

ASSORE LIMITED
(Incorporated in the Republic of South Africa)
Registration number: 1950/037394/06
Share code: ASR
ISIN: ZAE000146932
("Assore")

ASSORE AND AFRICAN RAINBOW MINERALS LIMITED CONCLUDE DEFINITIVE AGREEMENTS FOR ASSORE'S ACQUISITION OF A 50% INDIRECT INTEREST IN THE DWARSRIVIER CHROME MINE

1. INTRODUCTION

Shareholders of Assore ("Shareholders") are referred to the announcement released on the Stock Exchange News Service of the JSE Limited ("JSE") on 27 February 2015, in terms of which Shareholders were advised that Assore and African Rainbow Minerals Limited ("ARM")(the "Parties") had reached an in-principle agreement on Assore's acquisition of ARM's 50% indirect interest in the Dwarsrivier Chrome Mine ("Dwarsrivier") (the "Transaction") for a consideration of ZAR450,000,000 (the "Purchase Consideration").

Assore is pleased to advise that it has now concluded definitive agreements in respect of the Transaction.

Dwarsrivier is presently owned and operated by Assmang Proprietary Limited ("Assmang"), the equal joint venture between the Parties, and mines chrome ore near Lydenburg in the Mpumalanga province. The ore produced is sold both on the export market and locally. Assmang will sell Dwarsrivier to K2011105280 Proprietary Limited, a special purpose company ("Dwarsrivier SPV") in which Assore will, pursuant to the completion of the Transaction, own the entire issued share capital.

The completion of the Transaction is subject to a number of conditions precedent (as set out in paragraph 4 below), including the approval by the Minister of Mineral Resources.

The Transaction is deemed to be a Category 2 transaction in terms of the Listings Requirements of the JSE.

2. RATIONALE FOR THE TRANSACTION

Assore is of the view that the long-term fundamentals for the chrome ore market support an investment into the commodity. Having participated in the ownership of Dwarsrivier, through Assmang, Assore believes that the Transaction offers it an opportunity to make such an investment into a world-class operation, and to expand its own chrome capacity.

3. SALIENT FEATURES OF THE TRANSACTION

a. Effective date

The Parties have agreed a retrospective effective date of 1 July 2014.

b. Purchase consideration

Assore will pay the Purchase Consideration of ZAR450,000,000 in cash.

To secure this payment obligation, Assore will deposit the Purchase Consideration into an interest-bearing escrow account ultimately payable to ARM.

Assore has also agreed to refund any investments made in Dwarsrivier between 1 July 2014 and the completion of the transaction, which are supported by Assore, up to a maximum amount of ZAR800 million. In addition, any cash profits earned by Dwarsrivier between these two dates will be transferred to Dwarsrivier SPV as part of the Transaction.

c. Management of Dwarsrivier

On 22 April 2015, the Competition Tribunal of South Africa approved the implementation of the Transaction in accordance with the Competition Act, 1998. Assmang will continue to manage Dwarsrivier until the Transaction is completed and have mandated a committee comprising experienced employees of Assore and ARM in this regard.

4. CONDITIONS PRECEDENT

The implementation of the Transaction is subject to the fulfilment of the following conditions:

- a) Dwarsrivier SPV must be registered as a vendor in terms of the Value Added Tax Act;
- b) Ministerial consent shall have been obtained for the transfer of the Dwarsrivier mining right from Assmang to Dwarsrivier SPV in terms of section 11 of the Minerals and Petroleum Resources Development Act, 2002 ("Section 11 Approval"); and
- c) the approval of the boards of directors of Assmang, Assore, ARM and Dwarsrivier SPV for specific steps in relation to the Transaction that will allow the Parties to implement the Transaction after receipt of Section 11 Approval.

5. FINANCIAL INFORMATION

As at 30 June 2014, the value of the net assets attributable to Dwarsrivier was ZAR511.5 million and the attributable net profit after tax of Dwarsrivier for the year ended 30 June 2014 was ZAR68.0 million.

The financial information as set out above has not been reviewed or reported on by Assore's auditors.

6. CATEGORISATION

The Transaction is deemed a Category 2 transaction for Assore in terms of the Listings Requirements of the JSE and, as such, approval by Shareholders is not required.

Following the implementation of the Transaction, Dwarsrivier will become a subsidiary of Assore. Accordingly, its Memorandum of Incorporation will comply (and if not will be amended to comply) with paragraph 10.21 of Schedule 10 of the Listings Requirements of the JSE to the extent required.

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