resource Group Plc



Mark Skelton
Joint Administrator



Richard Fleming
Joint Administrator

Enc.

The affairs, business and property of the Company are being managed by the Joint Administrators, Mark Skelton, Trevor Birch and Richard Fleming, who act as agents for the Company and without personal liability. Mark Skelton and Richard Fleming are licensed by the Insolvency Practitioners Association and Trevor Birch is licensed by the ICAEW.

Appendix 1

Statutory Information

Statutory Information

Date of Incorporation	22 September 1987
Registered Number	02167843
Company Directors	Mr Ian Barry Dearing Mr Olivier Barbeau Mr Niall Patrick Henry Mr Scott Douglas Morrison Mr David Edgar Hoover Murangari
Company Secretary	Mr Ian Barry Dearing
Shareholding of the Directors and Company Secretary (*)	Mr Ian B Dearing – 1,374,879 Ordinary Shares Mr Olivier Barbeau – 1 Ordinary Share Mr Niall P Henry – 1,830,615 Ordinary Shares Mr Scott Douglas Morrison – 1 Ordinary Share Mr David Edgar Hoover Murangari - Nil
Previous Trading Address	One Fleet Place London EC4M 7WS
Registered Office	Current: C/O Duff & Phelps Ltd. The Shard 32 London Bridge Street London SE1 9SG Former: One Fleet Place London EC4M 7WS
Any Other Trading Names	Mwana Africa PLC

Note (*)

The Joint Administrators note that the beneficial ownership of certain shareholdings may have changed during the course of the Old Administration, however, are not currently able to reconcile the position at the Appointment Date

Financial Information

Company Statement of Financial Position

	As at 31 July 2017 (Management) \$'000	As at 31 March 2016 (Audited) \$'000
Non-Current Assets		
Property, Plant and Equipment	63	133
Non-Current Receivables	85,908	81,882
Investments	97,535	97,969
	183,506	179,984
Current Assets		
Trade and Other Receivables	3,552	4,301
Cash / Overdraft	178	1,074
	3,730	5,375
Current Liabilities		
Accruals and Other Payables	(5,762)	(1,578)
	(5,762)	(1,578)
Net Current Assets	(2,032)	3,797
Total Assets less Current Liabilities	181,474	183,871
Non-Current Liabilities	(15,126)	(12,682)
Total Assets less Total Liabilities	166,348	171,099

	As at 31 July 2017 (Management) \$'000	As at 31 March 2016 (Audited) \$'000
Capital and Reserves		
Share Capital	104,061	104,007
Share Premium	69,231	69,230
Share Based Payments	744	
Reserves		2,133
Retained Earnings/Accumulated Loss	(7,688)	(4,271)
Total Equity	166,348	171,099

Financial Information

Company Profit and Loss ("P&L")

	For the Period Ended 30 June 2017 (Management) \$	For the Year Ended 31 March 2016 (Management) \$
Revenue	904,437	655,564
Expenses		
Marketing and Promotion	-	(12,383)
Staff and Travel Costs	(28,181)	(620,754)
Technology	(1,490)	(24,557)
Occupancy	(103,197)	(341,987)
Legal and Professional	(127,569)	(1,740,102)
Other Overheads	(6,361)	(447,587)
Director and Management Fees	(101,921)	(1,633,667)
Loss on Disposal of Assets	-	(21,714)
Loss on Foreign Exchange	(20,741)	(147,588)
Impairment Losses	-	(157,457)
Retrenchment Costs	-	(26,756)
Depreciation	(12,476)	(41,668)
Operating Profit	502,500	(4,560,656)
Finance Income	25	164,866
Profit Before Tax	502,525	(4,395,790)
Corporation Tax	(99,548)	61,698
Retained Profit/(Loss) for the Year	402,977	(4,334,092)

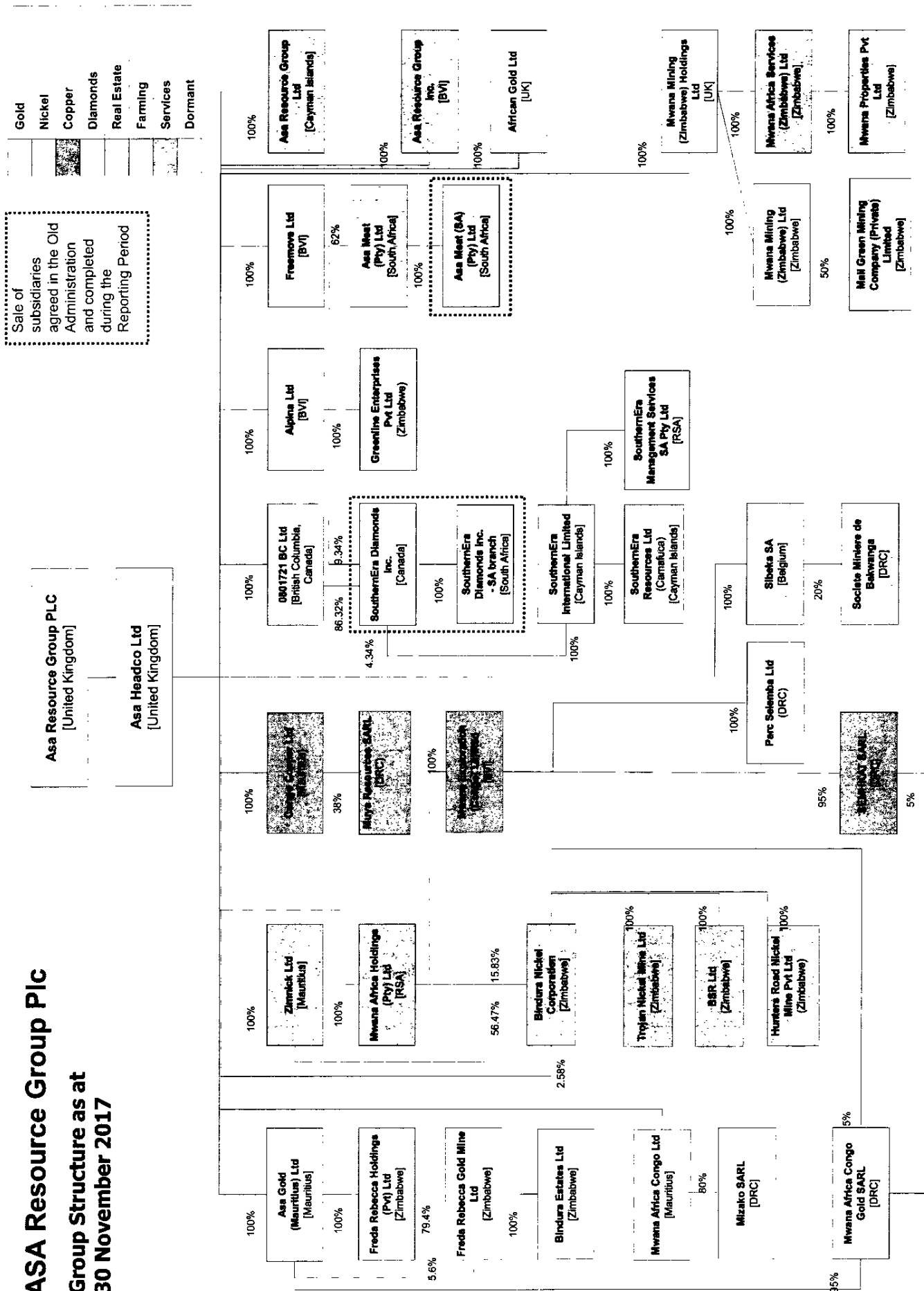
Under Section 408 of the Companies Act 2006, the Company has elected not to present its own Income Statement, therefore, management accounts have been used.

