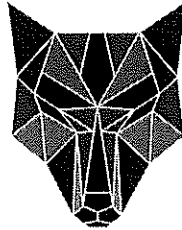


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registration no: 2017/297672/21

YOUR REF :
OUR REF : MR E VAN DER MERWE/J53
DATE : 12th MAY 2022

MINING MX

PER EMAIL: David@miningmx.com

URGENT

Dear Sirs,

RE: ARTICLE APPEARING IN MINING MX ON 15 OCTOBER 2020 ENTITLED:

"Allegations of R257m in fraud, theft and tax evasion levelled at Heaven Sent managers"

1. We refer to the above matter as well as the article by Justin Brown which was published by yourselves and appeared on 15 October 2022, and which is still prevalent on your website.
2. We confirm that we act on behalf of Johan Jansen Van Vuuren and Mattheus Pieterse ("**our clients**"), on whose instance we address this correspondence to yourselves.
3. Our clients have instructed us to place on record the following facts:-
 - 3.1. Notwithstanding the expiry of nearly two full years, to date no formal charges have been brought against our clients in respect of the matter and moreover no conviction or court order in respect hereof has been filed against our client;
 - 3.2. Shortly after this article appeared, the "sources" who brought the article to yourselves and on whose information, same was published was disciplined by the company and pursuant to a labour court matter dismissed due to their conduct, certain of which conduct was the conduct which they had levelled against our clients and which as aforesaid, have never been proven.

Managing Director: David Swartz

Directors: Rachael Weil | Etienne van der Merwe | Joshua Greenberg

Associates: Gabriella Hodes | Farai Gomwe | Lauren Brabant



- 3.3. Furthermore, pursuant to this article and an investigation by the company, our client and particularly Johan Jansen Van Vuuren ("Jansen Van Vuuren"), was offered a promotion by the company which promotion Jansen Van Vuuren did not accept and instead elected to terminate his employment whereafter the company entered into a mutual separation agreement with our client terminating his employment. It boggles the mind that if any of the allegations levelled in your article had been proven or surfaced pursuant to the investigation by the company that they would have offered Jansen Van Vuuren a promotion or have entered into a mutual separation agreement with him.
4. The fact of the matter is that the article makes numerous unsubstantiated allegations which allegations have never been tested by a court against our clients. The allegations have however been tested against the whistle blower who leaked the details to yourselves, and they have been found guilty of the same self-same conduct they accuse our client of.
5. Our instructions are therefore that the article is defamatory of our clients and our clients demand that same be removed from your website and deleted in its entirety failing which our client will be left with no alternative but to institute the appropriate legal processes in respect thereof.
6. We trust such drastic action will not be necessary.

Kind regards

SWVG INCORPORATED
PER: ETIENNE VAN DER MERWE
Director



Allegations of R257m in fraud, theft and tax evasion levelled at Heaven Sent managers

By Justin Brown - Oct 15, 2020



Kopanang mine

TWO managers of a Chinese-owned South African gold mining company are fighting for their jobs and fear for their safety after blowing the whistle on R257m in alleged "irregular" and questionable spending.

Phillip Spencer, South Africa financial director for Heaven Sent Gold, the company that owns the Kopanang and Tau Lekoa mines, and his vice president for financial reporting, Stephanus de Koker, say their investigations uncovered R143.2m in "accounting irregularities".

They stated this in a founding affidavit dated October 1 and filed with the Labour Court in Johannesburg.

According to the allegations, these "irregularities" were owing to "questionable transactions" entered into by Heaven Sent Gold South Africa CEO, Jeff Dong, chief operating officer Johan Jansen van Vuuren, and chief commercial officer, Mattheus Pieterse.

These deals were entered into between January this year, and August 25, Spencer and De Koker stated in the court documents.

They also estimate that these company executives allegedly "misappropriated" R68m due to irregular spending and questionable decisions.

In addition, Spencer and De Koker identified a further R46m in alleged questionable spending that benefited Dong, Jansen Van Vuuren, and Pieterse.

Dong wrote in a responding affidavit, dated October 5, that Spencer's and De Koker's allegations were "false and baseless".

He acknowledged, however, that Spencer had expressed reservations about Heaven Sent Gold South Africa's financial position, and that Spencer had alleged that the company's Tau Lekoa mine was "potentially at risk of reckless trading".

In April, Miningmx reported that the jobs of up to 6,309 employees were on the line at Tau Lekoa and Kopanang gold mines, as well as the West Gold plant, all located in South Africa's North West province.

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PURGE

The allegations follow a management purge at the company with the January ousting of Heaven Sent CEO, Owen O'Brien. Dong then took over as the CEO. He was previously a representative of the company's main shareholder, the Heaven Sent Capital Group, headquartered in Hong Kong.

In February, after Dong became CEO, he made major changes to the company's management.

Dong denied in the answering affidavit filed with the Labour Court that the new management of Heaven Sent Gold South Africa had attempted to sideline Spencer and De Koker.

Instead, it had attempted to implement managerial control over Heaven Sent Gold South Africa to address its dire financial situation, he claimed.

The manner in which Heaven Sent implemented the management changes came as a "complete shock" to the employees, according to another source close to the company who met with Miningmx.

Many VMR managers left the company after O'Brien's departure, including those that Dong forced out, said another source.

Only five of the twenty VMR managers working at the company at the end of 2019 had survived the purge, the second source said.

Heaven Sent acquired VMR in June 2015 for R637m and delisted the company from the Johannesburg Stock Exchange. Then in 2018, the company bought the Kopanang mine and the West Gold processing plant from AngloGold Ashanti for R100m.

Spencer took his allegations of wasteful and irregular expenditure by Dong, Jansen van Vuuren and Pieterse to Michael Zhang, a director of Heaven Sent Gold South Africa, who lives in China.

Spencer said in his affidavit that Zhang had expressed concern about various aspects of financial and operational mismanagement and requested these allegations be committed to paper.

FRAUD, THEFT, TAX EVASION

In a letter to Zhang, Spencer alleged that there had been incidences of "serious mismanagement" at Heaven Sent.

The protected disclosure documents detail events that allegedly "may constitute illegal, irrational or unethical behaviour by the leadership and management of the company".

"There was severe wrongdoing, fraud, theft, tax evasion at our company. The shareholder has taken no action to date. There are potential criminal charges here," a source alleged.

Spencer and De Koker applied to the Labour Court in Johannesburg on October 1 for an urgent interdict against their employer from holding internal disciplinary hearings against them. The lawyers for Spencer and De Koker and the lawyers for the company appeared before acting Judge Sean Snyman on October 6.

Prior to the court hearing, the parties agreed that they transfer the disciplinary hearings to the Commission for Conciliation, Mediation and Arbitration in Klerksdorp where a commissioner would hear a pre-dismissal inquiry.

During a brief court hearing, Snyman sanctioned the draft court order to which the parties had agreed.

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