

12 March 2008

Assore Limited
(Incorporated in the Republic of South Africa)
(Registration number 1950/037394/06)
Share code: ASR ISIN: ZAE000017117
("Assore")

The Proposed Introduction of Additional Direct Black Share Ownership in Assore to achieve 26% Empowerment and Cautionary Announcement

1. INTRODUCTION

On 10 November 2005, Assore concluded an empowerment transaction pursuant to which 15.02% of Assore's entire issued ordinary share capital ("Assore shares") was acquired by Assore's Black Economic Empowerment ("BEE") partners, being Shanduka Resources (Proprietary) Limited ("Shanduka") and The Bokamoso Trust ("the First Empowerment Transaction").

In light of the equity ownership targets specified for the mining industry under the Broad-Based Socio-Economic Empowerment Charter for the South African Mining Industry ("the Mining Charter") to be achieved by 1 May 2014, Assore has since the latter part of last year explored the opportunity of concluding a further empowerment transaction to increase the current level of equity ownership by historically disadvantaged South Africans ("HDSAs") (as defined in the Mining Charter) from 15.02% to 26.00%.

Assore is now pleased to announce that it has entered into a transaction framework agreement in terms of which, subject to the fulfilment of the suspensive conditions set out in paragraph 0 below, additional Assore shares comprising an approximate shareholding of 10.98% will be acquired by HDSAs ("the Second Empowerment Transaction"), thus resulting in Assore meeting the 1 May 2014 equity ownership targets under the Mining Charter.

Based on the closing share price for Assore's shares on the JSE Limited ("the JSE") on Tuesday, 11 March 2008 of R610 per share, the value of the Second Empowerment Transaction is approximately R1.9 billion.

2. HIGH LEVEL TRANSACTION STRUCTURE

Shanduka currently owns 11.76% of Assore's shares which it acquired through its wholly-owned subsidiary, Main Street 343 (Proprietary) Limited ("Shanduka BEECo") and The Bokamoso Trust owns 3.26% of Assore's shares, also acquired through a wholly-owned special purpose vehicle, Main Street 350 (Proprietary) Limited ("Community BEECo").

Shanduka has agreed to purchase an additional 11.63% equity interest in Assore ("the Second Empowerment Transaction shares") from various Assore shareholders through a wholly-owned subsidiary ("Shanduka SubCo") of Shanduka BEECo.

The Second Empowerment Transaction shares comprise, in aggregate:

- an approximate 3.16% shareholding in Assore to be sold by the Sacco Family at a price of R520 per Assore share to be paid in cash;
- an approximate 7.28% shareholding in Assore to be sold by Old Mutual Life Assurance Company (South Africa) Limited ("Old Mutual") at a price of R520 per Assore share to be paid in cash and by an issue and allotment of ordinary shares in Shanduka BEECo, comprising a 30% shareholding; and
- an approximate 1.19% shareholding in Assore to be sold by Assore SubCo at a price of R240 per Assore share to be paid in cash.

In order to facilitate the Second Empowerment Transaction, Assore has, through its wholly-owned subsidiary Main Street 460 (Proprietary) Limited ("Assore SubCo"), offered to purchase Assore shares representing an approximate 0.66% shareholding in Assore (the "Community BEECo shares"), from Community BEECo at a price of R520 per Assore share.

The Community BEECo shares will be combined with an approximate 0.53% shareholding in Assore (acquired by Assore SubCo through open market repurchases at an average cost of R240 per share ("Assore treasury shares")) and the combined 1.19% shareholding in Assore will be sold by Assore SubCo to Shanduka BEECo at a price of R240 per Assore share. As a result, Community BEECo will have sufficient funds to repay all of its outstanding debt incurred as a result of the First Empowerment Transaction and The Bokamoso Trust will own an approximate 2.61% shareholding in Assore which will no longer be subject to any funding obligations.

3. RATIONALE

Assore is committed to broad-based BEE in South Africa and is of the opinion that meaningful participation at an equity level by HDSAs is a commercial and social imperative for all South African companies, particularly those in the mining sector.

The Second Empowerment Transaction addresses one element of the Mining Charter's scorecard ("the scorecard"), being the direct ownership of Assore shares by HDSAs, and underscores Assore's commitment to BEE in South Africa by broadening economic participation in the mining industry.

Assore will continue to actively address the other aspects of the scorecard with the assistance of its BEE partners on an ongoing basis.

The Second Empowerment Transaction will be facilitated by Assore, the Sacco Family and Old Mutual and will achieve the following objectives for Assore:

- increasing the shareholding in Assore by HDSAs to 26.00%;
- Community BEECo repaying all of its outstanding debt incurred as a result of the First Empowerment Transaction and resulting in the immediate availability of financial benefits to flow from The Bokamoso Trust to broad-based communities; and
- increasing Shanduka BEECo's effective shareholding in Assore to 23.39%.

Whilst the Sacco Family has disposed of Assore shares as part of the Second Empowerment Transaction, the disposal has been made entirely in the interests of facilitating the Second Empowerment Transaction. The Sacco Family will retain their controlling interest in Assore

through Oresteel Investments (Proprietary) Limited, which currently holds 52.28% of Assore, and their control will not be affected in any way as a result of the Second Empowerment Transaction.

4. FUNDING OF THE PURCHASE CONSIDERATION

The purchase consideration in respect of the Second Empowerment Transaction shares will be funded in part through an issue of preference shares by Shanduka SubCo to Assore and The Standard Bank of South Africa Limited ("Standard Bank") and an issue of ordinary shares by Shanduka BEECo to Shanduka and Old Mutual.

5. SUSPENSIVE CONDITIONS

The implementation of the Second Empowerment Transaction will be conditional on the fulfilment or waiver (where waiver is possible), by no later than 30 June 2008, of various suspensive conditions, including, inter alia:

- Standard Bank providing funding to the transaction on terms and conditions to be agreed between Standard Bank and the parties to the Second Empowerment Transaction;
- the execution of a definitive suite of agreements between all the parties to the Second Empowerment Transaction;
- the procurement of all requisite regulatory consents for the implementation of the Second Empowerment Transaction; and
- the procurement of all board and shareholder approvals and consents required for the implementation of the Second Empowerment Transaction, including but not limited to Assore shareholder approval and the registration of any special resolutions so required.

6. CAUTIONARY ANNOUNCEMENT

Assore shareholders are advised that a detailed terms announcement will be released on SENS and published in the press as soon as the definitive suite of agreements between the parties has been signed, but by no later than 30 June 2008.

The detailed terms announcement will contain information on a circular to be sent to Assore shareholders and details of a general meeting of Assore shareholders to be held to approve the various aspects of the Second Empowerment Transaction.

Assore shareholders are advised to exercise caution in dealing in their Assore shares until a further announcement has been published.

Illovo
Johannesburg
12 March 2008

Investment bank and sponsor to Assore
Standard Bank