Financial Information

Group Structure

ASA Resource Group Plc

Group Structure as at 30 November 2017



Appendix 2

Receipts and Payments Account

ASA Resource Group Plc (In Administration)

Joint Administrators' Receipts and Payments Account (Sterling)

ERV		The Reporting Period 30 November 2017 to 20 January 2017	
£			£
	Assets Subject to a Floating Charge		
-	Transfer from the Old Administration	220.01	
-	Transfer from Dollar account	85,000.00	
61,891,710	Investments in Subsidiaries	-	
17,416,060	Inter-Company Loans	-	
Unascertained	Trade & Other Receivables	-	
1,157,536	Current Intercompany Receivables	-	
-	Bank Interest	0.04	
<u>80,465,306</u>		<u>85,220.05</u>	
	Cost of Realisations		
	Stationery & Postage	(7,983.80)	
	Storage Costs	(1,027.93)	
	Statutory Advertising	(84.60)	
	Bank Charges	(19.35)	
		<u>(9,115.68)</u>	
	Preferential Creditors		
	Preferential Creditors	-	
		<u>-</u>	
	Unsecured Non-Preferential Creditors		
(77,990,326)	Trade & Expense Creditors	-	
		<u>-</u>	
	Shareholders		
(78,797,255)	Issued & Called up Share Capital		
	Balance	<u>76,104.37</u>	
	Represented By:		
	Floating / Main Current Account	75,026.30	
	Floating Charge VAT Receivable*	1,078.07	
<u>(76,322,275)</u>		<u>76,104.37</u>	

Note (*)

Although showing a receivable amount in respect of VAT paid, the Company has previously incurred difficulties reclaiming VAT. Nonetheless, the Joint Administrators will submit the ongoing VAT returns as they fall due.

ASA Resource Group Plc (In Administration)

Joint Administrators' Receipts and Payments Account (US Dollar)

ERV	The Reporting Period 30 November 2017 to 20 January 2018
\$	\$
Assets Subject to a Floating Charge	
Transfer from the Old Administration	19,726.99
Cash at Bank	4.20
Klipspringer Sale Consideration (**)	519,520.14
Freda Rebecca Gold Mine Ltd - Management Fees	149,991.95
	689,243.28
Cost of Realisations	
Transfer to Sterling Account	(119,422.50)
Data Room Costs	(12,850.02)
Legal fees	(3,017.50)
Contractor Costs	(14,056.86)
Insurance Costs	(4,996.47)
Intercompany Loan - Sibeka SA	(1,071.73)
Intercompany Loan - Mwana Exploration Congo Ltd	(1,225.00)
Intercompany Loan - Parc Selemba	(20,980.00)
Intercompany Loan - MIZAKO	(71,150.20)
Intercompany Loan - SEMHKAT	(32,189.01)
Intercompany Loan - Mwana Africa Congo Gold SARL	(1,750.00)
Bank Charges	(246.88)
	(282,956.17)
Preferential Creditors	
Preferential Creditors	-
	-
Unsecured Non-Preferential Creditors	
Trade & Expense Creditors	-
	-
Balance	406,287.11
Represented By:	
Floating / Main Current Account	406,287.11
	406,287.11

* The SOA was initially provided in Sterling prior to being converted to an ERV - please refer to the Sterling Receipts and Payments Account.
A US Dollar account was set up and used by the Joint Administrators as most of the Company's trading was in US Dollars.
Funds are transferred to the Sterling account as necessary.

** The sale consideration in respect of the Klipspringer investment relates to the 'Investments in Subsidiaries' line as detailed on the ERV statement. Please refer to the Sterling Receipts and Payments Account or ERV statement for this amount.

Appendix 3

Schedule of Creditors and Estimated to Realise Value

ASA Resource Group Plc (In Administration) ("the Company")

Estimated to Realise Value - showing the movement between the SOA provided in the First Administration and the financial position as at the Appointment Date

Summary of Assets

Assets	Notes	Statement of Affairs		As at the Appointment Date
		Book Value	Estimated to realise	Estimated to realise
		£	£	£
Assets subject to fixed charge:				
Rent Deposit		43,376	43,376	-
LESS: Indebtedness to Fixed Charge Holder				
Rent Deposit Deed - St James' Place UK PLC		(43,376)	(43,376)	-
Assets subject to a floating charge:				
None		NIL	NIL	-
Uncharged assets:				
Investments	BNC + Freda Rebecca	73,855,803		
	<i>Freda Rebecca NAV</i>		49,219,300	49,219,300
	<i>BNC NAV</i>		10,601,080	10,601,080
	<i>Klipspringer NAV</i>		1,347,852	1,260,023
	<i>ASA Meats</i>		870,803	811,307
	<i>Camafuca</i>		NIL	NIL
Non current Inter-Company Loans	Semkhat, JV, Zani Kodo	57,669,122		
	<i>SEMHKAT (Copper)</i>		2,271,660	2,271,660
	<i>HAILIANG JV (Copper)</i>		unascertained	unascertained
	<i>Zani Kodo (Gold)</i>		15,144,400	15,144,400
Trade and Other Receivables	(mostly Qiayou)	2,692,042	unascertained	unascertained
Current Intercompany Receivables (Management Charges)	BNC + Freda	1,157,536	1,157,536	1,157,536
Fixed Assets		47,834	NIL	-
Cash and Cash Equivalents		NIL	NIL	-
		135,422,337	80,612,631	80,465,306
Estimated total assets available for preferential creditors	£		80,612,631	80,465,306

