

AFFIDAVIT

I, the undersigned

JAN HENDRIK NEL
(ID 680717 5193 087)

do hereby make oath and say that:

1. I am an adult male businessman and a Director of Panamo Properties (Pty) Ltd.
2. The facts and allegations herein contained are within my own personal knowledge save where otherwise stated or where the context indicates to the contrary and true and correct.
3. Where I rely on information conveyed to me by others or information appearing from or documents under my control, I verily believe same to be true unless stated otherwise.
4. Where I rely herein on legal submissions, I do so on the advice of my legal representatives, which advice I verily believe is true and correct.
5. Where I rely on hearsay evidence I verily believe same to be true and request that same be admitted.
6. I am duly authorised to depose to this Affidavit on behalf of Panamo Properties (Pty) Ltd (Registration Number 1999/017155/07) ("the company"), and in this regard, I attach hereto a Resolution of the Board of Directors of the company marked as Annexure "PP1".
7. I depose to this Affidavit in support of an Application in Terms of Chapter 6 of the Companies Act 71 of 2008 ("the Act").



8. The company has resolved to voluntarily begin Business Rescue proceedings and place the company under supervision as envisaged in Section 129(1) of the Act.

9. On the facts, which I will deal with herein under, it is clear in my view that:

9.1. The company is financially distressed.

9.2. There appears to be a reasonable prospect of the rescuing of the company.

9.3. The company is failing to pay its Creditors in respect of which monies are purportedly due and it will be just and equitable to the Shareholders and Creditors of the company to place it under Business Rescue.

9.4. I verily believe that the company is a financially distressed company as envisaged in Section 128(1)(f) of the Act and that it is clear that the company is reasonably unlikely to be able to pay all its debts as they become due and payable within the immediate ensuing six (6) months. This having been said, the company is not at this stage insolvent, either in the balance sheet nor in the cash flow or liquidity sense as illustrated herein below.

9.5. I am further of the view that the business of the company may be effectively restructured, which will result in its debts and liabilities being satisfied and will enable the company, in all likelihood, to continue to exist on a solvent basis or otherwise that in any event if the Business Rescue Plan is followed. Further, a better return for Creditors or Shareholders will result other than in the case of the winding up of the company.

Handwritten signature and initials, possibly 'M/A', written in black ink.

APPOINTMENT

10. I accordingly propose that Professor Marius J Maritz ("Prof. Maritz") a registered Accountant and Auditor, be appointed as the Business Rescue Practitioner.
11. I understand that Prof. Maritz has been placed on the register of Business Rescue Practitioners as prescribed in terms of the Act. I further confirm his contact particulars as follows:
- Marius Johannes Maritz
Email: mariusm@mbainc.co.za
Cellphone: 082 561 7007
P O Box 139
Everfair Avenue
Randjesfontein.
12. I also confirm that he has conveyed his acceptance of the appointment to me personally.

THE FINANCIAL POSITION OF THE COMPANY

13. As stated herein above, the company resolved on the 19th August 2011 to proceed with a Business Rescue Plan. From the companies discussions with its Auditors as well as its financial statements I submit that it is clear that the company, as stated above, is still trading under solvent circumstances.
14. I attach hereto a copy of the company's latest income statement and balance sheet and confirm that the balance sheet shows a total asset value in the company exceeding R29 million, as Annexure "PP2". Outstanding debt against this is approximately R 3,4 million which will be easily redeemable should the company alienate any of its assets.

