



IN THE GRAND COURT OF THE CAYMAN ISLANDS

FINANCIAL SERVICES DIVISION

CAUSE NO. FSD OF 2025 (MRH CJ)

IN THE MATTER OF THE COMPANIES ACT (2025 REVISION)

AND IN THE MATTER OF ARSAGO CAYMAN GP LTD (IN VOLUNTARY LIQUIDATION)

PETITION FOR COURT SUPERVISION

TO THE GRAND COURT OF THE CAYMAN ISLANDS

The humble petition of IMS Liquidations Ltd and Mr Carlos Bourgy (the “**Joint Voluntary Liquidators**”) in their capacity as joint voluntary liquidators of Arsago Cayman GP Ltd (In Voluntary Liquidation) (“**GP Ltd**” or the “**Company**”) shows that:

The Company

1. The Company is an exempted limited liability company that was incorporated in the Cayman Islands on 23 September 2003 (registration number 129182). Its registered office is at Conyers Trust Company (Cayman) Limited P.O. Box 2681 Cricket Square, Hutchins Drive, George Town Grand Cayman, Cayman Islands.

2. The sole shareholder of GP Ltd is Arsago Capital Partners AG (“**ACP**”) (an entity registered pursuant to the laws of Switzerland) which holds GP Ltd.’s 250 issued ordinary shares.
3. The directors of GP Ltd at the point of commencement of its voluntary liquidation were: Mr Dan Beghegeanu and Mr Ruan Van Vuuren.
4. GP Ltd acts the general partner for Arsago Mining Capital II, LP (In Voluntary Liquidation) (the “**Partnership**”). The Partnership is a Cayman Islands exempted limited partnership which was registered on 24 October 2012. The Partnership is a vehicle which invests in the rare earth minerals project of Arsago Mining Capital Ltd. (“**AMCL**”), another group entity registered pursuant to the laws of the British Virgin Islands. The Partnership has a 28.73% interest in AMCL.
5. AMCL originally held a 10% interest in Mid LA Mining Holdings LLC (“**Mid LA**”), a Delaware entity which has since re-incorporated in the Cayman Islands, with the remaining 90% held by a US-based private equity fund (the “**Majority Investor**”).
6. Serre Verde Rare Earths Ltd. (“**SVREL**”), a subsidiary of Mid LA, is Mid LA's only remaining viable asset, following the write-off of certain other investments.
7. The Partnership was created with the specific purpose of raising further capital to be invested in AMCL to meet certain unforeseen capital expenditure that would be required to bring SVREL to exit; which was anticipated by the end of 2015.

Financial Position of the Company

8. Notwithstanding the Partnership’s investment horizon which was originally structured around a projected exit by the end of 2015, there were further delays triggered at the SVREL level. The Partnership and AMCL did not participate in further capital raises between 2015 and 2018, resulting in proportional dilution. Following unsuccessful negotiations, the Majority Investor postponed the exit date indefinitely, creating significant uncertainty for the Partnership and its stakeholders.

9. In December 2018, the Majority Investor announced a move to full operational production at SVREL, with new investors contributing nearly USD 150 million at the SVREL level. Together with the proportional dilution, and other factors, this resulted in a negative impact on projected investment returns.
10. The delays, certain regulatory changes in the Cayman Islands, and the impact of the Covid-19 pandemic significantly increased both upfront and ongoing costs for the Partnership. In October 2020, GP Ltd, on behalf of the Partnership invited limited partners to provide loans, with repayment to be made from future exit proceeds in order to maintain its activities and avoid a forced sale or liquidation.
11. Only 14 of the then 22 limited partners accepted the invitation and executed unsecured loan agreements triggering a 20% loan interest and resulting in an aggregate principal and accrued interest outstanding on the limited partner loans of just under \$1.4 million (the “**Limited Partner Loans**”). The loan agreements named GP Ltd as the “Borrower”, reflecting the Partnership’s lack of separate legal personality.
12. Notwithstanding these efforts, a significant reduction in the value of the Partnership’s principal asset occurred in June 2025, when the Majority Investor, reported an 81.5% drop in the year-end valuation of SVREL. The effect of this was to reduce AMCL’s shareholder equity valuation from just under \$8.5 million in December 2023 to just under \$1.9 million as of December 2024.
13. As at December 2024, the Partnership’s interest in AMCL is valued at approximately \$545,000, while the aggregate principal and accrued interest outstanding on the Limited Partner Loans is just under \$1.4 million. This disparity renders the Partnership insolvent and necessitates its immediate liquidation.
14. Because the loans are in the name of GP Ltd, the insolvency of the Partnership directly results in the insolvency of GP Ltd. (which currently operates solely as the general partner of the Partnership and has no other business or assets).

15. Both the Partnership and GP Ltd have negative net balances and insufficient assets to meet their liabilities. While there remains a possibility of future improvement in asset value upon an eventual IPO/exit, the present position is one of insolvency. Accordingly, the Company was placed into voluntary liquidation with a view to its liquidation being continued under the supervision of the Court.