Note

All amounts shown in the Statement of Affairs have been converted from US Dollars to British Pounds using the Exchange Rate at 1 August 2017 of \$1 = £0.75722p, being the date of Appointment of the Former Joint Administrators. Position not materially changed from the Directors' Statement of Affairs in the Old Administration. The only changes are a result of funds received in respect of Klipspringer and ASA Meats. The rent deposit was retained by the Landlord to settle rent arrears.

Estimated to Realise Value - showing the movement between the SOA provided in the First Administration and the financial position as at the Appointment Date

Summary of liabilities	Statement of Affairs		As at the Appointment Date
	Book Value	Estimated to Realise	Estimated to realise
	£	£	£
Estimated total assets available for preferential creditors (carried from page A)		80,612,631	80,465,306
Liabilities			
Preferential creditors	NIL	NIL	NIL
Estimated deficiency/surplus as regards preferential creditors:		80,612,631	80,465,306
Estimated prescribed part of net property where applicable (to carry forward)	NIL	NIL	NIL
Estimated total assets available for floating charge holders		80,612,631	80,465,306
Debts secured by floating charges	NIL	NIL	NIL
Estimated deficiency/surplus of assets after floating charges		80,612,631	80,465,306
Estimated prescribed part of net property where applicable (brought down)	NIL	NIL	NIL
Total assets available to unsecured creditors		80,612,631	80,465,306
Unsecured non-preferential claims (excluding any shortfall to floating charge holders)			
Contingent Liability (Bond Guarantee)	(13,251,350)		(18,645,986)
Intercompany Loans	(8,064,727)		(8,072,664)
Trade Creditors	(1,215,013)		(3,915,706)
HM Revenue & Customs	(308,878)		(285,997)
Zindico (\$20m High Court Claim)	(15,144,400)		(15,144,400)
Bindura Community Share Ownership Trust (monies + shares)	unacertained		(5,915,125)
Freda + BNC Damages Claim	unacertained		(20,401,946)
Others [Hong Kong Tax Authorities]	TBC		(7,572)
Others [Employment Related Tribunal Claims - Eric Lubin, James Arthur & Kalaa Mpinga]	TBC		(5,600,930)
		(37,984,368)	(77,990,326)
Estimated deficiency/surplus as regards non-preferential creditors (excluding any shortfall to floating charge holders)		42,628,263	2,474,980
Shortfall to floating charge holders (brought down)	NIL	NIL	NIL
Estimated deficiency/surplus as regards creditors		42,628,263	2,474,980
Issued and called up capital		(78,797,255)	(78,797,255)
Estimated total deficiency/surplus as regards members		(36,168,993)	(76,322,275)

Note

All amounts shown in the Statement of Affairs have been converted from US Dollars to British Pounds using the Exchange Rate at 1 August 2017 of \$1 = £0.75722p being the date of Appointment of the Former Joint Administrators. Position not materially changed from the Directors' Statement of Affairs in the Old Administration. The only changes are a result of funds received in respect of Klipspringer and ASA Meats. The rent deposit was retained by the Landlord to settle rent arrears.

COMPANY CREDITORS

Creditor Name	Address 1	Address 2	Address 3	Address 4	Amount of Debt (£)	Security Held	Security Date	Security Value
ASA Gold Ltd (intercompany claim)	4th Floor	Eden, Stags	Rue de l'Institut, Etienne 80817	Mauritius	6,148,865.27	N/A	N/A	N/A
Auditors LLP	1 New Fetter Lane	London		ECGA TAN	39,239.60	N/A	N/A	N/A
Ascor Management AG	Parkway 12th Floor	London		G300 Zug	52,517.35	N/A	N/A	N/A
Bancaria Community Share Ownership Trust (indemnification claim)	The Trust Administrator	574 Lay East		Bancaria	5,915,125.29	N/A	N/A	N/A
Bancaria Nekki Corporation Limited (damages claim)	Town Nickel Mine	Redacted		Zimbabwe	2,091,063.66	N/A	N/A	N/A
Banco Chao Lurp Hung	Redacted				23,609.49	N/A	N/A	N/A
Bears Group	Standard House	Margate Park, Carnesall Lane		GUL7 XE	1,278.64	N/A	N/A	N/A
Compensations Investor Services (Ireland) Limited	Heron House, Corrig Road	Sandyford Industrial Estate		Dublin	8,211.85	N/A	N/A	N/A
Saved Munster	Redacted			France	43,064.35	N/A	N/A	N/A
Carthage Edfuge A&EPH	6 Boulevard Malesherbes 75008	Paris		ECAM TWS	5,306.54	N/A	N/A	N/A
Carthage WAVEA LLP	One First Place	London			2,553.20	N/A	N/A	N/A
Dr Scott Douglas Morton	Redacted				116,372.01	N/A	N/A	N/A
Dubai Maritime & Hyacinth (bond trustee)	6th Floor, Gold Bridge, Esplanade Complex	Sam Nujoma Street/Harbert Mugabe Road		Zimbabwe	18,045,965.52	N/A	N/A	N/A
Dubai Maritime	Redacted				10,875.00	N/A	N/A	N/A
Dubai Maritime	Redacted				2,106,512.46	N/A	N/A	N/A
Eden & Young LLP	1 West London Place	London		SET 2AF	103,068.00	N/A	N/A	N/A
Eden & Young LLP	25 Watlington Road	London		NNW8 GAY	39,942.69	N/A	N/A	N/A
Eden & Young LLP	3rd Floor	37 Esplanade, St Heer		Zimbabwe	5,214.10	N/A	N/A	N/A
Eden & Young LLP	67 Km Pkg Harare-Bancaria Road	P.O. Box 70		Bancaria	18,310,862.00	N/A	N/A	N/A
Eden & Young LLP	87 Km Pkg Harare-Bancaria Road	P.O. Box 70		Zimbabwe	78,235.18	N/A	N/A	N/A
Eden & Young LLP	538-547 Wardworth Road	London		SW9 3UD	5,448.76	N/A	N/A	N/A
Eden & Young LLP	Greenwich Millway Top	London		BB7 QR	1,430.00	N/A	N/A	N/A
Eden & Young LLP	Greenwich Millway Top	London		Guangzhou	202,293.64	N/A	N/A	N/A
Eden & Young LLP	Greenwich Millway Top	London		Hong Kong	52,844.24	N/A	N/A	N/A
Eden & Young LLP	Greenwich Millway Top	London		Hong Kong	7,572.00	N/A	N/A	N/A
Eden & Young LLP	Greenwich Millway Top	London		Hong Kong	47,567.55	N/A	N/A	N/A
Eden & Young LLP	Greenwich Millway Top	London		Hong Kong	59,879.00	N/A	N/A	N/A
Eden & Young LLP	Greenwich Millway Top	London		Hong Kong	34,025.57	N/A	N/A	N/A
Eden & Young LLP	Greenwich Millway Top	London		Hong Kong	21,202.17	N/A	N/A	N/A
Eden & Young LLP	Greenwich Millway Top	London		Hong Kong	3,060,467.78	N/A	N/A	N/A
Eden & Young LLP	Greenwich Millway Top	London		Hong Kong	3,677.39	N/A	N/A	N/A
Eden & Young LLP	Greenwich Millway Top	London		Hong Kong	9,737.60	N/A	N/A	N/A
Eden & Young LLP	Greenwich Millway Top	London		Hong Kong	516,424.20	N/A	N/A	N/A
Eden & Young LLP	Greenwich Millway Top	London		Hong Kong	25,647.12	N/A	N/A	N/A
Eden & Young LLP	Greenwich Millway Top	London		Hong Kong	6,042.15	N/A	N/A	N/A
Eden & Young LLP	Greenwich Millway Top	London		Hong Kong	26,502.71	N/A	N/A	N/A
Eden & Young LLP	Greenwich Millway Top	London		Hong Kong	51,518.95	N/A	N/A	N/A
Eden & Young LLP	Greenwich Millway Top	London		Hong Kong	5,040.00	N/A	N/A	N/A
Eden & Young LLP	Greenwich Millway Top	London		Hong Kong	74,643.45	N/A	N/A	N/A
Eden & Young LLP	Greenwich Millway Top	London		Hong Kong	433,850.00	N/A	N/A	N/A
Eden & Young LLP	Greenwich Millway Top	London		Hong Kong	64,218.00	N/A	N/A	N/A
Eden & Young LLP	Greenwich Millway Top	London		Hong Kong	1,845,563.82	N/A	N/A	N/A
Eden & Young LLP	Greenwich Millway Top	London		Hong Kong	69,039.51	N/A	N/A	N/A
Eden & Young LLP	Greenwich Millway Top	London		Hong Kong	47,463.32	N/A	N/A	N/A
Eden & Young LLP	Greenwich Millway Top	London		Hong Kong	4,500.00	N/A	N/A	N/A
Eden & Young LLP	Greenwich Millway Top	London		Hong Kong	1,121.53	N/A	N/A	N/A
Eden & Young LLP	Greenwich Millway Top	London		Hong Kong	561,236.00	N/A	N/A	N/A
Eden & Young LLP	Greenwich Millway Top	London		Hong Kong	23,280.00	N/A	N/A	N/A
Eden & Young LLP	Greenwich Millway Top	London		Hong Kong	414,809.28	N/A	N/A	N/A
Eden & Young LLP	Greenwich Millway Top	London		Hong Kong	103.50	N/A	N/A	N/A
Eden & Young LLP	Greenwich Millway Top	London		Hong Kong	285,987.32	N/A	N/A	N/A
Eden & Young LLP	Greenwich Millway Top	London		Hong Kong	25,211.85	N/A	N/A	N/A
Eden & Young LLP	Greenwich Millway Top	London		Hong Kong	658,104.72	N/A	N/A	N/A
Eden & Young LLP	Greenwich Millway Top	London		Hong Kong	405,308.77	N/A	N/A	N/A
Eden & Young LLP	Greenwich Millway Top	London		Hong Kong	12,318.00	N/A	N/A	N/A
Eden & Young LLP	Greenwich Millway Top	London		Hong Kong	15,144,400.00	N/A	N/A	N/A
Eden & Young LLP	Greenwich Millway Top	London		Hong Kong	77,990,328.28	N/A	N/A	N/A

Note: (*) Amount of debt relates to the Statement of Affairs amount as at the appointment date of the Old Administration or subsequent claims received

COMPANY SHAREHOLDERS

Note: The Company is listed on LSE: AIM and has 2818 shareholders.

The Joint Administrators note that the beneficial ownership of certain shareholdings may have changed during the course of the Old Administration, however, are not currently able to reconcile the position at the Appointment Date.

Appendix 4

Analysis of Time Charged

ASA Resource Group Plc (In Administration)

Analysis of the Joint Administrators' Time Costs for the Period 30 November 2017 to 20 January 2018 - Duff & Phelps Ltd