The Voluntary Liquidation

16. On 7 October 2025, the Company was placed in voluntary liquidation by special written resolution of its sole member, ACP and the Joint Voluntary Liquidators were appointed as the joint voluntary liquidators of the Company.
17. Given the Company's insolvency, the directors were unable to file the declaration of solvency mandated by section 124 of the Companies Act (2025 Revision) (the "**Act**"), which must be submitted within 28 days of the commencement of voluntary liquidation. Consequently, the Joint Voluntary Liquidators were obliged to bring this Petition before the Court.

Grounds for Supervision Order

18. The Joint Voluntary Liquidators are of the view that the liquidation of the Company should be brought under the supervision of the Court in light of the fact that: (a) the Company is insolvent; and (b) the deadline for the directors to file the declaration of solvency has elapsed.
19. Section 124 of the Companies Act requires that, where a company is being wound up voluntarily, the liquidator must apply to the Court for an order that the liquidation continue under the supervision of the Court unless the directors have, within twenty-eight days of the commencement of the liquidation, signed and filed a declaration of solvency in the prescribed form.
20. As set out above, the Company was placed into voluntary liquidation on 7 October 2025, the deadline for the filing of the declaration of solvency expired on 5

November 2025. No declaration has been filed and based on the Company's financial position neither could one be filed.

21. The Company's directors have confirmed that no declaration of solvency will be filed in light of the Company's insolvency.
22. As a result, the JVLs are obliged to bring this petition in compliance with section 124 of the Act.
23. Furthermore, as set out above and in further detail in the Affidavit of Carlos Bourgy filed in support of this Petition:
 - (a) The Company is insolvent, with both the Company and its associated Partnership having negative net balances and insufficient assets to meet their liabilities.
 - (b) This is a result of the Partnership having to obtain loans from limited partners in order to cover operational expenses. These loans attracted a 20% interest rate.
 - (c) Certain devaluations of the Partnership's assets meant that the Partnership was no longer in a position to repay the Limited Partner Loans.
 - (d) As set out above, the balance sheet of the Company reflects this reality as the Company is the borrower under the Limited Partner Loans as the Partnership lacks separate legal personality.
 - (e) The insolvency of the Partnership has the direct effect of the Company being insolvent.
 - (f) In the circumstances, it is best that the liquidation of the Company be carried out by a licensed insolvency practitioner under the supervision of the court.

24. Carlos Bourgy is a qualified insolvency practitioner within the meaning of section 89 of the Act and consents to being appointed as the official liquidator of the Company.

THE PETITIONERS THEREFORE HUMBLY PRAY THAT:-

1. The liquidation of the Company be continued under the supervision of the Court.
2. Carlos Bourgy of IMS Liquidations Ltd, Harbour Centre, George Town, KY1-1102, Cayman Islands, be appointed as the official liquidator of the Company.
3. The official liquidator shall not be required to give security for his appointment.
4. In addition to the powers prescribed in Part II of the Third Schedule to the Companies Act (2025 Revision) which are exercisable without sanction of the Court, the official liquidator is hereby sanctioned to exercise the following powers set out in Part I of the Third Schedule of the Companies Act:
 - 4.1 to engage staff (whether or not as employees of the Company) to assist the joint official liquidators in the performance of their functions;
 - 4.2 to engage attorneys including in the Cayman Islands, on such terms as the official liquidator think fit; and
 - 4.3 to control and otherwise deal with all existing bank accounts in the name of the Company and to open new bank accounts in the name of the Company.
5. The official liquidator may exercise the powers given to them within and outside of the Cayman Islands.
6. Unless the Court otherwise directs, the official liquidator shall not be required to take steps to establish a liquidation committee.

7. The official liquidator is authorised to render and pay invoices out of the assets of the Company for their own reasonable remuneration and are also authorised to meet all reasonable disbursements in connection with the performance of their duties out of the assets of the Company as an expense of the official liquidation.
8. No suit, action or other proceeding may be proceeded with or commenced against the Company except with the leave of the Court and subject to such terms as the Court may impose.
9. No disposition of the Company's property by or with the authority of the official liquidator in carrying out their duties and functions and exercise of his powers under this Order shall be avoided by virtue of section 99 of the Companies Act.
10. The official liquidator be at liberty to apply generally.
11. The reasonable costs of the petition shall be paid out of the assets of the Company, as expenses of the official liquidation.
12. Such further or other relief be granted as the Court deems appropriate.

Dated this 7th day of November 2025

Conyers Dill & Pearman LLP

Conyers Dill & Pearman LLP

Attorneys-at-law for the Joint Voluntary Liquidators

Notice of Hearing

TAKE NOTICE THAT the hearing of this petition will take place at the Law Courts, George Town, Grand Cayman on the 8 day of December 2025 at 9:30 am/~~pm~~.

Any correspondence or communication with the Court relating to the hearing of this petition should be addressed to the Registrar of the Financial Services Division of the Grand Court at PO Box 495, Grand Cayman, KY1-1106, telephone 345 949 4296.