Classification of Work Function	Managing Director	Manager	Hours Senior	Assistant	Support	Total Hours	Time Cost (£)	Avg Hourly Rate (£)
Administration and Planning								
Case Review & Case Diary Management	0.00	0.80	5.20	10.30	0.00	16.30	3,723.00	228.40
Cashiering & Accounting	0.00	8.20	21.40	10.80	0.00	40.40	11,900.00	294.55
Dealings with Directors & Management	0.00	0.00	0.00	1.50	0.00	1.50	180.00	120.00
IPS Set Up & Maintenance	0.00	0.00	1.00	8.80	0.00	9.80	1,396.00	142.45
Insurance	0.00	0.40	2.30	0.90	0.00	3.60	1,062.00	295.00
Statutory Matters (Meetings, Reports & Notices)	0.00	27.50	49.30	25.10	0.00	101.90	31,333.00	307.49
Strategy, Planning & Control	10.50	3.90	17.60	4.70	0.00	36.70	14,441.00	393.49
Tax Compliance / Planning	0.00	1.00	4.70	2.70	0.00	8.40	2,352.00	280.00
Creditors								
Communications with Creditors / Employees	0.00	1.20	15.30	28.80	0.00	45.30	9,162.00	202.25
Creditors' Committee	0.00	0.70	2.10	0.00	0.00	2.80	973.00	347.50
Non-Preferential Creditor Claims Adjudication	0.00	0.80	0.00	0.00	0.00	0.80	344.00	430.00
Non-Preferential Creditors / Employee Claims Handling	0.00	0.00	3.30	0.00	0.00	3.30	1,056.00	320.00
Secured Creditors	0.00	0.00	0.40	0.00	0.00	0.40	136.00	340.00
Investigations								
CDDA Reports & Communication	0.00	0.00	0.50	0.00	0.00	0.50	170.00	340.00
Financial Review & Investigations	0.00	0.00	1.30	0.00	0.00	1.30	442.00	340.00
Other Investigations	8.10	3.00	0.10	26.20	0.00	37.40	10,210.00	272.99
Subsidiary Matters & Disposal of Non-Core Assets	0.00	8.40	12.90	1.70	0.00	23.00	7,962.00	346.17
RPI Litigation	10.50	0.00	0.00	2.90	0.00	13.40	6,648.00	496.12
Sale of Business	108.80	160.00	141.60	10.80	0.00	421.20	180,270.00	427.99
Shareholder Correspondence	0.00	0.00	1.80	15.30	0.00	17.10	2,422.00	141.64
Ning S994	0.00	3.90	2.10	2.00	0.00	8.00	2,593.00	324.13
Total Hours:	137.90	219.80	282.90	152.50	0.00	793.10		364.11
Total Fees Claimed (£):	82,341.00	94,738.00	91,756.00	19,940.00	0.00		288,775.00	

Note (*)

Time of £28,208 has been incurred by the Joint Administrators at Duff & Phelps in attending to statutory matter relating to the Old Administration.

ASA Resource Group Plc (In Administration)

Analysis of the Joint Administrator's Time Costs for the Period 30 November 2017 to 20 January 2018 - Alvarez & Marsal Europe LLP

Classification of Work Function	Managing Director	Director	Hours Associate Director	Senior Associate	Associate	Total Hours	Time Cost (£)	Avg Hourly Rate (£)
Administration and Planning	21.00	10.10	29.05	0.50	33.30	74.95	40,322.75	538.00
Sale of Business	145.70	201.90	80.15	48.10	26.10	501.95	354,722.25	706.69
Total Hours:	147.70	212.00	109.20	48.60	59.40	576.90		684.77
Total Fees Claimed (£):	122,591.00	155,820.00	68,250.00	21,515.00	22,869.00		395,045.00	

Appendix 5

Estimated Expenses of the Administration

ASA Resource Group plc (In Administration)

Joint Administrators' Expenses for the period 30 November 2017 to 20 January 2018 (Sterling)

Notes	Company / Person	Activity	Date of Instruction	Fee Basis	Incurred in Old Administration	Incurred from Appointment Date	Paid	Estimated Total Costs
					£	£	£	£
1	Professional Advisors							
2	Shoemiths LLP	Legal Costs and Disbursements	30/11/2017	Time Costs	57,366.20	230,000.00	-	Uncertain
3	Accountant's Fees	Tax advice	TBC	TBC	57,366.20	230,000.00	0.00	Uncertain
	Total Professional Advisors Costs							
4	Other Expenses							
5	Accurate Mailing Services Limited	Postage & Stationery	Old Administration	Fixed Fee	4,609.03	4,435.92	9,044.95	15,000.00
6	FedEx Express Europe	Storage Costs	Old Administration	Fixed Fee	997.14	-	997.14	997.14
7	Courts Advertising Limited	Statutory Advertising	Old Administration	Fixed Fee	8,229.15	84.60	84.60	16,500.00
	DHL Express	Storage Costs	Old Administration	Fixed Fee	30.79	-	-	30.79
	Total Other Expenses				13,866.11	4,520.52	10,126.69	32,527.93
	Total Expenses				71,232.31	234,520.52	10,126.69	32,527.93
8	Disbursements							
9	Bond Premium	Statutory Requirement	30/11/2017	Fixed fee	225.00	291.67	-	291.67
10	Travel Costs & Subsistence		N/A	As Incurred	225.00	77,775.51	0.00	Uncertain
	Total Category 1 Disbursements					78,067.18	0.00	291.67
11	Category 2 Disbursements							
	There are no known Category 2 Disbursements							
	Total Category 2 Disbursements				0.00	0.00	0.00	0.00
	Total Expenses				Total 71,457.31	312,687.70	Total 10,126.69	Total 32,819.60

Notes to Expenses Schedule

- The Joint Administrators' choice of professional advisors will be based on their perception of the experience and ability of the respective firms / individuals to perform their work, the complexity and nature of the assignment and the basis of their fees
- Legal costs and disbursements in respect of the appointment process, the PPI Litigation, Ning S984 litigation and advice relating to the sale of the business and assets. Disbursements will also include fees to be paid for counsel for specific advice
- Accountant's fees to include in respect of the Company's VAT position and for the preparation of Administration tax returns which are likely to require preparation
- It is anticipated that the cost of the Company's books and records will be incurred in the old Administration. Two outstanding invoices from the Old Administration have also been settled in the Administration
- Cost incurred transferring the Company's books and records from Hong Kong to the United Kingdom. Invoice paid which was incurred in the Old Administration
- Statutory advertising in the London Gazette is required under insolvency legislation. The former Joint Administrators have also advertised overseas in the old Administration. A similar amount is expected to be incurred in the Administration
- Cost incurred transferring the Company's books and records from Hong Kong to the United Kingdom. This was incurred in the Old Administration
- This is a statutory requirement and cost is based on the value of assets
- The Joint Administrators and their staff have incurred expenses when travelling and for subsistence. The majority of these costs were incurred in international trips to South Africa and Zimbabwe in respect of the sale process. If further international trips are required, this figure will increase
- Category 2 Disbursements** are costs that are directly referable to the Administration but not to a payment to an independent third party. No Category 2 Disbursements are expected.

Joint Administrators' Expenses for the period 30 November 2017 to 20 January 2018 (US Dollar) and Critical Payments

Notes to Estimated Expenses Schedule

11	Inter-company loan payment on behalf of SEMHKAT - Payment in respect of wages, salaries and expenses owed
12	Inter-company loan payment on behalf of Parc Selemba - Payment from the Old Administration did not credit Harneys Corporate Services account in respect of the Company's registry office
13	Inter-company loan payment on behalf of Parc Selemba - Payment to Cabinet d'Avocats in relation to maintenance fees for property and consultancy fees.
14	Inter-company loan payment on behalf of Mwana Africa Congo Gold SARL - Payment to Rukwenge Willy Anselme in relation to preparing and submitting financial statements

Appendix 6

Notice of Business by Correspondence and Voting Form

NOTICE OF BUSINESS BY CORRESPONDENCE

Company Name: ASA Resource Group Plc (In Administration) ("the Company")
Company Number: 02167843
In the High Court of Justice no. 5705 of 2017

This Notice is given under Rule 15.8 of the Insolvency (England & Wales) Rules 2016 ("the Rules"). It is delivered by the Joint Administrators of the Company, Mark Skelton and Trevor Birch, of Duff & Phelps Ltd., The Shard, 32 London Bridge Street, London SE1 9SG (telephone number 020 7089 4700) and Richard Fleming of Alvarez & Marsal Europe LLP, Suite 3 Regency House, 91 Western Road, Brighton, BN1 2NW, telephone number 020 7715 5200, who were appointed by the above-mentioned Court on 30 November 2017.

Further to the Order, which terminated the creditors' committee established in the Old Administration, and the Joint Administrators' letter dated 14 December 2017, inviting nominations for a creditors' committee, creditors are now invited to vote by correspondence on the following:

1. That a creditors' committee be established; and
2. That the creditors' committee consist of the following members, all of whom were on the creditors' committee in the Old Administration:
 - Scott Douglas Morrison (representing himself);
 - ico Design Partners Limited (represented by Niall Henry);
 - ASA Gold Ltd (represented by Toindepi Munganyi)
 - Mwana Africa Holdings (Pty) Limited (represented by Olivier Barbeau); and
 - Dube, Manikai & Hwacha Legal Practitioners (represented by Edwin Manikai)

Overleaf is a voting form on which creditors may signify their decisions on the above matters. All voting forms, together with a proof of debt, if one has not already been submitted, must be completed and returned to the Joint Administrators by one of the methods set out below:

By post to: Duff & Phelps Ltd., The Shard, 32 London Bridge Street, London SE1 9SG
By fax to: 020 7089 4701
By email to: ASAResourceGroup@duffandphelps.com

Please note that, if you are sending votes by post, you must ensure that you have allowed sufficient time for the forms to be delivered to the address above by the time set out below. Unless the contrary is shown, an email is treated as delivered at 9am on the next business day after it was sent.

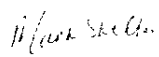
All voting forms and proofs of debt must be delivered by 23.59 on the Decision Date, 8 February 2018.

If the Joint Administrators have not received a proof of debt by the time specified above (whether submitted previously or as a result of this Notice), that creditor's vote will be disregarded. Any creditor whose debt is treated as a small debt in accordance with Rule 14.31(1) of the Rules must still deliver a proof if the creditor wishes to vote. A creditor who has opted out from receiving notices may nevertheless vote if the creditor also provides a proof by the time specified above.

Creditors who meet one or more of the statutory thresholds listed below may, within 5 business days from the date of the delivery of this Notice, require a physical meeting to be held to consider the matter.

Statutory thresholds to request a meeting: 10% in value of the creditors
10% in number of the creditors
10 creditors

A creditor may appeal a decision by application to the court in accordance with Rule 15.35 of the Rules. Any such appeal must be made not later than 21 days after the Decision Date.


Signed: _____
Mark Skelton
Joint Administrator

Dated: 23 January 2018

VOTE BY CORRESPONDENCE

ASA Resource Group Plc (In Administration)

Name of Creditor: _____

Address: _____

Decisions:

1. That a creditors' committee be established; and *For / Against
2. That the creditors' committee consist of the following members, all of whom were on the creditors' committee in the Old Administration:
 - Scott Douglas Morrison (representing himself); *For / Against
 - ico Design Partners Limited (represented by Niall Henry); *For / Against
 - ASA Gold Ltd (represented by Toindepi Munganyi); *For / Against
 - Mwana Africa Holdings (Pty) Limited (represented by Olivier Barbeau); and *For / Against
 - Dube, Manikai & Hwacha Legal Practitioners (represented by Edwin Manikai) *For / Against

* Please delete as applicable to indicate your voting instructions

Signed: _____ Dated: _____

Name in capitals: _____

Position with, or relationship to, creditor or other authority for signature: _____

Are you the sole member/shareholder of the creditor (where it is a company)? ☐ Yes / ☐ No

NOTE: Once a vote has been cast, it cannot be changed.

Please complete this form and return it, along with a completed proof of debt if you have not submitted one previously, so that it is delivered by 23.59 on 8 February 2018 by:

Post: Duff & Phelps Ltd., The Shard, 32 London Bridge Street, London, SE1 9SG

Fax: 020 7089 4701

Email: please scan in a signed copy of this form and attach it as a pdf to
ASAResourceGroup@duffandphelps.com

Appendix 7

Statement of Creditors' Rights

STATEMENT OF CREDITORS RIGHTS

Rule numbers refer to Insolvency (England & Wales) Rules 2016 (as amended)

Section or paragraph numbers refer to Insolvency Act 1986

If you require a copy of any relevant rule or section, please contact Oliver Jones on 020 7089 0918

This notice is accompanied by the Joint Administrators' Statement of Proposals

Information for creditors on remuneration and disbursements of the Joint Administrators

Information regarding the fees and disbursements of administrators, including details of Duff & Phelps' disbursements policy and hourly charge out rates for each grade of staff that may undertake work on this case, is in a document called "A Creditors' Guide to Administrators' Fees". This can be viewed and downloaded from Duff & Phelps' website at

<https://www.duffandphelps.co.uk/services/restructuring/corporate-restructuring-and-debt-advisory/creditor-guides-and-employee-fact-sheets> (click on the document 'Administration (appointment from 1 October 2015)'). Should you require a copy, please contact this office.

Creditors may requisition a decision to be made by all of the creditors for approval of the Joint Administrators' Proposals under para 52(2) Schedule B1 Insolvency Act 1986

The Joint Administrators shall seek a decision from the Company's creditors as to whether they approve the proposals if requested by creditors of the Company, whose debts amount to at least 10% of the total debts of the Company. Such a request must be received by the Joint Administrators within 8 business days of the date on which the Joint Administrator's statement of proposals is delivered.

The request for a requisitioned decision must include a statement of the purpose of the proposed decision and either:

(a) a statement of the requesting creditor's claim together with:

- a list of the creditors or contributories concurring with the request and of the amounts of their respective claims or values, and
- confirmation of concurrence from each creditor; or

(b) a statement of the requesting creditor's debt and that that alone is sufficient without the concurrence of other creditors

Creditor/s may be requested to meet the costs of a requisitioned decision and a deposit will be required for this purpose. These costs may be ordered to be paid as an expense of the Administration if the creditors so resolve.

A requisitioned decision must be made within 28 days of receiving the deposit or the expiry of 14 days without the Joint Administrators informing the requesting creditor of the deposit sum.

Appendix 8

The Order

IN THE HIGH COURT OF JUSTICE
BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES
INSOLVENCY AND COMPANIES LIST (Ch D)

**BEFORE HIS HONOUR JUDGE PELLING QC SITTING AS A JUDGE OF THE
HIGH COURT
THURSDAY 30 NOVEMBER 2017**

**IN THE MATTER OF ASA RESOURCE GROUP PLC (COMPANY NO. 02167843)
AND IN THE MATTER OF THE INSOLVENCY ACT 1986**

ADMINISTRATION ORDER



UPON THE APPLICATION of Ico Design Partners Limited of 3rd Floor, 24 Chiswell Street, London EC1Y 4YX ("Ico") for the appointment of administrators in respect of Asa Resource Group plc (the "Company") presented to the Court on 22 November 2017 (the "Administration Application")

AND UPON THE APPLICATION of Mark Skelton and Trevor Birch of Duff & Phelps Limited, The Shard, 32 London Bridge Street, London SE1 9SG (respectively, "Mr Skelton" and "Mr Birch") presented to the Court on 22 November 2017 (the "Protocol Application")

AND UPON HEARING (1) for Mr Skelton and Mr Birch and for Ico, Felicity Toubé QC and Stephen Robins of Counsel; (2) for Rich Pro Investments ("RPI"), Richard Hacker QC and Lloyd Tamlyn of Counsel; and (3) for Mr Yat Hoi Ning ("Mr Ning") and for China International Mining Group Corporation ("CIMGC"), Andrew Thompson QC and Ben Griffiths of Counsel, who were present in Court for the entirety of the hearing, explained

their clients' position to the Judge, expressly declined to make oral submissions on the Administration Application, and applied for their clients' costs

AND UPON READING the evidence

AND UPON THE COURT BEING SATISFIED that the EC Regulation does apply and that these proceedings are main proceedings as defined in Article 3 of the EC Regulation

IT IS ORDERED that:

Preliminary

1. Insofar as the appointment of Mr Skelton and Mr Birch as joint administrators of the Company on 1 August 2017 by Barry Dearing, Olivier Barbeau, Niall Henry, Scott Morrison and David Murangari (the "**Old Administration**") was:
 - (1) Valid, it is terminated with effect from 12.15pm on 30 November 2017 (the "**Specified Time**"), pursuant to paragraph 79 of Schedule B1 to the Insolvency Act 1986 ("**Schedule B1**"); and
 - (2) Invalid, this Order is without prejudice to: (i) paragraph 2 of the Administration Application seeking the appointment of Mr Skelton and Mr Birch with retrospective effect (which is hereby adjourned generally with liberty to restore); and/or (ii) any other application by any other person for relief in materially the same terms.

Administration

2. With effect from the Specified Time, Mr Skelton, Mr Birch and Richard Dixon Fleming of Alvarez and Marsal Europe LLP, 1 Finsbury Circus, London EC2M 7EB ("**Mr Fleming**") are appointed as the joint administrators of the Company (collectively, the "**Administrators**").

3. During the period for which this order is in force, the affairs, business and property of the Company shall be managed by the Administrators.
4. Pending the formation of a creditors' committee, the Administrators shall be at liberty (but shall not be bound) to consult the members of the creditors' committee in the Old Administration ("the Old Creditors' Committee"). Any such consultation shall not have any statutory effect, nor are any recommendations or decisions of the Old Creditors' Committee binding on the Administrators.
5. The proofs of debt formerly lodged in the Old Administration shall stand as proofs of debt in the administration of the Company commenced by paragraph 2 above.

Protocol

6. The Administrators have liberty to (and are hereby directed by the Court to) enter into and carry into effect the protocol appended hereto (the "**Protocol**"), the terms of which are hereby approved. The Administrators, or any one or more of them, are at liberty to apply to vary the Protocol.
7. Save insofar as the Protocol provides otherwise, the Administrators are permitted to exercise their powers separately, so that any act required or authorised under any enactment to be done by the Administrators may be done by either or both of them.

Costs

8. Ico's costs of the Administration Application shall be payable as expenses of the Company's administration and shall be assessed by way of detailed assessment on the standard basis if not agreed.
9. RPI's costs of and occasioned by (i) its application notice dated 4 October 2017 in the Old Administration ("the Unfair Harm Application"), (ii) its application notice dated 14 November 2017 in the Old Administration ("the Amendment Application"), (iii) the Administration Application, (iv) the Protocol Application and (v) RPI's Part 8 Claim Form and Part 23 Application Notice seeking the appointment of Richard Dixon

Fleming as receiver ("**RPI's Receivership Application**") (whether issued or unissued), shall be payable as expenses of the Company's administration and shall be assessed by way of detailed assessment (on notice to Mr Skelton and Mr Birch) on the standard basis if not agreed.

10. The costs of Mr Skelton and Mr Birch of and occasioned by the Unfair Harm Application, the Amendment Application, the Administration Application, the Protocol Application, and RPI's Receivership Application (whether issued or unissued) shall be payable as expenses of the Company's administration and shall be assessed by way of detailed assessment (on notice to RPI) on the standard basis if not agreed.
11. The costs of Mr Ning and CIMGC in respect of the Administration Application are reserved to be determined when paragraph 2 of the Administration Application is determined, with liberty to apply if it becomes apparent that it is not to be determined.

Miscellaneous

12. Ico shall serve a sealed copy of this Order on RPI (c/o K&L Gates LLP), Mr Ning (c/o K&L Gates LLP), and CIMGC (c/o K&L Gates LLP).
13. Service of a sealed copy of this Order on the Administrators and the Company is hereby dispensed with.
14. Liberty to apply.

Service of this Order

The Court provided a sealed copy of this Order to the serving party:

Ico Design Partners Limited, c/o Shoosmiths LLP, 2 Colmore Square, 38 Colmore Circus, Queensway, Birmingham B4 6BJ (ref: Aaron Harlow)

ASA Resource Group Plc

(In Administration) ("the Company" or "ASA")

Company number 02167843

Joint Administrators: Mark Skelton and Trevor Birch of Duff & Phelps Ltd. ("Joint Administrators"),
The Shard, 32 London Bridge Street, London SE1 9SG ("Duff & Phelps").

Richard Dixon Fleming of Alvarez and Marsal Europe LLP ("Additional
Administrator") of 1 Finsbury Circus, London, EC2M 7EB ("Alvarez")

Together the "Replacement Administrators"

1 It is agreed that the Replacement Administrators will together be appointed as Joint Administrators of the Company, with the following joint and several responsibilities:

- (a) The Replacement Administrators will at all times prior to agreeing any offer in respect of the assets of the Company and/or financing of payments to creditors each consider whether the objective of rescuing the Company as a going concern ("Objective A") is (i) reasonably practicable; and (ii) whether the objective stated in paragraph 3(1)(b) of Schedule B1 ("Objective B") would achieve a better result for the company's creditors as a whole than Objective A. If the Replacement Administrators consider that Objective A is reasonably practicable, and that pursuing Objective B would not achieve a better result for the company's creditors as a whole than Objective A, the Replacement Administrators shall pursue Objective A;
- (b) sub-paragraphs (c) – (h) below shall all be read and understood subject to sub-paragraph (a);
- (c) The Replacement Administrators will if and as appropriate review the marketing that has been undertaken by the Joint Administrators to date and agree any additional appropriate marketing strategy;
- (d) The Replacement Administrators will then if and as appropriate seek, over a limited period of time, if such time limitation is appropriate (such time period to be agreed between the Replacement Administrators), to implement that strategy;
- (e) At the conclusion of the marketing process set out at points (c) and (d) above, the Replacement Administrators would consider the current Investor's offer, together with RPI's offer of finance and any other offer that may be received to determine the appropriate course of action in relation to the Company, including in relation to any administration exit (if appropriate) but always subject to paragraph (a) above.
- (f) In the event that by reason of RPI's takeover and finance offer ("RPI Offer"), the Replacement Administrators consider that Objective A is reasonably practicable and that pursuing Objective B would not achieve a better result for the company's creditors as a whole than accepting the RPI Offer, the Replacement Administrators

will accept the RPI Offer and consent to the registration of the shares that are currently suspended.

- (g) In the event that the Replacement Administrators consider that notwithstanding the RPI Offer, Objective A is not reasonably practicable or pursuit of Objective B would achieve a better result for the company's creditors as a whole than accepting the RPI Offer, the Replacement Administrators may consider any offer (including any offer made by RPI) for the purchase of the assets of the Company, including but not limited to any offer made as a result of (c) and (d) above. Pending their consideration of whether to accept the RPI Offer or any offer made for the assets of the Company, the Replacement Administrators may continue to maintain the suspension of the shares if appropriate so as to avoid any risk to the underlying assets of the Company (and in particular the mining licences);
- (h) the Replacement Administrators will share full access to all documents relating to the Company's administration to enable the Replacement Administrators to fully review all offers received.
- (i) In the unlikely event that there is a dispute between the Replacement Administrators, an urgent application to Court would be made for directions by one or all of the Replacement Administrators.

- 2 It is further agreed by the Replacement Administrators that the Joint Administrators will continue to take the lead for all other functions of the Company's administration and in this regard, the Additional Administrator is appointed jointly with the Joint Administrators and not on a several basis
- 3 The Replacement Administrators will, save where to do so would be prejudicial to the interests of the estate or where there is a conflict arising, consult with Rich Pro Investments Limited before significant decisions are taken which would ordinarily be subject to consultation with, or approval by, the Creditors' Committee or would otherwise have the potential to have a significant impact on the estate. Such matters would include, but not be limited to, any interim financing, share issuance, partial asset sale, and administrators' remuneration.
- 4 All information and documentation in the Company's administration (including the Company records and the administration records) will be made fully available to the Replacement Administrators.
- 5 The Joint Administrators agree to inform and consult the Additional Administrator in connection with all other actions and functions within the Company's administration (for the avoidance of doubt this will include in relation to any legal proceedings that may arise) that arise within the remit of the Joint Administrators as set out at point 2 above.
- 6 In relation to reporting and correspondence to creditors and shareholders and any other relevant parties, the Replacement Administrators shall agree the contents of such correspondence or reports insofar as it relates to any sales process. In relation to all other correspondence or reports, or part of such correspondence or reports to creditors or shareholders that do not relate to any sales process, the Joint Administrators agree to provide draft copies of the same to the Additional Administrator and inform and consult with the Additional Administrator prior to such correspondence or reports being issued to creditors and shareholders.

- 7 Any one or more of the Joint Administrators or the Additional Administrator can apply to Court in their own or in the Company's name in connection with any of the matters arising in connection with this division of duties or in connection with the Company's administration.

Mark Skelton

30/11/17

Mark Skelton

Duff & Phelps

Date:

Trevor Birch

30/11/17

Trevor Birch

Duff & Phelps

Date:

Richard Fleming

30/11/17

Richard Fleming

Alvarez

Date: